



TO: Board of Contracts and Awards
FROM: Jack Kelanic, Director of Information Technology *JK*
Michelle Lewis-Hodges, IT Manager, Information Technology Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Chuck Blankenship, Finance/Purchasing
SUBJECT: Lease and Maintenance of Multifunctional, Networked Printing and Copying Devices,
State of Washington Contract No. 03706; City Contract No. 4600006750
July 29, 2014
DATE: July 14, 2014

SUMMARY:

The Information Technology Department recommends approval to increase contract 4600006750 to Xerox Corporation, Santa Ana, CA, by \$1,200,000, plus applicable tax, for the lease and maintenance of multifunctional and networked printing devices per the terms under Washington State Contract 03706. This increase will bring the contract to a cumulative total of \$4,200,000, plus applicable tax.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position.
- Foster neighborhood, community, and economic development vitality and sustainability - emphasis on sustainability.

BACKGROUND:

The multi-functional device program approved in 2010 replaced 480 printers with 136 multi-functional devices. The program resulted in an improved staff to device ratio, a reduction in consumables by moving to double-sided printing and a reduction in the monthly cost for the departments participating in the program by approximately \$10,000 per month.

ISSUE: Since 2010, additional departments have opted into the program for a total of 192 multifunctional devices. As a result, the monthly billing rate has increased and the City is approaching the current contract cap of \$3,000,000. The current contract authorization will be exhausted in two months, presenting a potential gap in service.

ALTERNATIVES: The alternative course of action would be to rebid for services ahead of the anticipated schedule of September 2015. It is estimated that the rebid process for these services will require approximately nine months.

COMPETITIVE SOLICITATION: This contract was originally awarded to Xerox Corporation, Santa Ana, CA, via the competitively bid State of Washington Contract No. 03706. Through an interlocal cooperative purchasing agreement, the City of Tacoma purchase is at State contract prices, terms and conditions which meet the competitive bidding requirements.

CONTRACT HISTORY: The original contract was approved by Resolution No. 38054 on June 22, 2010, with an anticipated expense of \$3,000,000, plus tax. This increase will bring the City expense to an estimated cumulative amount of \$4,200,000, plus tax.



SUSTAINABILITY: Quarterly sustainability statistics are provided by Xerox to the City. In the first quarter of 2014, the double sided prints were 480,123 and as compared to producing single sided prints, this equates to 8.88 tons of wood avoided, 71.78 million BTUs of energy avoided, 14,120.75 lbs of GHG emissions avoided, and 53,338.93 gallons of waste water avoided.

RECOMMENDATION:

The Information Technology Department recommends approval to increase contract 4600006750 to Xerox Corporation, Santa Ana, CA, by \$1,200,000, plus applicable tax, for the lease and maintenance of multifunctional and networked printing devices per the terms under Washington State Contract 03706. This increase will bring the contract to a cumulative total of \$4,200,000, plus applicable tax.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 5042 Graphics Services	494200	5417004	\$1,200,000
TOTAL			\$1,200,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 5042 Graphics Services	494200	4349230	\$1,200,000
TOTAL			\$1,200,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: There is no fiscal impact to the current biennial budget. Current biennial need of \$420,000 is available and appropriated within Fund 5042.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? The remaining \$780,000 expenditure is planned in the 2015-2016 biennial budget within Fund 5042, pending Council approval of the 2015-2016 Biennial Budget.