



# CITY OF SACRAMENTO

7-31  
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## DEPARTMENT OF GENERAL SERVICES

5730 - 24th ST. BLDG #4

SACRAMENTO, CA. 95822  
TELEPHONE (916) 449-5548

EQUIPMENT MAINTENANCE DIVISION  
FACILITY MAINTENANCE DIVISION  
RISK MANAGEMENT & INS. DIVISION  
SUPPORT SERVICES DIVISION

FRANK MUGARTEGUI  
DIRECTOR

July 25, 1984  
GS:84134:FM:RP

APPROVED  
BY THE CITY COUNCIL

JUL 31 1984

OFFICE OF THE  
CITY CLERK

AC 84017

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: LEASE/PURCHASE OF TWO (2) XEROX 9400 COPIERS

### SUMMARY

This report recommends that the City Council authorize the City Manager to enter into an agreement to purchase two (2) Xerox 9400 copiers.

### BACKGROUND

The Police Department-Records Unit and the Department of General Services-Central Services Section, combined, average 4.8 million reproduction copies per year (2.6 million - Police; 2.2 million DGS-CS). Since there are no indications that this volume will decrease, the determination must be made whether the City should continue renting subject copiers or purchase them.

The City's experience with the Xerox 9400's over a number of years is that the equipment is reliable and has the capability, as well as features, that provide adequately for the high volume production needs of the Police Department-Records Section and General Services-Central Services. The copying speed and reliability of the Xerox 9400 far exceeds that of other copiers available.

The Xerox Corporation has submitted a Xerox Equipment Equity Plan (XEEP) Proposal as an alternative to rental of the equipment. The proposal is an offer to purchase two (2) reconditioned 9400's at a cost of \$56,192 per unit, (\$86,450 less 35% discount) at a 12% fixed interest rate over a four (4) year term. Also included is a guaranteed five (5) year service contract covering machine updates and like-for-like replacements if necessary.

The benefit of this proposal to purchase the equipment is that the City would save an estimated \$149,726 over a four (4) year period as opposed to continuation of its rental program (see Exhibit I).

An estimated \$8,000 of the savings realized from the purchase of the Xerox 9400 for Central Services will be utilized to provide five (5) small copiers in City Hall to eliminate the need for activities based in City Hall going to the basement to obtain 1-5 copies when required immediately. The savings in lost staff time and disruption of Central Services in providing quick copy walk-up service should offset the annual expenditure for the additional units. The five (5) copy machines will be located in City Hall, as follows:

- 1 - Fire Department (Basement)
- 1 - Finance (First Floor)
- 1 - City Clerk/Mayor-Council (Second Floor)
- 1 - Public Works Administration (Second Floor Annex)
- 1 - Public Works Transportation & Engineering (Third Floor)
- 5 Total Units

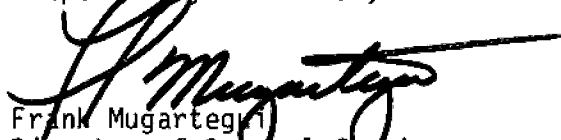
FINANCIAL DATA

The FY 1984-85 adopted Police Department and Department of General Services budgets have sufficient funding to accommodate the purchase of the two (2) Xerox 9400's and the additional five (5) copiers for City Hall.

RECOMMENDATION


It is recommended that, in the best interests of the City, the City Council approve the attached resolution, suspending formal competitive bidding for the purchase of two (2) Xerox 9400's and authorizing the City Manager to execute the necessary contract with the Xerox Corporation.

Respectfully submitted,

  
 Frank Mugartegui  
 Director of General Services

RECOMMENDATION APPROVED:

July 31, 1984  
All Districts

  
 Walter J. Slife, City Manager

CITY OF SACRAMENTO  
 POTENTIAL COST SAVINGS  
 RENTAL VS PURCHASE OPTION  
 OF TWO (2) XEROX 9400 COPIERS

<u>YEAR</u>	<u>STANDARD RENTAL</u>	<u>PROPOSED PURCHASE OPTION</u>	<u>SAVINGS OVER RENTAL</u>
<u>POLICE</u>			
1st	\$ 44,972	\$ 17,756	\$ 27,216
2nd	48,667	33,296	15,371
3rd	52,154	34,662	17,492
4th	<u>56,633</u>	<u>35,892</u>	<u>20,741</u>
Sub-Total - Police	\$202,426	\$121,606	\$ 80,820
<u>CENTRAL SVCS</u>			
1st	\$ 42,294	\$ 21,127	\$ 21,167
2nd	45,713	32,084	13,629
3rd	48,997	33,335	15,662
4th	<u>52,918</u>	<u>34,470</u>	<u>18,448</u>
Sub-Total - Central Services	\$189,922	\$121,016	\$ 68,906
TOTAL	<u>\$392,348</u>	<u>\$242,622</u>	<u>\$149,726</u>

- Assumptions:
1. 5% Annual Growth Factor
  2. 5% Annual Rental Increase
  3. 5% Annual Service Increase
  4. 48-Month XEEP Purchase Plan

**RESOLUTION NO. 84-663**

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION SUSPENDING FORMAL BIDDING  
FOR THE LEASE/PURCHASE OF TWO (2) XEROX 9400'S

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, TWO-THIRDS  
(2/3) OF ALL MEMBERS VOTING IN FAVOR THEREOF:

That pursuant to Section 57.401(c) of the Sacramento City Code, it has been determined to be in the best interests of the City to suspend formal competitive bidding for the lease/purchase of two (2) Xerox 9400's and that the City Manager is hereby authorized to execute the necessary contracts with the Xerox Corporation for the said lease/purchase at a rate of \$2,959.43 per month for forty-eight (48) months, the total purchase price being \$142,052.64, excluding service costs.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**APPROVED**  
BY THE CITY COUNCIL

JUL 31 1984

OFFICE OF THE  
CITY CLERK