



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director
Gwen Eng, General Services Manager

DATE: May 16, 2006

SUBJECT: Award of Three-Year Lease Contract for Two Photocopiers to Canon Business Solutions (Estimated Value of \$22,200 per year)

RECOMMENDATION:

Staff recommends that the City Council: a) waive formal bidding per Municipal Code Section 2.36.150 (cooperative purchasing) and b) award a three-year lease contract to Canon Business Solutions valued at \$22,200 per year for the replacement of two photocopiers.

FISCAL IMPLICATION:

Sufficient funds for photocopier lease and maintenance expenses are budgeted across the various using departments in their operating budgets.

BACKGROUND:

For the past eight years, the City has leased copiers rather than purchasing them outright. The benefits of leasing include planned replacement intervals to ensure continued reliability, no up-front capital cost, and disposal of an asset, with little or no value, at the end of its useful life. Currently, there are sixteen photocopiers of various sizes located throughout City facilities. Two of those units at City Hall have reached the end of the lease term.

Photocopiers have progressed from simple duplication machines to multi-function capabilities, including network printing and high speed document scanning. This reduces the need to purchase separate printers and peripherals. Additionally, the units consume less electrical energy than two or three separate single-function units combined. The City is moving towards consolidation of equipment wherever practical. The two existing copiers will be replaced with multifunction units. One will be located at each end on the upper floor of City Hall.

DISCUSSION:

Staff researched various photocopier companies and models in an effort to obtain the appropriate equipment that meets our operational and service needs. Two of the vendors supplied demonstration units for a 60-day trial. At the conclusion of the trial period, staff was surveyed to determine which of the photocopiers they preferred. The model manufactured by Canon received the most positive

feedback. Staff obtained three quotes for the Canon photocopier. These quotes are based on piggybackable¹ contracts. The results are shown below:

<u>Company</u>	<u>One-Year Estimate</u>
1. Ikon	\$21,044
2. Canon Business Solutions	\$22,200
3. Danka	\$22,200

Although Ikon offered slightly lower pricing, their service practices are less desirable, and we believe, will result in inferior service during the lease term (one area in particular, grading technicians on parts usage rather than their efficiency on the service call, could potentially lead to future repair issues). As a result, we are recommending Canon Business Solutions at a slightly higher cost.

Canon Business Solutions was awarded a contract by the County of Los Angeles on behalf of multiple agencies in January 2006. They have over 250 technicians for Southern California and 100 trained on this model. As a result, staff recommends that Council award Canon Business Solutions a three-year lease for two copiers. If approved, the contract will be in the form of a purchase order.

¹ Piggybacking is the extension of pricing, terms, and conditions to other governmental agencies at the mutual consent of all parties. This is permissible under the City' Municipal Code, section 2.36.150.