



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 14, 2019

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: APPROPRIATION OF REVENUE, IN THE AMOUNT OF \$10,000 and \$1,202.02, FOR A TOTAL OF \$11,202.02, FROM SHARP ELECTRONICS CORPORATION, AND APPROPRIATION TO EXPENSE ACCOUNTS, IN SAME AMOUNT, TO OFFSET COST OF MANAGED PRINT SERVICES CONSULTANT AND PAYMENT TO US BANK FOR BALANCE OF LEASE PAYMENT OWED

ISSUES:

Approve the appropriation of revenue in the amount of \$10,000 and \$1,202.02, for a total \$11,202.02, from Sharp Electronics Corporation, and approve the appropriation to expense accounts, in the same amount, to offset cost of the Managed Print Services consultant and payment to US Bank for the balance of lease payment owed.

RECOMMENDATIONS:

That the City Council:

1. Approve the appropriation of revenue in the amount of \$10,000 and \$1,202.02 from Sharp Electronics Corporation to revenue account number 2400000-374200 for a total amount of \$11,202.02;
2. Approve the appropriation of \$10,000 to expense account number 2400000-421000;
3. Approve the appropriation of \$1,202.02 to expense account number 2400000-424220; and
4. Authorize the City Manager, or designee, to execute all documents necessary to effectuate the appropriation of revenue from Sharp Electronics Corporation and expenditures for payment to US Bank to pay the balance of the lease payments owed, including making minor non-substantive changes.

BACKGROUND:

On April 12, 2018, the City issued Request for Proposals (RFP) 1817 – Managed Print Services (MPS) to seek proposals from qualified vendors for copier equipment, printer equipment, MPS services, per page rates for black/white and color printing, and optional third party leasing firm bids. After evaluating the responses based on several factors, including but not limited to, cost, vendor background, technical solution, maintenance/support and responsiveness, the City ranked Sharp Electronics Corporation as the most responsive and responsible proposal.

On January 15, 2019, City Council approved a five-year Professional Consultant Services Agreement with Sharp Electronics Corporation (Sharp) as the City's primary copier, printer, and MPS provider.

DISCUSSION:

The City, Sharp, and the City's MPS consultant, Eco Office Werks, LLC., negotiated a \$10,000 rebate through the RFP process. The \$10,000 rebate was offered by Sharp to assist in covering the cost of the MPS consultant, Eco Office Werks, LLC.

The Parks Recreation and Community Services Department has a Xerox copier leased from US Bank in need of replacement. The Xerox copier contract terms and conditions with US Bank allow for an early termination of the lease by paying the monthly equipment component (MEC) charge multiplied by the number of months remaining on the lease. The total early termination fee for the device is \$1,202.02. Sharp agreed to pay the early termination fee for the City.

Sharp will recoup this cost over the five-year term of the agreement by adding a 1.98% fee per month to the replacement machine's monthly cost. Even with the added fee, the monthly charges for the Parks, Recreation and Community Services Department will be less than what is currently charged under the US Bank lease terms.

FISCAL IMPACT:

There is no negative General Fund fiscal impact associated with the recommend actions herein.

Upon Council approval, the Sharp revenue will be appropriated into account 2400000-374200, Innovation and Technology Administration - Miscellaneous Revenue in the amount of \$11,202.02, and appropriations in the same amount will be made to the expense account 2400000-421000, Innovation and Technology Administration – Professional Services for the MPS consultant fee and account 2400000-424220, Innovation and Technology Administration - All Other Equipment Maint/Repair for payment to US Bank for the balance of the lease payment owed.

Prepared by: George Khalil, Chief Innovation Officer
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Lea Deesing, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Sharp Confirmation Letter for \$10,000 Rebate
2. Sharp Agreement to pay US Bank for Remaining Lease Payments