



Legislation Text

File #: 18-1017, **Version:** 1

Recommendation to adopt Specifications No. RFP TI18-048 and award a contract to Sharp Electronics Corporation (Sharp), dba Sharp Business Systems, of Santee, CA, to provide managed print services, in an annual amount not to exceed \$1,000,000, for a period of five years, with the option to renew for two additional one-year periods, at the discretion of the City Manager; and authorize City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments;

Authorize City Manager, or designee, to increase Blanket Purchase Orders (BPO) Nos. BPTS13000020 with Xerox Corporation by \$998,492, for a total amount not to exceed \$2,373,492, and BPTS16000044 with Konica Minolta by \$218,043, for a total amount not to exceed \$858,146, to continue providing multi-function devices, maintenance, and supplies, and extend the term of the BPOs to December 31, 2020; and

Increase appropriations in the General Fund Services (IS 385) in the Technology and Innovation Department (TI) by \$1,216,535, offset by funding from Sharp. (Citywide)

City Council approval is requested to enter into a contract with Sharp Electronics Corporation (Sharp), for managed print services (MPS). To ensure MPS continue without interruption while this contract is put into place, and to allow the existing agreements to be transitioned or bought out, approval is also requested to add \$998,492 to the current BPO with Xerox and \$218,043 to the current BPO with Konica Minolta, and to extend the terms through December 31, 2020.

MPS are services offered by print providers that manage all aspects of an organization's business printing devices, including needs assessment, selective or general replacement of printers, scanners, faxes, copiers, and the service, parts and supplies needed to operate the new and/or existing hardware. By optimizing these devices, organizations save money, produce less paper waste, and increase efficiency. The provider can also track how the printer, fax, copier, and multi-function device fleet is being used, any problems encountered, and the users' satisfaction.

The Technology and Innovation Department engaged Eco Office Werks, an independent consulting firm and certified Woman-owned Business Enterprise (WBE) with significant experience and specialization in MPS, to assist staff with the development of the Request for Proposals (RFP) and provide technical information to staff during the RFP process. Eco Office Werks has provided similar consulting services to other agencies in California, including the City of Riverside, City of Lakewood, Comcast Cable California Region, and Southern California Edison.

The RFP was advertised in the Long Beach Press-Telegram on February 15, 2018, and 2,721 potential proposers specializing in technology hardware/software and services were notified of the opportunity. Of those proposers, 45 downloaded the RFP via the City's electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority, and women-owned business groups. Six proposals were received by March 30, 2018. Of those six proposers, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Long Beach businesses (Local).

A Selection Committee (Committee) comprised of representatives from the Development Services, Library Services, Police, Public Works, and Technology and Innovation Departments representing the diverse business needs of the City evaluated the firms on the criteria stated in the RFP. The Committee used a consistent methodology of evaluation to thoroughly evaluate each vendor's solution based on the RFP criteria.

The evaluation process was multi-phased. The Committee first reviewed the written technical/narrative proposals. Three responsive firms were interviewed on May 15, 2018. During the interviews, firms presented their qualifications and experience, answered questions previously prepared by the panel, and conducted a demonstration of their printing devices. The devices utilized in the demonstration were made available to the Committee for several days after the interviews to allow for more in-depth testing. Formal requests for clarifying information were made to two firms, and responses were reviewed. Based on the information provided, a cost analysis of the proposals was performed and reviewed. Reference checks were also conducted, as appropriate, to validate the Committee's selection.

After a thorough review and evaluation process, the Committee determined that the proposal from Sharp was the most responsive to the terms of the RFP and will provide the best value for the City. Sharp's proposal represented the highest level of cost savings from the current contracts, and Sharp has a proven track record working with public agencies similar to, or larger than, Long Beach, including the City of Los Angeles Department of Water and Power, City of Chino Hills, and the City of San Diego. Sharp will be able to provide the City devices with competitive pricing and a number of new and unique features, including but not limited to: scanning and converting documents to various applications (Microsoft Word, PowerPoint, Excel, PDF, etc.); printing and scanning from cloud storage applications (Microsoft OneDrive, SharePoint, Google Drive, etc.); wireless printing; walk-up motion sensing to save electricity; a customizable 10.1-inch color display; and, a built-in retractable keyboard for faster data input. The Committee determined these features will greatly benefit the City. The new agreement with Sharp will also include defined service level agreements around service response times and consistent data reporting.

The Committee is confident that Sharp's devices will meet the current and future needs of employees, result in cost savings for departments, and will provide excellent service to the City.

The selection of Sharp will result in an increase in efficiency to the City by transitioning to one MPS vendor and will provide significant cost savings to the City, inclusive of costs to terminate Konica and Xerox contracts early. This will simplify device and infrastructure support, and streamline device selection for departments. To ensure that departments experience minimal service disruptions during the transition, Sharp is required to develop a department-specific change management plan that includes coordinating the replacement of existing devices, producing publicity materials, and developing an implementation plan for delivery, installation, and post-delivery support. Sharp will be participating in the buy-out of existing printing device leases, which will replace a significant portion of the City's printing device fleet. Upon contract award, Sharp will work with the Technology and Innovation Department to perform the pre-implementation analysis of department needs to develop the final change management plan. During this phase of the project, Sharp will prepare an updated cost analysis and breakeven point for each department to determine the cost benefit and timing for the early lease termination process to ensure that the maximum cost savings is achieved. Sharp will fund to the City an amount to cover all agreed Early Termination Charges for devices replaced. The City will hold these funds in reserve to pay the future Xerox or Konica pay-off invoice. This contract also covers desktop printers and desktop all-in-one printing services.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 189 Long Beach vendors were notified to submit proposals, of which one downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on October 30, 2018 and by Budget Analysis Officer Julissa Jose-Murray on October 29, 2018.

City Council action to adopt Specifications No. RFP TI18-048 and award a contract concurrently is requested on November 13, 2018, to ensure the contract is in place expeditiously.

The execution of these agreements will authorize Sharp as the designated MPS vendor for City departments for a five-year period. The contract amount with Sharp is for an amount not to exceed \$1,000,000 annually for a period of five years. The cost includes the replacement of current multi-function devices, copiers, printers and scanner devices. The cost is borne by

departments who will use existing appropriations for their MPS needs. It is anticipated that once Sharp is fully implemented, there will be potential citywide cost savings of \$300,000 annually due to the reduced cost structure of the new MPS vendor. Within the RFP, Sharp included its services to aid the City in the termination and replacement of devices under existing contracts with end dates in 2019 and 2020 or the ability to take over support for existing devices. It is estimated this element provided by Sharp will result in reduced costs to the City as more expensive contracts are terminated or taken over.

To allow the existing MPS agreements to be phased out or be bought out and to cover estimated costs until the new contract with Sharp is fully executed, increases to existing BPOs are necessary. An increase of \$998,492 to Xerox's BPO and an increase of \$218,043 to Konica's BPO are requested, bringing the total BPO amounts to \$2,373,492, and \$858,146, respectively. An appropriation increase of \$1,216,535 is requested in the General Services Fund (IS 385) in the Technology and Innovation Department (TI), offset by funding from Sharp for early termination charges. There is no local job impact associated with this recommendation.

Approve recommendation.

LEA ERIKSEN
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DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER