



Midpeninsula Regional  
Open Space District

R-13-49  
Meeting 13-13  
June 12, 2012

## **AGENDA ITEM 6**

### **AGENDA ITEM**

Authorization to Enter Into a Three-Year Lease and Use Agreement with Sharp Business Systems for Five Printers

### **GENERAL MANAGER'S RECOMMENDATION**

Authorize the General Manager to enter into a lease and use agreement with Sharp Business Systems for Fiscal Year (FY) 2013-14 through FY2015-16 for an amount not to exceed \$80,000

### **SUMMARY**

The District's current lease and use agreement with Sharp Business Services (Sharp) for printers expires in August, 2013. Sharp was selected by the District three years ago through a rigorous competitive bid process managed by District staff. Through a Cooperative Purchasing Program, the District can also use another public agency's competitively awarded contract to procure the same services at the same costs. Contra Costa County had previously conducted a competitive bid process and, after evaluating all proposals, had independently selected Sharp as the most competitive for printer lease usage. Staff recommends using the Contra Costa County contract to enter into a new three-year lease and use agreement between the District and Sharp for five machines at a total cost not to exceed \$80,000.

### **DISCUSSION**

The District currently leases four printers from Sharp, two of which are located at the District's Administrative Office and the other two at the Skyline and Foothills field offices. The printers are four years old and have outdated technology. The lease is comprised of two components: the cost to lease the machines and the printer usage costs which are based on the number of pages printed. With the current lease expiring in August, the District has the opportunity to upgrade its printers and renegotiate the costs.

Staff recommends utilizing the cooperative purchasing capability of an existing contract between Contra Costa County and Sharp Business Systems to lease the new printers. Cooperative purchasing allows the District to use an existing competitively awarded contract with another public agency to lease the equipment directly from the vendor. This provides a cost savings to the District and greatly reduces the staff time that would otherwise be required for the District to conduct a separate bid process. In this case, Contra Costa County issued a Request for Proposal for printer lease and use services and received bids from multiple vendors. Contra Costa evaluated the bids and determined that Sharp provides quality services at the lowest cost and

awarded the contract to them. The District's General Counsel has reviewed the Contra Costa County procurement process and determined that it satisfies the District's procurement policy.

With the new lease agreement, Sharp will replace all four of the District's current printers with newer models as well as keeping a fifth machine that was recently leased to support staff located at AO2. The new machines offer better color reproduction and faster printing than the current models (12% faster for black and white and 70% faster for color). In addition, District staff recommends adding the following features to the printers: color calibration software (for six desktops) which will produce more accurate colors for maps, and fax capability which will enable staff to discontinue use and maintenance of the existing fax machines at the Administrative and Field Offices. The lease includes all printer maintenance costs with a response time of between one and four hours after a service call is placed. Printing costs will drop from \$0.0065 per page for black and white and \$0.065 for color under the current contract to \$0.0040 and \$0.045 under the new contract, respectively, which is an average savings of 32%.

The lease costs vary based on the term of the contract with options for 36 months at \$18,240 per year; 48 months at \$15,648 per year; or 60 months at \$13,440 per year. While the 60-month contract would save the District \$4,800 annually, staff recommends the 36-month contract for the following reasons:

1. Technology improves at a rapid rate and improvements in print quality and additional functionalities occur continuously. If the District locks itself into the 60-month contract, it would be stuck with the same printers for the five-year contract term and would be unable to take advantage of technology improvements that would be available in three years.
2. As printers age, they require more maintenance and repairs, which is consistent with staff's experience with the current four year old printers, and go out-of-service with increasing frequency. This is especially problematic for offices with only one printer or when a large print job occurs at the Administrative Office.
3. After the 36 month lease the District will have the option to extend the contract two times. Each extension would be for 12 months with a onetime discount of 30% at the first extension.

The proposed lease costs would be \$7,500 per year more than the current lease, however, this cost is partially offset by savings of approximately 32% on printing costs and includes the lease of a fifth printer and additional features for all printers. Based on the District's usage history, the estimated annual cost of printing would be \$7,300 under the new rates. However, staff recommends increasing that amount by 15% to account for additional printing associated with special projects such as the Vision Plan and Capital Finance Project. This would put the annual lease and usage costs at \$26,600, or approximately \$80,000 for the three-year contract.

## **BOARD COMMITTEE REVIEW**

This was not reviewed by a Board Committee as service contracts are typically brought before the full Board.

## **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act. No additional notice is required.

**CEQA COMPLIANCE**

This proposed action is not a project under the California Environmental Quality Act (CEQA) and no environmental review is required.

**FISCAL IMPACT**

For FY2013-14, the District has \$21,700 budgeted for printer lease and use. The additional \$5,000 for the new lease is due to the following items that were not included in the FY2013-14 Annual Budget: 1) the lease of the fifth printer; 2) additional features not included in the prior lease; and 3) an additional \$1,100 for printing costs associated with special projects. The \$5,000 requested cost increase will be covered by savings in fax machine supplies and use shifts from other accounts in the Administration Department budget. For FY2014-15 and FY2015-16, the costs will be incorporated into the annual District budget.

**NEXT STEPS**

Upon Board approval, the General Manager will execute the three-year contract with Sharp Business Services, after which, Sharp will remove the current printers and replace them with the new models.

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