



*City of Arts & Innovation*

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 28, 2016

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: ASSIGNMENT, ASSUMPTION AND CONSENT AGREEMENT WITH XEROX CORPORATION'S GLOBAL DOCUMENT OUTSOURCING DIVISION FOR CERTAIN MANAGED PRINT HARDWARE, REMOTE CARE AND CONSUMABLE FULFILLMENT SERVICES TO SUPPLEMENT THE FOURTH AMENDMENT TO THE CONTRACT WITH ACS ENTERPRISE SOLUTIONS, LLC. - IN THE ESTIMATED AMOUNT OF \$36,041 PER MONTH PLUS METER AND NEW EQUIPMENT CHARGES

## **ISSUE:**

Approval of the Assignment, Assumption and Consent Agreement with Xerox Corporation's Global Document Outsourcing Division (Xerox) for certain managed print hardware, remote care, and consumable fulfillment services. This agreement will supplement the July 28, 2014, Fourth Amendment to Information Technology and Telecommunications Service Agreement between the City and ACS Enterprise Solutions, LLC, for the estimated monthly amount of \$36,041 plus meter and new equipment charges

## **RECOMMENDATION:**

That the City Council:

1. Approve the Assignment, Assumption and Consent Agreement (Attachment 1) with Xerox for certain managed print hardware, remote care and consumable fulfillment services, supplementing the Fourth Amendment to Information Technology and Telecommunications Service Agreement (Attachment 2) with ACS Enterprise Solutions, LLC., for an estimated amount of \$36,041 per month plus meter and new equipment charges;
2. Authorize the City Manager or his designee to execute documents relating to the agreement between the City and Xerox, including Project Change Requests (PCRs) and Move Add Change Delete (MACD) forms; and
3. Confirm Xerox as the City standard for future purchases of Multi-Function Devices (MFD) to ensure compatibility with Xerox's Managed Print Services and reduce the cost for supplies.

## **BACKGROUND:**

On December 22, 2010, the City Council approved the First Amendment to the Information Technology and Telecommunications Services Agreement with ACS (IT Outsourcing Agreement) to include Managed Print Services (MPS). MPS is a generic term for a service offered by an external service provider to optimize or manage an agency's document output to meet certain objectives, including driving down costs, improving efficiency and productivity and reducing the IT support workload. The main components provided through an MPS program typically include a needs assessment, selective or general replacement of hardware (optimization) and service for parts and supplies needed to operate the new and/or existing hardware. The MPS provider also tracks how the printer fleet is being used, problems encountered and user satisfaction.

Xerox's MPS programs are the highest ranked according to the Gartner Magic Quadrant on MPS programs issued in December 2015. Gartner is the leader in technology research and recommendations; their single overriding goal is to deliver the technology-related insight necessary for their clients to make the right decisions. Gartner Magic Quadrants are a culmination of research in a specific market, giving a wide-angle view of the relative positions of the market's competitors. According to Gartner, Xerox's MPS practice dates to before 2000 and was the first large-scale program of its kind upon which most of its competitors' MPS programs are to some degree modeled. Further, Gartner has indicated that Xerox has a very solidly established MPS program with consistent follow-through which has earned Xerox the trust of a wide range of customers of different sizes and across different regions and industries.

On May 17, 2016, the City agreed to terminate the Information Technology and Telecommunications Agreement with ACS effective June 30, 2016. The City's managed print services agreement with Xerox was established on June 22, 2014, as the fourth amendment to the agreement with ACS, and allowed the MPS portion of the contract be assigned if the underlying outsourcing agreement was terminated. As a result of the termination of the agreement with ACS, the MPS agreement must now be assigned, and service will be provided to the City directly by Xerox. Without approval of this assignment, the City will suffer early termination charges for all its leased Xerox printers and those leased devices will be removed by Xerox.

## **FISCAL IMPACT:**

The total City budget is estimated to be \$36,041 per month plus meter and new equipment charges. These amounts are distributed amongst the various departments in the recommended FY 2016/17 Budget. Annually, the Innovation and Technology Department issues a purchase order for the estimated cost of the City's MPS program and works with each department to ensure costs are being allocated to the appropriate account, as budgeted. By adopting the agreement, staff estimates continued savings for printing and print services for the City of approximately \$6,000 to \$7,000 per month.

Prepared by:	Lea Deesing, Chief Innovation Officer
Certified as to	
availability of funds:	Scott G. Miller, Interim Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Assignment, Assumption and Consent Agreement
2. Fourth Amendment to Information Technology and Telecommunications Service Agreement