



APPROVED
BY THE CITY COUNCIL

JUN 1 1999

OFFICE OF THE
CITY CLERK

1.8

DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

PH 916-433-6240
FAX 916-399-0263

June 1, 1999

PS:Admin:99035:RBH:CS:bd

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: EXTENSION OF CONTRACT FOR LEASE OF THREE (3) HIGH-VOLUME
PHOTOCOPY MACHINES**

LOCATION AND COUNCIL DISTRICT: City-wide; All districts

RECOMMENDATION:

Staff recommends that the City Council authorize a one (1) year extension of the lease agreement with Xerox Corporation for three (3) high-volume photocopier machines located at 1231 I Street, through July 1, 2000.

CONTACT PERSONS: John Krefl, Administrative Analyst, 264-5930
Chris Slay, Buyer II, 433-6344

FOR COUNCIL MEETING OF: June 1, 1999

SUMMARY:

Staff recommends that the City Council authorize a one-year extension of the lease agreement with Xerox Corporation for three (3) high-volume photocopier machines located at 1231 I Street. The current contract with Xerox Corporation is due to expire July 1, 1999. Xerox has agreed to a one-year extension of the lease and maintenance of the three (3) machines, with the current pricing, terms and conditions to remain unchanged during the contract extension period.

BACKGROUND:

In July 1996, the City Council approved a three-year lease with Xerox Corporation for three high-volume photocopier machines, for use by City departments located at 1231 I Street, at an annualized cost of \$73,383.53. The machines are shared by the Fire, Public Works, and Neighborhoods, Planning and Development Services Departments. While these machines do not represent the most current photocopier machine technology, the need for staff to focus on Y2K remediation efforts has precluded them from having

sufficient time to evaluate the best alternative "new" technology solution for the subject departments' copying needs. As a result, staff recommends the extension of the existing contract for a one-year period, instead of locking the City into a long-term solution that may not be in the best interest of the City. During the coming year, staff will evaluate appropriate solutions for the affected departments' photocopying needs, and will make a recommendation for replacement of the subject machines. Although the subject photocopy machines are not the latest technology, Xerox Corporation has provided the City with assurance that each of the machines is Y2K compliant, and thus can be relied upon to operate properly during the entire period of the one-year lease extension, including the transition into the year 2000.

FINANCIAL CONSIDERATIONS:

Funding for these leases has been included in the Proposed Budget within the affected departments' budgets. The extension of the lease at existing rates will require no additional budget action by the City Council.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061 (b)(1), 15378 (b)(3).

POLICY CONSIDERATIONS:

This recommendation is in accordance with the provisions of Title 57 of the Sacramento City Code.

ESBD CONSIDERATIONS:

Xerox Corporation is not an EBE/SBE firm. Participation of emerging and small business enterprise firms will be considered in the evaluation of appropriate solutions for the affected departments' photocopying needs.

Respectfully Submitted,


Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager