Council Agenda # _____
Meeting of September 28, 2010

Staff Report

RESOLUTION AUTHORIZING ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT NOT TO EXCEED $23,000 TO KONICA MINOLTA FOR ACQUISITION OF MULTI-FUNCTION PRINTING EQUIPMENT

Honorable Mayor and Council Members:

Summary

City Departments have reached the end of their 60-month contracts with the vendor for the current copier fleet, and staff has conducted the process to select proposals for new copier equipment. Printing equipment technology has progressed significantly since the City leased its current equipment over 5 years ago. Staff is proposing a shift to multi-function printing (MFP) equipment to replace most of the old printer, scanner, fax and copier fleet. Approval of the attached resolution will authorize issuance of a purchase order in the amount not to exceed $23,000 to Konica Minolta for acquisition of MFP equipment.

Background

In December 2003, the City entered into a 60-month agreement with MBA of California/Toshiba for the lease of new copier equipment that had reached the end of their respective contracts, including the main copier for citywide use, and copiers for the Finance Department, Public Works and the Corporation Yard. Other departments' copier equipment (City Manager's Office, City Clerk's Office, and Police Department) were on various contract schedules and entered into contract with MBA/Toshiba shortly thereafter. The Parks & Recreation Department opted to purchase their copier through MBA/Toshiba, in lieu of leasing it. At this time, all leased copier equipment, with the exception of the Police Department, has reached the end of contract and is currently on a month-to-month payment schedule. The Police Department's lease on 3 copiers is due to expire in 2011.

In 2008, staff issued a Request for Proposals (RFP) for new copier equipment. Seven vendors, including the City's current vendor, responded to the RFP. Nearly all vendors introduced the newest technology in copier equipment, which is referred to as multi-function printers (MFP). This equipment is essentially an all-in-one machine that functions as a copier, printer, scanner and fax machine with both color and black & white options for each function.

The vendor proposals were evaluated by the Administrative Assistants (main users of the copier and printing equipment). After reviewing the proposals and completing several site visits, the

Administrative Assistants selected Konica Minolta as the preferred vendor.

Discussion

The acquisition of this equipment would mean a shift in the City's office printing culture. Staff, including the I.S. Director, City Manager, and Finance Director, has met to discuss the implications of this culture shift. The item has also been presented to the Senior Management Team for discussion. The new MFP's would take the place of most pieces in the current printing equipment fleet (printers, fax machines, scanners, etc.) that would be removed as they retire. A list of current equipment that has been recommended for removal through attrition or retirement is attached as Exhibit B. There are, however, certain printers and scanners that will stay on the equipment inventory, since the MFP's do not include specialized functions that other pieces of current equipment offer (e.g., plotter in the Public Works department, check printer in the Finance Department, etc.). Each MFP would be networked, so that when a given department's unit is being utilized to capacity, users can redirect their 'print jobs' to another available MFP.

Staff also believes that this shift to the new MFP environment would support the City's green efforts. The MFP machines are better designed to use recycled paper without jamming, which has been an issue with the current City copier fleet. Furthermore, the new MFP's can, by default, be set to duplex printing, thus reducing the City's overall paper usage. Lastly, these machines have the capability of high quality color scanning and can also function as fax machines from the user's desktop, so it is expected that more documents will be sent electronically.

Purchase vs. Lease

In general, City employees tend to extend the useful life of print equipment when it is purchased. Therefore, staff is recommending acquisition of the MFP's, in lieu of leasing them. A separate maintenance agreement has been submitted by the vendor, and includes copy volume allowances for both color and black and white copies. These volume allowances are based on analysis performed by staff of citywide paper purchases for all current printing equipment. While staff believes this to be an accurate estimate of the City's copy and print usage, Konica Minolta has extended an offer to review and alter these estimates quarterly to ensure that the City's copy allowance accurately reflects usage.

Staff believes that this acquisition will be a significant cost savings to the City. A cost comparison between the proposed MFP environment and the current environment of leased copiers and acquired printers, scanners and fax machines, is attached as Exhibit C. This comparison assumes eventual citywide acquisition of the MFP equipment.

Pilot Project

At this time, staff proposes purchase of new MFP's for the Finance Department and City Manager/Human Resources Department only. This "pilot project" will provide a trial opportunity during which time staff will determine whether the MFP equipment and the general printing culture shift is a good fit for the City. Konica Minolta has also offered to replace the

large capacity citywide copier with a newer refurbished, but comparable machine, as part of the pilot project. Once this environment has been established and is working satisfactorily between the Finance Department and City Manager's Office/Human Resources Department, staff proposes that MFP's be purchased for the remainder of the departments. Staff anticipates returning to Council for approval of the purchase of citywide MFP's within 60-90 days.

Fiscal Impact

Funds have been budgeted for this project, in the FY11 Budget – Account #573-1-301-9040 (Fleet and Equipment Management Fund, Machinery and Equipment Account). This Fund receives revenues monthly through an administrative fee charged to city-wide departments for their use of printing equipment, including the maintenance and support of the technology systems.

