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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

APPROVED
BY THE CITY COUNCIL
JUL 2 1996
5730 - 26th STREET
BUILDING FOUR
SACRAMENTO, CA
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OFFICE OF THE
CITY CLERK

July 2, 1996

PS:Admin:96043:RBH:DK:bd

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: AUTHORIZATION FOR THREE-YEAR LEASE OF THREE (3) REPLACEMENT HIGH-VOLUME PHOTOCOPY MACHINES AT 1231 'I' STREET IN A TOTAL ANNUAL AMOUNT OF \$73,338.53

LOCATION AND COUNCIL DISTRICT: City-wide - All Districts.

RECOMMENDATION:

Staff recommends that the City Council authorize the suspension of formal competitive bidding and accept the results of an informal competitive solicitation for the lease of three (3) replacement high-volume photocopy machines for use at the 1231 "I" Street office building. Accordingly, staff recommends that the Council adopt the attached Resolution which suspends formal competitive bidding and authorizes the City Manager to issue the necessary purchase orders to the Xerox Corporation for lease of three high-volume photocopy machines in a total annual amount of \$73,338.53.

CONTACT PERSONS: Dennis Kerhulas, Senior Buyer, 433-6242
John Kreft, Administrative Analyst, 264-5930

FOR COUNCIL MEETING OF: July 2, 1996

SUMMARY:

On behalf of the departments of Fire, Neighborhood Services, Planning & Development, and Public Works, the Procurement Services Division recommends that the Council authorize the suspension of formal competitive bidding for three high-volume photocopy machines, and authorize the lease of the machines from Xerox Corporation, in a total annual amount of \$73,338.53.

BACKGROUND:

The subject photocopy machines will replace three aging Xerox Model 1090 copiers that have been in service at the 1231 "I" Street office building for six years. The lease term on the existing machines has expired, and the lease of the proposed replacements will provide both cost-savings and up-to-date equipment to the using departments. The total annual cost of the proposed machines, including supplies, is estimated to be approximately \$6,000.00 less than the total annual costs that would be incurred if the existing machines were retained. This is primarily due to the fact that maintenance costs increase substantially as the machines continue to age.

Due to a combination of heavy usage and age of the equipment, the existing photocopy machines at 1231 "I" Street have been experiencing down-time and need for associated repairs with increasing frequency. Because the lease term on the existing machines was expiring, the using departments in the 1231 "I" Street building formed a team to evaluate copier needs and product availability. With the assistance of staff from Procurement Services, copier specifications were developed which, in addition to copier performance characteristics, required that vendor proposals include maintenance services and all supplies except for paper. They then solicited proposals from the firms that represent copier manufacturers who supply high-volume machines. Four vendors offered proposals, with offerings representing five different manufacturers. The proposals were then evaluated by the multi-departmental team, based on the specifications they had previously developed. For two of the three machines, only the models proposed by Xerox met all specifications. For the third machine, both Kodak and Xerox offered machines that met the specifications, with the Xerox machine being the lower-cost alternative. Based on these evaluation results, the team has requested that the three photocopy machines be leased from Xerox Corporation. A copy of the evaluation team's summary, listing the vendors, machines offered, cost comparisons, and compliance with or deviations from specifications is included with this report as Attachment "A".

FINANCIAL CONSIDERATIONS:

The pricing offered by Xerox is provided through cooperative use of an existing contract between the County of Los Angeles and Xerox Corporation. It is the most favorable pricing available from Xerox Corporation for the subject equipment and maintenance. The Los Angeles contract was specifically designed to facilitate its use by other government agencies.

The total annual lease-cost for the three photocopy machines, including estimated excess copy charges, is \$73,338.53. For the three-year term, the total cost for the three machines is \$220,015.59. When compared with the cost to continue to operate the existing equipment, this represents an estimated savings of \$6,000 per year, or about \$18,000 over the three-year lease term. Each of the four using departments provides allocations in their respective budgets to cover their share of the photocopy machine lease costs.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials

which are not made for the purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

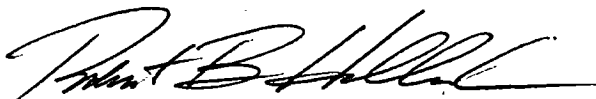
POLICY CONSIDERATIONS:

This recommendation is in accordance with the provisions of City Code Section 57.04.401(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council.

MBE/WBE EFFORTS:

One of the four vendors that offered proposals is a City-certified minority-owned business (MBE). However, none of the machines offered by that firm met all of the specifications that were provided to all vendors by the multi-departmental evaluation team. No other firms were available from the City's bid list that represent high-volume copier brands. Xerox Corporation is not an M/WBE firm.

Respectfully submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:


WILLIAM H. EDGAR
City Manager

2 Attachments

Copy Machine Bid Comparisons

Vendor	Machine	Cost	Meeting Specifications ?
Machine 1			
Taylor Made	OCE 2475	\$2,145	Only 75 copies per minute Can only handle copies to 8 1/2' x 14" Output trays only hold 1,000 Stapling capacity only to 35 pages.
Edwards	Royal 2265	\$2,184	Only 65 copies per minute Stapling capacity only 50 pages Can only handle 50 originals
	Royal 2280	\$2,460	Only 80 copies per minute Stapling capacity only 50 pages Can only handle 50 originals
Kodak	Image Source 110a	\$3,402	Can only handle copies to 8 1/2 x 14"
	20-85 AF	\$1,968	Feeder only handles 65 originals Only 85 copies per minute Can only handle copies to 8 1/2' x 14"
	2110 A	\$2,657	Can only handle copies to 8 1/2' x 14"
Xerox	6100a	\$2,252	Meets all specifications
Machine 2			
Taylor Made	OCE 2475	\$2,010	Can only handle copies to 8 1/2 X 14" Stapling capacity only to 35 copies
	Canon NP9800	\$1,146	Can only handle copies to 11X 17" Can only handle original to 11X 17" Does not have finisher Only provides for 20 to 40 copies depending on sorter selection
Edwards	Royal 2265	\$1,456	Can only handle copies to 11X 17" Can only handle original to 11X 17" Can only handle 50 originals
	Royal 2280	\$1,640	Can only handle copies to 11X 17" Can only handle original to 11X 17" Can only handle 50 originals
Kodak	95SS	\$1,239	Can only handle originals to 11X17" Document handler can only handle 60 originals Does not have finisher Only provides to 20 copy sets
	2085	\$1,919	Can only handle originals to 11 X17" Can only provide copies to 8 1/2 X 14"
	Image Source 70	\$2,471	Can only handle copies to 8 1/2 X 14"
Xerox	6385	\$1,836	Meets all specifications
Machine 3			
Taylor Made	OCE 2475	\$2,680	Stapling capacity only to 35 copies
	Canon NP 9800	\$1,280	Does not have finisher Only provides to 40 copies depending on sorter selection
Edwards	Royal 2265	\$1,456	Only 65 cpm Can only handle 50 originals
	Royal 2280	\$1,640	Can only handle 50 originals
Kodak	95SS	\$1,430	Can only copy 60 cpm Does not have finisher Only provide to 20 copy sets
	2085	\$1,926	Meets all specifications
Xerox	6680	\$1,659	Meets all specifications

RESOLUTION NO. 96

354
APPROVED
BY THE CITY COUNCIL
JUL 2 1996
OFFICE OF THE
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION SUSPENDING FORMAL COMPETITIVE BIDDING
FOR THE LEASE OF THREE HIGH-VOLUME PHOTOCOPY MACHINES**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. In the best interest of the City of Sacramento, formal competitive bidding is hereby suspended for the lease of three high-volume photocopier machines for use at the 1231 "I" Street office building.
2. The City Manager is hereby authorized to issue the necessary purchase orders to Xerox Corporation for a three-year lease of three (3) photocopier machines, in a total annual amount of \$73,338.53.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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