

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 14, 2019

ITEM NO: 9

SUBJECT: REQUEST FOR PROPOSAL NO. 1817 FOR MANAGED PRINT SERVICES - PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH SHARP ELECTRONICS CORPORATION WITH A FIVE-YEAR TERM IN AN AMOUNT NOT TO EXCEED \$2,167,172

ISSUE:

Approve a Professional Consultant Services Agreement with Sharp Electronics Corporation, of Montvale, New Jersey in response to Request for Proposal No. 1817 for Managed Print Services with a five-year term in an amount not to exceed \$2,167,172.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Approve the Professional Consultant Services Agreement with Sharp Electronics Corporation, of Montvale, New Jersey in response to Request for Proposal No. 1817 for Managed Print Services with a five-year term in an amount not to exceed \$2,167,172; and
2. Authorize the City Manager, or his designee, to execute all documents pursuant to the Managed Print Services Agreement, including but not limited to the Agreement, Master Lease Agreement, Customer Care Maintenance Agreements (orders), Master Lease Agreement Schedule, and related financing documents, Equipment Delivery Acceptance forms, and making minor non-substantive changes and authorizing annual renewals.

BACKGROUND:

On December 22, 2010, the City amended an agreement with ACS Enterprise Solutions, Inc. to modify the services provided to include certain hardware, remote care, and consumables and fulfillment services for copier and printing equipment. These services are known in the industry as Managed Print Services (MPS). The services included copier equipment, including third party network printers, and per page rates for black/white and color printing.

The MPS program provides many benefits to the City, including reducing costs and improving efficiency, improving staff productivity with newer equipment, saving time with more efficient ordering processes and vendor managed services, reducing capital expenditures via cost effective leasing options, and reductions in the environmental footprint.

DISCUSSION:

On April 12, 2018, the City issued Request for Proposal No. 1817 – MPS to seek proposals from qualified vendors for copier equipment (including both standard and optional components), printer equipment, MPS services (including third party network printers), per page rates for black/white and color printing, and optional third party leasing firm bids.

The City received seven responses:

Vendor	Location	Ranking
Sharp Electronics Corporation	Montvale, NJ	1
Toshiba Business Solutions, Inc.	Lake Forest, CA	2
Xerox Corporation	Santa Ana, CA	3
Canon Solutions America, Inc	Ontario, CA	4
Staples Contract and Commercial, LLC	La Mirada, CA	5
Kyocera Document Solutions West, Inc.	Irvine, CA	6
Insight Investments, LLP	Costa Mesa, CA	N/A (Optional Third Party Leasing Firm)

After evaluating the responses based on several factors, including but not limited to, costs, vendor background, technical solution, maintenance/support and responsiveness, the City ranked Sharp Electronics Corporation as the most responsive and responsible proposal.

The new proposed agreement replaces an existing MPS agreement as existing leases expire and is expected to result in over \$1.24 million Citywide in savings over the next five years. Costs are reduced and better controlled in this agreement for a variety of reasons, including: 1) providing a fixed price for standard and optional equipment components; 2) providing more modern equipment for roughly the same monthly equipment lease price; 3) providing a price per printed page that is lower; 4) the inclusion of all consumables required for image creation including toner cartridges, developer, waste toner bottles, staples, and maintenance kits for all new installations and for the existing fleet of 214 owned desktop printers; and 5) that the vendor will be providing services which are performed in-house today.

The service levels provided in this agreement exceed those of the existing MPS agreement. These improvements include a more stringent Service Level Agreement (SLA) for replenishment/replacement of supplies, a more stringent SLA for break fix dispatch, defined equipment repair SLA's, and defined preventative maintenance schedules.

New copier equipment and technology features are also available under this agreement. This will provide improved reliability, improved user interfaces on the equipment, improved and more productive scanning functionality, secure print functionality, and improved information security. Additionally, the new equipment and terms under the agreement are expected to save Public Utilities over the current budget expenses under the five-year term.

Finally, this agreement includes carefully planned services to transition from the existing provider to Sharp. All departments have been engaged to ensure their requirements are incorporated and they are aware of the equipment and software changes. Sharp is responsible for providing MPS for existing owned devices once the agreement is executed, and for any printer devices that the City wishes to retain. Sharp is responsible for the removal and return of all existing copiers to the current leasing company at the end of their scheduled lease periods as requested by the City. Sharp is responsible for providing end-user training to City users when the equipment is installed.

Table 1. MPS Cost Summary

City Department	Direct Charge to Department (%)	Total MPS Costs (5-Years)
City Attorney's Office	3.2%	\$69,350
City Manager	6.0%	\$130,030
Community and Economic Development	10.5%	\$227,553
Finance	2.8%	\$60,681
Fire	4.5%	\$97,523
General Services	7.1%	\$153,869
Human Resources	3%	\$65,015
Innovation and Technology	3.3%	\$71,517
Museum	1.8%	\$39,009
Parks & Recreation	9.4%	\$203,714
Police	6.8%	\$147,368
Public Utilities – Administration	10.8%	\$234,055
Public Utilities – Electric	9.2%	\$199,380
Public Utilities – Water	3.0%	\$65,015
Public Works	18.6%	\$403,094
TOTAL	100%	\$2,167,172

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The total cost to Public Utilities is \$498,450 over a five-year term. For the remainder of fiscal year 2018/19, the estimated cost is approximately \$50,000. Sufficient funds are available in Electric Fund Management Services General Office Expense Account No. 6000000-425400 (\$43,500) and Water Fund Engineering General Office Expense Account No. 6210000-425400 (\$6,500).

For fiscal year 2019/20, the estimated cost is approximately \$100,000. Sufficient funds are available in Electric Fund Management Services General Office Expense Account No. 6000000-425400 (\$87,000) and Water Fund Engineering General Office Expense Account No. 6210000-425400 (\$13,000).

Future years' costs will be included as a part of the biennial budget process.

Prepared by: Aileen Ma, Interim Utilities Assistant General Manager/Finance & Administration
 Approved by: Todd M. Corbin, Utilities General Manager
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Concurs with: George Khalil, Chief Innovation Officer

Certifies availability of funds: Aileen Ma, Interim Utilities Assistant General Manager/Finance & Administration

Attachments:

1. RFP Award Recommendation
2. Professional Consulting Services Agreement
3. Presentation