



TO: Board of Contracts and Awards
FROM: Jack Kelanic, Director, Information Technology Department *JK*
Kipling Morris, IT Manager, Information Technology Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Chuck Blankenship, Finance/Purchasing
SUBJECT: Managed Print Services
NASPO ValuePoint Managed Print Services – Washington State Contract No. 02012 –
June 21, 2016
DATE: June 7, 2016

SUMMARY:

The Information Technology Department (ITD) recommends a contract be awarded to Ricoh USA, Inc., Renton, WA, in the amount of \$3,493,624.23, plus applicable taxes, for managed print services, for an initial contract term of five years, for a projected contract amount of \$3,829,012.16.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

This contact ensures that all General Government departments have modern, efficient, multi-functional printing and scanning devices, and support services at the most competitive price.

BACKGROUND:

The General Government multi-functional device program approved in 2010 replaced 480 desktop printers with 136 multi-functional devices. The program resulted in improved efficiency in terms of staff to device ratios, 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. Since 2010, additional General Government departments have opted into the program for a current total of 194 multi-functional devices.

Through a competitive bid process under the State managed print contract, the selection advisory committee selected Ricoh as the City’s new vendor replacing Xerox. This contract is for lease, maintenance, and toner management of 217 General Government multi-functional copiers and printers, which would also include devices and services for Tacoma Fire.

ISSUE: The City’s multi-functional copier contract with Xerox has expired. Most of the Xerox multi-functional copiers and printers used by General Government (including Police and Fire) are over six years old, nearing end of service life.

ALTERNATIVES:

The alternative to selecting Ricoh for managed print services would be to continue on a month-to-month support contract with Xerox. The average price per month under the month-to-month Xerox contract is approximately \$64,831 for 194 devices. The estimated price per month under the recommended Ricoh contract for a total of 217 devices would be approximately \$58,227.07, for monthly savings of \$6,603.93, or ten percent, notwithstanding the additional devices.

The alternative of continuing the month-to-month contract with Xerox is more expensive and does not provide for upgraded and more efficient equipment.



COMPETITIVE SOLICITATION: The City issued a request for proposals to all five vendors under the NASPO ValuePoint Managed Print Services Washington State Contract No. 02012 on December 18, 2015. Four submittals were received. Selection was based on response, service level, and evaluation of product.

| <u>Respondent</u> | <u>Location (city and state)</u> | <u>Rank or Score</u> |
|-----------------------|----------------------------------|----------------------|
| Ricoh USA, Inc. | Renton, WA | 63.4 |
| HP, Inc. | San Diego, CA | 61.8 |
| Xerox Corporation | Pasadena, CA | 60.2 |
| Lexmark International | Lexington, KY | 55.8 |

CONTRACT HISTORY: New contract.

SUSTAINABILITY

Ricoh America has been an Energy Star partner for 20 years. Ricoh devices meet the current Energy Star imaging equipment specification (Version 1.2 or 2.0, depending on device) and are listed on the U.S. EPA’s biweekly Qualified Product List. Ricoh produces zero waste to landfill through their manufacturing and de-manufacturing (end of life) processes. Ricoh offers a suite of consumable products and services that make a solid environmental partnership possible. Ricoh offers its customers a recycling program for all parts/components that came from the servicing of their Ricoh product.

SBE/LEAP COMPLIANCE: Not applicable

RECOMMENDATION:

The Information Technology Department (ITD) recommends a contract be awarded to Ricoh USA, Inc., Renton, WA, in the amount of \$3,493,624.23, plus applicable taxes, for managed print services, for an initial contract term of five years, for a projected contract amount of \$3,829,012.16, effective July 1, 2016.

FISCAL IMPACT:

EXPENDITURES:

| FUND NUMBER & FUND NAME * | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|--------------------------------------|-----------------------------------|---------------------|---------------------|
| Fund 5042 Graphics Services | 494200 | 5417004 | \$3,493,624.23 |
| | | | |
| | | | |
| TOTAL | | | |

* General Fund: Include Department



REVENUES:

| FUNDING SOURCE | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|-----------------------------|-------------------------------|--------------|----------------|
| Fund 5042 Graphics Services | 494200 | 4349230 | \$3,493,624.23 |
| | | | |
| | | | |
| TOTAL | | | |

POTENTIAL POSITION IMPACT:

| POSITION TITLE | PERMANENT/ PROJECT TEMPORARY POSITION | FTE IMPACT | POSITION END DATE |
|----------------|--|------------|-------------------|
| | | | |
| | | | |
| | | | |
| TOTAL | | N/A | |

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: N/A

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes. The costs of the contract are budgeted within Fund 5042 for the current fiscal period, and will be budgeted appropriately in departments’ budgets for 2017-2018 biennium.