

APPROVED
BY THE CITY COUNCIL

JUN 29 1999

OFFICE OF THE
CITY CLERK



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DEPARTMENT OF
ADMINISTRATIVE SERVICES

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June 16, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Lease-Purchase of High-Speed Laser Printer and Related
Maintenance Services

LOCATION AND COUNCIL DISTRICT: Citywide, all Districts

RECOMMENDATION:

This report recommends that the City Council:

- Adopt the attached Resolution, which suspends formal competitive bidding for the lease-purchase of a Xerox High-Speed Laser Printer Model 4850.
- Authorize the City Manager to execute the necessary lease-purchase documents with Xerox Corporation for a total four-year amount of \$154,200 for the equipment, and \$45,000 per contract year for maintenance services.
- Authorize the City Manager to continue maintenance services for an existing Xerox High Speed Laser Printer Model 4050 in an amount not to exceed \$30,000 annually for the next four years.

CONTACT PERSON: Bob Badgley, Computer Services Manager, 264-5766
Sally W. Nagy, Chief Information Officer, 264-8600

FOR COUNCIL MEETING OF: June 29, 1999

SUMMARY:

The Technology Division of Administrative Services provides mainframe computer processing and printing services for all City departments. Currently one nine-year-old Xerox high-speed laser printer model 4050 is used for all mainframe computer printing.

At this time there is no alternate or backup printer available should the Xerox 4050 fail. As the average life expectancy of this family of printers is four to five years, the City is at risk by relying solely on a nine-year old printer. This report recommends that a new Xerox 4850 printer be acquired to serve as the primary printer, keeping the older Xerox 4050 printer as a backup. In order to minimize the risk of printer failure at a critical time, the Technology Division plans to evolve to a schedule of replacing these printers every eight years. During the first four years each printer would serve as the primary printer and as the backup printer for the next four. This request begins that process.

BACKGROUND:

- In 1990, Computer Services migrated from mainframe computer line printing to high-speed laser printing to fulfill the needs of City departments. This change allowed Computer Services to make productivity improvements and at the same time eliminate the need for most pre-printed computer forms. The Xerox 4050 is now nine years old. The average life expectancy of this equipment is four to five years.
- While the Xerox 4050 has been reliable over the last eight years, it has required increasingly more maintenance and service calls (multiple calls some evenings). The new Xerox 4850 (the current version of the 4050), will be used as the primary printer for the next four years, while the older Xerox 4050 will serve as a backup printer to be used in case of failure of the 4850. It will also be used for print testing and new form design. If the existing printer cannot (at a reasonable servicing cost) last another 4 years (at which time it will be thirteen years old), we will revise the timetable for its replacement.

- All of the City's mainframe computer-generated forms have been specially programmed for the Xerox 4050. This programming (and the resultant forms) is only transferable to other comparable Xerox printers, such as the 4850. In order to not have to duplicate this programming, and to be able to use the primary/backup plan outlined above; staff recommends staying with Xerox.
- This approach will ensure uninterrupted printing of an average of 500,000 pages per month, including:
 - 101,000 Utility Bills per month
 - 30,000 Paychecks and Time Sheets per month
- The total four-year equipment cost for the new printer, including taxes and finance charges, will be \$154,200. Maintenance costs vary with print volume and are estimated at no more than \$45,000 annually.
- This report also recommends that the current Xerox 4050 printer maintenance costs be authorized under this resolution in an amount not greater than \$30,000 per year for the next four years.

FINANCIAL CONSIDERATIONS:

Sufficient funds for the lease payments and maintenance costs are available within the Computer Services section's operating budget. No budget augmentation is requested.

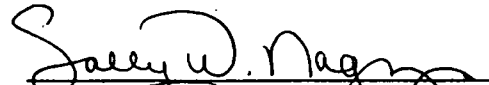
ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchase 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).


ESBD CONSIDERATIONS:

Xerox Corporation is not an ESBD business. As noted above, there are no other compatible printers that will allow us to implement the primary/backup strategy. Because this printer is available only from Xerox Corporation directly, no ESBD firms are available for this acquisition.

Respectfully Submitted,


Sally W. Nagy
Chief Information Officer

RECOMMENDATION APPROVED:


Robert P. Thomas
City Manager

APPROVED
BY THE CITY COUNCIL

JUN 29 1999

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CITY CLERK

RESOLUTION NO. 369

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION SUSPENDING FORMAL COMPETITIVE BIDDING FOR THE LEASE-PURCHASE OF A XEROX HIGH SPEED LASER PRINTER MODEL 4850 FOR COMPUTER SERVICES.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. In the best interest of the City of Sacramento, formal competitive bidding is hereby suspended for the lease-purchase of a Xerox Laser Printer Model 4850 for Computer Services; and
2. The City Manager is hereby authorized to issue the necessary lease-purchase documents to Xerox Corporation, 2485 Natomas Park Drive, Suite 250, Sacramento, for a total four year amount of \$154,200 for equipment lease-purchase costs, and for maintenance services for the Xerox 4850 printer in an amount not to exceed \$45,000 per contract year; and
3. The City Manager is hereby authorized to continue the necessary maintenance services with Xerox Corporation, 2485 Natomas Park Drive, Suite 250, Sacramento, for the Xerox 4050 printer in an amount not to exceed \$30,000 per year for the next four years

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____