



Office of the City Manager

CONSENT CALENDAR
September 10, 2013

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Bob Hicks, Director, Finance

Subject: Master Agreement: Toshiba Business Solutions for the Lease of Copiers

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to enter into a Master Agreement with Toshiba Business Solutions by piggy-backing off Contra Costa County Request For Proposal (RFP) No. 1201-0038 for the lease copiers for various City departments as needed for a period covering July 1, 2013 through June 30, 2018. Expenditures are projected to cost approximately \$218,500 in FY 2014, \$207,575 in FY 2015, and \$200,100 in fiscal years FY 2016 through FY 2018 for a total not to exceed of \$1,026,375 for five (5) years, subject to the City's annual budget appropriation process.

FISCAL IMPACTS OF RECOMMENDATION

Funding Source: Various. The City currently spends approximately \$230,000 annually with Toshiba Business Solutions (TBS) for the lease of 55 copiers and pays an annual maintenance fee for 8 copiers that various departments have purchased. Contra Costa County (CCC) recently went out to bid (RFP No. 1201-003B) and entered into a Master Agreement with Toshiba Business Solutions. The Agreement expiration date is July 2018. Finance (General Services) has reviewed the contract pricing and after careful analysis has determined that the City will save \$11,500 in FY 2014, \$22,425 in FY 2015 and \$29,900 in FY 2016-FY 2018 for a total of approximately \$123,625 over the five year period once all copiers have been replaced and are under the Contra Costa County (CCC) contract pricing. This analysis assumes that the number of machines and the number of copies that are made does not significantly increase. Expenditures are projected to cost approximately \$218,500 in FY 2014, \$207,575 in FY 2015, and \$200,100 in fiscal years FY 2016 through FY 2018 for a total not to exceed of \$1,026,375 for five (5) years, subject to the city's annual budget appropriation process.

CURRENT SITUATION AND ITS EFFECTS

In May of 2006 in collaboration with the City's Information Technology (IT) Department, General Services released RFP (06-10081-C) for a Cost Per Copy (CPC) copier program. By going out to bid the City anticipated it would receive better pricing and stream line operations as there were up to four different vendors supplying copiers to the City. The City received three (3) bids of which Toshiba was deemed the lowest responsible bidder. By the authority of Resolution No. 63,590-N.S., the City entered

into an initial three year Master Agreement (Contract No. 7395) with Toshiba with options to extend for up to three (3) additional years for an estimated annual cost of \$230,000 and a projected amount not to exceed \$1,380,000 over the term of the agreement.

BACKGROUND

Prior to 2006 City Departments were using multiple vendors from which they either purchased or leased copiers. As a result there were four different copier providers doing business with the City. In May of 2006 General Services released RFP (06-10081-C) for a Citywide "Cost Per Copy" program. The intention was cost savings, standardization of equipments and a more effective management of the City's copier usage. The City received three responses to the proposal of which Toshiba was deemed to be the lowest responsible bidder. On August 1, 2007, the City entered into Contract No. 7395 with Toshiba which was authorized by Resolution No. 63,590-N.S. As stated in the RFP, the Toshiba representative worked with each department to place a copier that was in line with its needs and monthly use. IT worked closely with Toshiba in the first phases of the transition to get all models of machines on the print server, and worked out any operational issues that came up. Toshiba has complied with all the City's requests on a timely basis.

RATIONALE FOR RECOMMENDATION

Contra Costa County went out to bid in January of 2013 and entered into a Master Agreement with Toshiba that has a Public Agency Clause that allows all public agencies in the State of California permission to participate in the agreement. By piggy-backing off of Contra Costa County (CCC) pricing, the City will receive the advantage of a cost savings of between 10%-13% annually depending on the copier model.

ALTERNATIVE ACTIONS CONSIDERED

Preparing a new RFP and soliciting bids was considered, but after analyzing the new contract pricing from Contra Costa County (CCC) that comprises approximately 200 copiers to the city's 63 copiers and also the City receiving a cost savings of between 10%-13% annually, General Services came to the conclusion that it is in the best interest of the City to take advantage of the Contra Costa County (CCC) Master Agreement and is seeking Council authority to piggy back off its contract pricing.

CONTACT PERSON

Henry Oyekanmi, General Services Manager, Finance, (510) 981-7326

Attachment:
1: Resolution

RESOLUTION NO. ##,###-N.S.

MASTER AGREEMENT: TOSHIBA BUSINESS SOLUTIONS FOR THE LEASE OF
COPIERS

WHEREAS, all City Departments need copiers to conduct daily business operations;
and

WHEREAS, Contra Costa County (CCC) released Request for Proposal Bid No. 1201-003B in January of 2013 and entered into a Master Agreement with Toshiba Business Solutions in July of 2013; and

WHEREAS, the City of Berkeley can obtain better pricing by piggy backing off of the Contra Costa County (CCC) Master Agreement with Toshiba than it could by going out to bid on its own; and

WHEREAS, the City's General Service and IT Departments have streamlined operations and is satisfied with Toshiba and the service it provides; and

WHEREAS, the competitive requirement is satisfied by piggy-backing off of another Public Agency bid pursuant to Charter Section 67.2; and

WHEREAS, the City will save approximately \$123,625 over the five year period by utilizing the Contra Costa County (CCC) Master Agreement pricing;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to enter into a Master Agreement and any amendments with Toshiba to provide lease copiers to various departments for a period covering July 1, 2013 to June 30, 2018 for a total not to exceed amount of \$1,026,375 subject to the City's annual budget appropriation process.

