



City of Maricopa

Legislation Text

File #: PUR 12-028, **Version:** 1

The Mayor and City Council shall discuss and possibly take action on approving a purchase from Pacific Office Automation for sixteen (16) multifunction copiers/printers and applicable service maintenance, pursuant to Section 3-223, "Cooperative Purchasing" of the City Code, in an amount not to exceed \$114,042. Staff is requesting Council consider a transfer from General Fund, Non-Departmental, Contingency (10010000-99000) to General Fund, I.T., Computer Equipment/Software (10011553-67744) to cover the cost of the purchase. Discussion and Action.

Currently, the City maintains sixteen (16) multifunction copiers/printers throughout the City which includes City Hall, the Police Department, all Fire Department facilities and Public Works. Multifunction printing is the most cost effective method of printing and also provides copy, scan and fax capabilities, thus minimizing the need for single function units.

The typical useful life of these units is estimated to be five years; however, all the units currently utilized by the City are at least five to seven years old. Initially, the intent was to utilize the current units through December 2013 which coincides with the relocation to the new City Hall complex. However, due to the age of the units, the cost of maintenance, and the fact that units have been experiencing significant down-time for service, staff is recommending proceeding with this purchase. Additionally, three units are currently non-functional and the estimated costs of repairs are approaching the cost of new units.

Based on the need to address these issues, the following objectives were identified for evaluating the most advantageous copy/print solution.

- Provide staff with functioning machines.
- Standardize the make and operation of the units.
- Determine the appropriate units based on the needs of each location before and after relocation to the new City Hall complex.
- Evaluate the advantages of leasing versus buying the units.
- Provide units that print, copy, scan and fax documents.
- Provide units with the ability to minimize color printing but still provides that capability if needed

Staff recommends purchasing fifteen (15) Konica Minolta units and one (1) Hewlett Packard plotter through Pacific Office Automation. The initial direction was to evaluate competitive quotes from cooperative contracts for leasing. However, Pacific Office Automation offered the best value on a cooperative contract based on the cost of the units, the cost of service warranty and the credit provided for trade-in of the old units. Staff determined, based on the needs of the users, purchasing the following units would be the best option.

- 6 large multi-function units capable of color print
- 4 small multi-function units capable of color print
- 5 small multi-function units with black & white print
- 1 plotter

For FY11-12, the cost of maintenance totaled \$48,700 (maintenance of the units, toner and parts). Under the proposed agreement, the cost of maintenance is based on the number of printed pages or "clicks." Assuming the number of color and black & white clicks remains the same as FY11-12, the annual maintenance costs are estimated to be \$34,200/year. By defaulting the units to black and white and actively managing color printing, we feel the number of color clicks can be reduced by 50%. This would result in annual maintenance costs of \$21,300, a reduction of \$27,400 from the FY11-12 total. Additionally, this does not include cost savings by

defaulting the units to duplex (front and back sided printing).

This request is based on Section 3-223 "Cooperative Purchasing" of the City Code. Staff seeks to utilize the King County Director's Association (King County Washington) contract #AEPA 009-D for the purchase of the units through Pacific Office Automation, an Arizona supplier. The purchase price for the units totals \$123,879 less a \$9,837 trade-in amount for thirteen (13) units for a total purchase price of \$114,042.

Finally, staff evaluated a leasing the units versus purchasing the units. Based on a five-year lease, staff feels purchasing the units is a better option a) to save \$20,316 in interest payments and b) annual lease payments of \$28,839 do not have to be budgeted in the General Fund over the next five years.

Staff recommends approving the purchase from Pacific Office Automation for sixteen (16) multifunction copiers/printers and applicable service maintenance and approving the contingency transfer.