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DEPARTMENT OF
FINANCE

PROCUREMENT SERVICES DIVISION

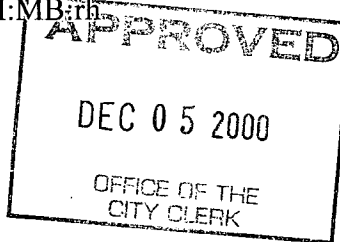
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November 22, 2000

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: PURCHASE OF TWO HIGH-VOLUME COPIERS FOR CENTRAL SERVICES

LOCATION AND COUNCIL DISTRICT: City Hall (Central Services) - All Districts

RECOMMENDATION:

This report recommends that the City Council adopt the attached Resolution which suspends formal competitive bidding for the purchase of two high-volume copiers for Central Services, and authorizes the City Manager to execute the purchase from Danka Office Imaging, 400 Capitol Mall, Suite 1970, Sacramento, in a total amount of \$249,972.45 for the equipment, software, installation and training. The Resolution also authorizes the purchase of copier maintenance services from Danka Office Imaging in an amount not to exceed \$60,000.00 per year.

CONTACT PERSON: Maria Buenaventura, Central Services Supervisor, 264-5364
Bob Holbrook, Procurement Services Manager, 433-6202

FOR COUNCIL MEETING OF: December 5, 2000

SUMMARY:

Central Services provides photocopying services for all City departments. This report recommends that two of Central Services oldest copiers be replaced with new copiers that have greater productive capacity and which represent state-of-the-art copier technology. The total cost for the two replacement copiers, including equipment, software, installation, training, and applicable sales taxes, will be \$249,972.45. The cost of copy machine maintenance for the copiers varies with machine usage and copy volume. Based on current copy volume and anticipated growth over the projected life of the copiers, the annual cost of necessary copy machine maintenance provided by Danka Office Imaging is expected not to exceed \$60,000.00 per year.

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BACKGROUND:

Central Services provides photocopying services for departments City-wide. The current inventory of Central Services copiers includes one Xerox Docutech high-volume copier (Model NP-1353), one Kodak high-volume copier (Model 110), a Kodak medium-volume copier (Model IS-70), and a Kodak color copier (Model 1550). This report recommends replacing two of the oldest of these copiers, the Kodak Model 110 (black & white copier) and the Kodak Model 1550 (color copier), with two state-of-the-art high-volume copiers. The proposed replacement machines are a Kodak Model 9110 high-speed copier and a Canon Model CLC-2400 high-volume color copier.

Recently, Central Services staff solicited informal proposals from representatives of each of the major manufacturers of high-volume copying equipment. Vendors were asked to propose their recommended mix of equipment to replace the current Kodak Model 110 black & white copier and the Kodak Model 1550 color copier. Proposals and pricing were received from Danka Office Imaging (Kodak and Canon copiers), Xerox Corporation (Xerox copiers), and IBM Corporation (IBM copiers). Of the three proposals offered, only the Danka Office Imaging proposal offered the needed equipment within the amount available in the Council-approved budget for replacement equipment for Central Services.

The Kodak Model 9110 black & white copier offered by Danka Office Imaging is a state-of-the-art digital copier that has been used briefly by Danka as a demonstrator unit and will be sold to the City with all new machine coverages, and the Canon Model CLC-2400 is a new color laser machine. Both of these copiers can be networked, and the Danka proposal includes the required servers, storage devices and software needed to accept, process, store, and reproduce documents in a digital format. At a copy speed of 110 copies per minute the Kodak Model 9110 provides the same capacity as the unit it will replace, with additional features and the advantage of being networked. At a copy speed of 24 copies per minute, the Canon Model CLC-2400 will be a significant enhancement over the four copies per minute rate of the current color copier. The capabilities of the new machines will enhance Central Services' ability to provide timely, high-quality document reproduction services for all City departments.

With the replacement copiers, Central Services will be able to provide enhanced services to City departments without raising prices for copy work. The per-copy cost of operating the new machines will be no greater than that of the machines they will replace and, depending on copy volume, may be somewhat less. This will permit Central Services to continue to provide high-quality copy services at a cost to City departments that is highly competitive with private-sector copy shops. Additionally, it will allow Central Services to take advantage of the City's ever-improving technology and networking systems by facilitating the electronic transfer and reproduction of documents.

The total cost for the two replacement copiers to be purchased from Danka Office Imaging, Inc., including all equipment, software, installation, training, and applicable sales taxes, will be \$249,972.45. As noted above, the cost of copy machine maintenance for the copiers varies with machine usage and copy volume. Based on current copy volume and anticipated growth over the projected life of the copiers, the annual cost of necessary copy machine maintenance provided by Danka Office Imaging is expected not to exceed \$60,000.00 per year. Accordingly, staff recommends that Council approve the attached Resolution which suspends formal competitive bidding and authorizes the purchase of the subject equipment and copier maintenance services from Danka Office Imaging, Inc.

FINANCIAL CONSIDERATIONS:

The total cost for the two replacement copiers to be purchased from Danka Office Imaging, including all equipment, software, installation, training, and applicable sales taxes, will be \$249,972.45. Annual copy machine maintenance costs to be provided by Danka will not exceed \$60,000.00 per year. In the current FY-01 budget, the City Council approved \$250,000 for Central Services copier replacement. Funds for copier maintenance costs are included in the annual Central Services operating budget. Sufficient funds for the copier purchase and maintenance are available in the current Central Services budget, and no budget augmentation is requested. All copier supply, operation, and maintenance costs incurred by Central Services are recovered from City departments through charge-backs for copy work performed.

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).

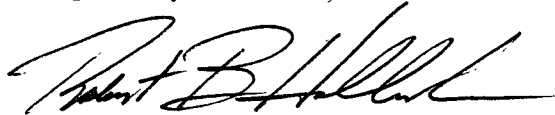
POLICY CONSIDERATIONS:

The recommendations in this report are in accordance with the provisions of City Code Section 3.56.230(C), which authorizes the suspension of formal competitive bidding upon a two-thirds vote of the City Council.

ESBE CONSIDERATIONS:

Danka Office Imaging is not an E/SBE firm. There are no known E/SBE manufacturers that currently produce high-volume copier equipment and who also maintain the required on-site technical service staff necessary for the high-production Central Services operation. Central Services makes ongoing efforts to utilize E/SBE firms when possible, and for the first quarter of this fiscal year achieved an E/SBE utilization of over 27% according utilization reports provided by the City Office of Small Business Development.

Respectfully Submitted,



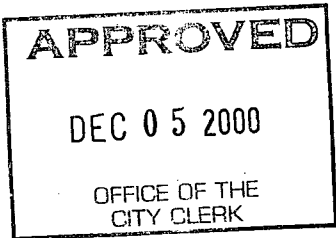
Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

1 Attachment



RESOLUTION NO. 2000-693

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION SUSPENDING FORMAL COMPETITIVE BIDDING FOR THE PURCHASE OF TWO HIGH-VOLUME COPIERS FOR CENTRAL 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 purchase of a Kodak Model 9110 digital high-volume copier and a Canon Model CLC-2400 color laser copier for Central Services; and
2. The City Manager is hereby authorized to issue the necessary purchase documents to Danka Office Imaging, Inc., 400 Capitol Mall, Ste. 1970, Sacramento, for a total amount of \$249,972.45 for the purchase of a Kodak Model 9110 digital high-volume copier and a Canon Model CLC-2400 color laser copier, including all equipment, software, installation and training; and
3. The City Manager is hereby authorized to issue the necessary purchase documents to Danka Office Imaging, Inc., 400 Capitol Mall, Ste. 1970, Sacramento, for copier maintenance services in an amount not to exceed \$60,000.00 per year.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ (4)