



Legislation Details (With Text)

File #: 18-2198 **Version:** 1 **Name:**
Type: Bid & Purchase **Status:** Passed
File created: 10/9/2018 **In control:** City Council
On agenda: 10/17/2018 **Final action:** 10/17/2018
Title: City Council consideration of an Exception to Bidding for a change order to the Konica Minolta Business Solutions U.S.A., Inc. Purchase Order, for Corona Public Library and Fire Stations copier and printer refresh phase using the NASPO ValuePoint Cooperative Master Agreement.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Report, 2. Staff Report with Attachments

| Date | Ver. | Action By | Action | Result |
|------------|------|--------------|----------|--------|
| 10/17/2018 | 1 | City Council | approved | |

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 10/17/2018

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department & Library and Recreation Services Department

SUBJECT:

City Council consideration of an Exception to Bidding for a change order to the Konica Minolta Business Solutions U.S.A., Inc. Purchase Order, for Corona Public Library and Fire Stations copier and printer refresh phase using the NASPO ValuePoint Cooperative Master Agreement.

RECOMMENDED ACTION:

That the City Council:

1. Authorize the Library and Recreation Services Department to lease six Konica Multifunctional Printers (MFP's) and annual maintenance and support as an Exception to Bidding pursuant to Corona Municipal Code (CMC) Section 3.08.140(c) "Competitive Bidding Already Completed."
2. Authorize the City Manager, or his designee, to increase Purchase Order B190355 in the amount of \$22,926 through the NASPO ValuePoint Cooperative Master Agreement and approve amendments for up to an additional five years, and/or necessary change orders up to 25% provided by Corona Municipal Code Section (CMC) 3.08.070(I) pursuant to Ordinance No. 2790 and Council direction on June 20, 2018.
3. Authorize the Purchasing Agent to increase Purchase Order B190355 by \$22,926 (14.5%), to the amount of \$179,106.

4. Authorize an appropriation of \$8,200 from the General Fund's available fund balance to the Library and Recreation Services Department's operating budget for Fiscal Year 2018-19 and increase revenue estimates by the same amount.

ANALYSIS:

The Purchasing Division and the Information Technology Department coordinated a copier and printer fleet inventory and usage audit with the City's incumbent vendor, Konica Minolta. The audit resulted in identifying end-of-life equipment and a need to consolidate copier/printer equipment leading to cost saving opportunities.

In support of the City's initiative to focus on areas of operational cost savings, the City's copier and printer fleet procurement and asset management approach was reviewed and determined the need for re-assessment. The goal was to demonstrate achievable cost savings through the centralizing of copier/printer procurement processes and citywide copier/printer fleet management.

Historically, each Department was responsible for managing their own copier/printer contract, from the solicitation phase through the deployment phase. The City recognized a need to centralize this process to obtain more competitive pricing and allow effective, citywide, asset management.

Konica Minolta was awarded a multistate NASPO ValuePoint Cooperative Master agreement as a result of a mass solicitation led by the State of Nevada. Konica Minolta was awarded in the categories of Convenience Copiers, Productions Copiers, and Printers. The established Cooperative Master agreement allows for NASPO participating agencies, such as the City of Corona, to continue to leverage the negotiated pricing and service offering.

In addition to the competitively bid, NASPO ValuePoint agreement, the City has issued a Maintenance and General Services Agreement (MGSA) to capture the service levels uniquely required by the City. The City and Konica Minolta will hold Quarterly reviews to monitor copier/printer usage and identify over/under utilization. The reviews will yield the greatest cost savings while maintaining up-to-date equipment to meet departmental needs.

As a result of negotiations, Konica Minolta will pay the remaining portion of the Canon lease agreement ending December 2018.

Library

This refresh will be made possible in part to Konica Minolta paying for the remaining lease payments of the current Canon units.

The units will aid the Public Library in promoting self-sufficiency with their printer/copier needs. This setup will require less hardware and less staff time in assisting patrons with the equipment. Patrons will be able to use a mobile print feature that they have never had access to before. The new equipment that will also streamline administrative process by increasing the paper tray capacity on the copiers. Additionally, paper will be used more efficiently with the new badge swipe printing process which prints only once a badge is swiped.

The introduction of an upgraded patron card payment system will the option of charging the appropriate fee for different functions and paper sizes, including the scanning feature.

The tables below show the Library's current and proposed units and associated pre-tax expenses.

CURRENT LIBRARY UNITS

| <u>Current Model</u> | <u>Monthly Lease Amount</u> | <u>Monthly Maintenance Expense</u> |
|-----------------------------|-----------------------------|------------------------------------|
| Canon IRC3325i | Owned | \$139.04 |
| Canon IRC5250 | \$1,023.33 | \$425.50 |
| Canon IRC5250 | Included | \$25.64 |
| Canon IRC5250 | Included | \$135.67 |
| Canon IRC5250 | Included | \$18.85 |
| Canon IRC5250 | Included | \$58.91 |
| Monthly Total | \$1,023.33 | \$803.61 |
| Annual Total | \$12,280.00 | \$9,643.11 |
| TOTAL ANNUAL EXPENSE | | \$21,923.11 |

PROPOSED LIBRARY UNITS

| <u>Proposed Models</u> | <u>Proposed Monthly Lease Amount</u> | <u>Proposed Maintenance Expense</u> |
|-----------------------------|--------------------------------------|-------------------------------------|
| Bizhub C308 | \$1,100.00 | \$49.68 |
| Bizhub C659 | Included | \$425.50 |
| Bizhub C558 | Included | \$25.64 |
| Bizhub C558 | Included | \$135.67 |
| Bizhub C558 | Included | \$18.85 |
| Bizhub C558 | Included | \$58.91 |
| Monthly Maint | \$1,100.00 | \$714.21 |
| Annual Total | \$13,200.00 | \$8,571.01 |
| TOTAL ANNUAL EXPENSE | | \$21,771.01 |

Fire Stations

The requested change order is taking into consideration the ongoing assessment of the Fire Department and Fire Stations located throughout the City. This assessment will allow the City to achieve potential cost-savings within the Fire Department.

COMMITTEE ACTION:

Not applicable

STRATEGIC PLAN:

Not applicable

FISCAL IMPACT:

Sufficient funding is included in the Library and Recreation Services Department’s operating budget to cover the lease of the current and new MFPs through the end of Fiscal Year 2018-19. However, due to an early contract termination with Canon, the remaining balance on the contract, an estimated \$8,200, will be due. These costs will be reimbursed to the City by Konica Minolta.

| GENERAL FUND | |
|---|---------------------|
| Budget Workshop May 23, 2018 - Est. Revenue Over Expenditures | \$6,626,911 |
| Previously approved budget adjustments (net) - Note 1 | (6,038,909) |
| Revised Estimated Revenue Over Expenditures - Note 1 | \$588,002 |
| Canon Lease Termination Appropriation | (8,200) |
| Konica Reimbursement | 8,200 |
| Revised Estimated Revenue Over Expenditures - Note 1 | \$588,002 |
| | |
| Estimated Budget Balancing Measures Reserve 06/30/18 | \$20,645,252 |
| Estimated FY 2018-19 Change in Budget Balancing Measures | 588,002 |
| Estimated Budget Balancing Measures Reserve 6/30/19 | \$21,233,254 |

Note 1 - includes additional General Fund items on the Oct. 17, 2018 agenda.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act

PLANNING AND HOUSING COMMISSION ACTION:

Not applicable

PREPARED BY: ADMINISTRATIVE SERVICES AND LIBRARY AND RECREATION SERVICES DEPARTMENT

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

REVIEWED BY: DAVID MONTGOMERY-SCOTT, LIBRARY AND RECREATION SERVICES DIRECTOR

REVIEWED BY: KYLE EDGEWORTH, DEPUTY CHIEF INFORMATION OFFICER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

Attachment:

NASPO Agreement

Maintenance and General Services Agreement (MGSA)

Amendment No.1