



CITY OF LONG BEACH

DEPARTMENT OF TECHNOLOGY SERVICES

R-29

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July 10, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Master Agreement and all related documents with Xerox Corporation (Xerox) and Konica Minolta Business Solutions (KMBS) to provide hardware, software and maintenance services to support the City's document production equipment, in an aggregate annual amount not to exceed \$1,900,000, with a yearly increase of ten percent for a period of five years, and authorize the City Manager to execute amendments to extend the term. (Citywide)

DISCUSSION

Document production in the City is accomplished mainly via copy machines, desktop printers, fax machines, scanners, and the Reprographic section of Technology Services. City departments are responsible for the procurement of their own copy machines and fax machines.

The Reprographics Optimization Study recommended the use of multifunction devices as a means of cost savings by reducing the quantity of stand-alone copy and fax machines as well as desktop printers and scanners. Multifunction devices, (MFDs) combine multiple machines into one machine that, besides making more efficient use of space, can be networked into the organization's print, fax and email systems. Industry research has shown that savings dramatically increase as document production volume moves away from devices such as desktop printers and stand-alone copy machines to devices that can handle larger volume, such as MFDs and production copy machines. A recent study showed that total production costs for a desktop printer is \$.04 to \$.06 per page versus \$.02 to \$.03 per page for a copy machine, and \$.01 to \$.02 per page for a large volume copy machine. As a result of potential cost savings and organizational efficiencies, many public, private and non-profit sector organizations are moving towards MFD implementation.

In November 2006, the City requested proposals from qualified vendors for software, hardware, and maintenance services necessary to meet the City's document output needs. Among the criteria used to review the proposals were equipment, cost, equipment maintenance and repair, and software. Additional factors considered were the companies' experience in the industry and the equipment and services currently being provided to City departments. An interdepartmental team representing the diverse business needs of the City was created to evaluate the proposals. The team recommends Xerox and KMBS due to their ability to provide quality equipment, exceptional service, software programs that complement the MFD solution, and the option for the provision of dedicated, and the added benefit of on-site, technical support. By authorizing two vendors, departments will be afforded the option to select a vendor that will most effectively meet operational needs.

HONORABLE MAYOR AND CITY COUNCIL

July 10, 2007

Page 2

The process would consist of industry professionals, at no additional cost to the City, conducting the assessment of the physical layout of existing printers, scanners, fax and copy machines throughout a limited area, such as two or three floors in City Hall, using a coordinated approach. If needed, this initial assessment could occur in just one floor or department. Once the layout has been analyzed, the vendor will recommend the placement of MFDs to accommodate the floor's document production needs. These machines will gradually replace desktop printers and stand-alone scanners, copiers and fax machines. Expenditures under these agreements will be set depending on the appropriations in each Department's budget.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on June 29, 2007 and Budget and Performance Management Bureau Manager David Wodynski on June 29, 2007.

TIMING CONSIDERATIONS

City Council action is requested on July 10, 2007 in order to accommodate replacement of aging, inefficient equipment as soon as possible.

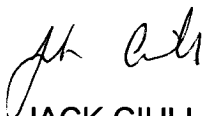
FISCAL IMPACT

The fiscal impact of this agreement is \$1,900,000, which includes the replacement of current copier, printer and scanner devices with MFDs as current agreements for copying solutions begin to expire. Each department will work within existing appropriations when considering entering into a new agreement, which must be approved by the City Manager. It is anticipated that there will be a reduction in expenditures of desktop printers and scanners and their related consumables, with a potential annual cost savings of \$145,000. The execution of these agreements will authorize Xerox and KMBS as exclusive, designated vendors for all future purchases of multi-function devices and services for all City departments for a five-year period.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JACK CIULLA

ACTING DIRECTOR OF TECHNOLOGY SERVICES

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APPROVED:



CHRISTINE F. SHIPPEY
ASSISTANT CITY MANAGER