Public Contact

Posting of City Council agenda.

Recommendation

It is recommended that the City Council approve the attached resolution authorizing issuance of a purchase order in the amount not to exceed $23,000 to Konica Minolta for acquisition of 2 multi-function printers as part of the pilot project.

Alternatives

1. Direct staff to lease equipment.
2. With direction, seek an alternative vendor.
3. Continue with current vendor on a month-to-month basis.
4. Take no action.

Attachments

A. Implementing Resolution
B. List of Current Equipment – Remain/Removed
C. Multi Function Printer Implementation Project Cost Analysis – Current vs. Proposed Scenario

Respectfully submitted,

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RESOLUTION NO. ____________

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AUTHORIZING ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT NOT TO EXCEED $23,000 TO KONICA MINOLTA FOR ACQUISITION OF MULTI-FUNCTION PRINTING EQUIPMENT

WHEREAS, the City of Belmont has reached the end of 60-month contracts with its current copier vendor; and,

WHEREAS, staff has conducted the process to select proposals for new copier equipment that serves as multi-function printers; and,

WHEREAS, staff has selected Konica Minolta as the preferred vendor; and,

WHEREAS, staff recommends purchase of multi-function printers and a gradual removal of selected printing equipment with attrition as indicated in Exhibit B; and,

WHEREAS, staff recommends issuing a purchase order in the amount not to exceed $23,000 to Konica Minolta for acquisition of 2 multi-function printers for the pilot project; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont authorizes the issuance of a purchase order in the amount not to exceed $23,000 for acquisition of multi-function printing equipment.

* *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on September 28, 2010 by the following vote:

AYES, COUNCILMEMBERS: ____

NOES, COUNCILMEMBERS: ____

ABSTAIN, COUNCILMEMBERS: ____

ABSENT, COUNCILMEMBERS: ____

____

CLERK of the City of Belmont

APPROVED:

____

MAYOR of the City of Belmont

City of Belmont
Current List of Equipment - Remove/Remain

				Will Go Away	Will stay	New MFP
4110	City Clerk					
		MFP				1
		Fax	Brother IntelliFax 4100e	1		
		Ricoh Scanner			1	
		Printer-192.168.1.35	HPLJ5	1		
4120	City Manager					
		MFP				1
		Scanner		1		
		Fax	Brother IntelliFax 4750e		1	
		Printer-192.168.1.31 - Joni	HPLJ5	1		
		Printer-Color-192.168.1.77	HP Color 3550	1		
		Printer-Toshiba_CM-192.168.1.23	Toshiba	inventory (LEASED)		
		Printer-CM-local	Lexmark E350d	1		
		Printer-ACM-local	Lexmark T430-S/N	1		
	Community Dev					
		MFP				1
		HP Color Printer(2840)-Kirk-	HP color LaserJet 2840	1		
		Printer-Colleen-192.168.1.32	HP LJ4+	1		
	Permit Center					
		MFP				1
		Fax	Brother IntelliFax4100e	1		
		Printer (Local) Mark Nolfi	HP LaserJet P3550N	1		
		Printer-192.168.1.33	HP4+	1		
4140	Finance					
		MFP				1
		Fax Machine-Brother Intellifax	Brother IntelliFax 4750E	1		
		Epson GT-2500 Scanner		1		
		Printer - Rohini-192.168.1.25	HP4+	1		
		Printer - check printer	HP8100		1	
		Printer - Priscilla	HP LJ5N	1		
		Printer - 192.168.1.30	HP LJ5si	1		
		Printer - Lexmark C534 (Clr)	Lexmark C534dn	1		
4141	Human Resources					Shared/CM
		Printer - Cora- ML-2851ND		1		
		Printer-Laura-HP4100-	HP4100	1		
4500	Parks/Recreation					
		MFP(ADM, Sprts Cmplx)				2
		Printer-Local to Senior Center 1			1	
		Printer-Local to Senior Center 2			1	
		Printer - Network 192.168.1.38	Konica Minolta Magicolor	1		
		Printer-P&R ofc-192.168.1.34	HP LJ 5	1		
		Printer-Local-Mary-HP OfficeJet	HP OfficeJet 7300	1		
		Printer- Annie-HPDJ 6540	HPDeskjet6540		1	
		Printer SportsComplex - Common	HP 720C	1		
		Printer SportsComplex - Pat/John	Deskjet 6122		1	
		Printer-Daycare-local	HP Deskjet 6140		1	
		Printer - Cheri	Cannon Pixma IP4000		1	
		Fax Machine - Daycare			1	
		Printer-Daniel's Office	HP Color LaserJet 3600n	1		
		Printer-local-Teen Center	HP 720C		1	
		Fax/Printer-Parks/Rec		1		
	Police					
				Will Go Away	Will stay	New MFP

	MFP(ADM,DET,Records,DISP)				4
	Printer-Kathy DeConcini Color	HP Colorlaser 2600n	1		
	Printer-Patrol-172.31.24.8 S/N	HPLJ4	1		
	Printer-Detectives-172.31.24.12	HP 2420 DN	1		
	Printer-Detectives-Color-	HP Business InkJet 1200N	1		
	Printer-Dispatch-172.31.24.10 S/N	HPLJ4000TN	1		
	Printer-Records - 172.31.24.11S/N	HPLJ4000TN	1		
	Printer-PD Admin - 172.31.24.13	HPLJ4000TN	1		
	Printer-PD Property Room	Brother LaserJet HL-2040	1		
	Printer-Sgt Ofc - S/N 7311015263 17	KM5430DL	1		
	Scanner-Harvey	Fujitsu-FI-4010CU	1		
	Scanner-Judy	Fujitsu-FI-4010CU	1		
	Scanner-Harvey (Property Room)	Fujitsu-FI-4010CU	1		
	Scanner-HPScanjet7450C-Voluntee	HPScanjet7450C	1		
	FAX - Admin		1		
	FAX - Records		1		
Public Works					
	MFP (ADM,CorpYard)				2
	Printer - Corpyard-192.168.2.220	HPLJ5	1		
	Plotter - DesignJet	HPC6074B		1	
	Printer-Color-Bozhena-	HPDJ1220C	1		
	Printer-Dell Color 3110cn Diane		1		
	Printer-Sign Shop-192.168.2.96			1	
	Printer	HPLJ4100N	1		
	Printer-Hallway-192.168.1.22	HP Inkjet 2800dtn	1		
	Printer-ColorRico/Auto Shop		1		
	Fax machine-Brother Intellifax	Brother Intellifax 4100e		1	
Information Svcs					
	MFP				1
	Ricoh Scanner IS450DE		1		
	Epson Expression 10000XL-GA		1		
	HP 7450 Scanner		1		
	Printer-HP 2800DT	HP2800	1		
	Plotter-HP DesignJet 1050C Plus	HP Designjet 1050C		1	
	Printer-192.168.1.166	HP4100	1		
	Brother Copier/Scanner/Printer	DCP-9040CN	1		
EOC					
	FAX-Management			1	
	FAX-Operations			1	
	FAX-Finance			1	
	Toshiba Copier (Detective PD)			1	
TOTAL			**53**	**19**	**14**

City of Belmont

Multi Function Printer Implementation Project

Citywide Analysis

MFP Environment Scenario

	Unit Price	Units	Useful Life	Total Price	Annual Depreciation
bizhub C452 (45PPM)	$ 10,449	11	5	$ 114,939	$ 22,988
bizhub C280 (28PPM)	$ 7,987	3	5	$ 23,961	$ 4,792
Remaining equipments					$ 6,513
Subtotal				**$ 138,900**	**$ 34,293**
Annual Volumetric Charge (color image $0.0600 + b&w image $0.0054)					**$ 6,031**
Annual Paper Charges (@ 25% duplex)					**$ 5,584**
Subtotal Proposed					**$ 45,908**

Current Environment Scenario

	Operating Cost	Annual Depreciation
12 Fax, 10 Scanner, & 48 Printer		$ 18,784
Annual Lease Expense (Copiers + Volumetric Charges)	$ 21,889	
Annual Extended Maintenance Warranty	$ 1,800	
Annual Paper Charges	$ 7,445	
Annual Misc. Supplies (toner, ink, etc.)	$ 14,895	
Subtotal	**$ 46,029**	**$ 18,784**
Subtotal Current Environment		**$ 64,813**
Annual Savings		**$ 18,906**

Notes: 11 units are purchased for Permit Center, PD Records, PD Admin, Detectives, PW, P&R Admin, City Clerk, I.S., Com Dev, CM/HR, Finance

3 units are purchased for Sports Complex, Corp Yard, & Dispatch

Pilot Project Analysis

MFP Environment Scenario

	Unit Price	Units	Useful Life	Total Price	Annual
bizhub C452 (45PPM)	$ 10,449	2	5	$ 20,898	$ 4,180
Maintenance Costs	$0.0054			$ 32	$ 390
Annual Paper Charges (Assuming 25% duplex printing)					$ 798
1 Printer (Check Printer)					$ 2,333
Subtotal				**$ 20,930**	**$ 7,700**

Current Environment Scenario

	Operating Cost	Annual Depreciation
2 Fax, 2 Scanners, & 8 Printers		$ 16,254
Annual Lease Expense (Copiers + Volumetric Charges)	$ 4,943	
Annual Paper Charges	$ 1,064	
Annual Misc. Supplies (toner, ink, etc.)	$ 4,500	
Subtotal	**$ 10,506**	**$ 16,254**
Subtotal Current Environment		**$ 26,760**
Annual Savings		**$ 19,060**

Source: IS Inventory List for depreciation

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I:\Admin Assistant\Main Copier\[proposed vs current 081710.xls]scenario