



Board Agenda Item 40

DATE: January 8, 2019

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Agreement with California Business Machines, Inc.

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with California Business Machines, Inc. for the purchase, rental, and maintenance of copiers, effective upon execution, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$4,000,000.

Approval of the recommended action will allow the Internal Services Department - Purchasing Division (ISD-Purchasing) to contract with California Business Machines, Inc. for the purchase, rental, and maintenance of copiers and related equipment on an as needed basis for all County departments. This item is countywide.

ALTERNATIVE ACTION(S):

If the Board does not approve the recommended action, the County could be subject to higher non-contracted pricing for the purchase, rental, and maintenance of copiers until a new Agreement can be executed.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. All costs associated with the purchase, rental, and maintenance of copiers are charged directly to the requesting department. Each requesting department will need sufficient appropriations for the use of this contract within their FY 2018-19 Approved Budget.

DISCUSSION:

On December 8, 2016, San Luis Obispo County issued a request for bids for copier purchase, rental, and service pricings. Four companies submitted bids. On January 20, 2017, the bid was awarded to Coastal Copy, Inc., an authorized Kyocera Managed Document Services (MDS) Dealer. The bid included a piggyback clause to extend Kyocera pricing to local governments through all Kyocera authorized dealers.

The County of Fresno Purchasing Manual stipulates that products and services may be procured when they have been competitively bid by another agency with like requirements. ISD-Purchasing is requesting to procure copiers through a "piggyback" clause, allowing Kyocera pricing to be extended to local governments.

As ISD-Purchasing staff considered a piggyback option, staff engaged five local vendors to provide

presentations and pricing. This allowed staff to explore the newest technologies and features available. Staff then narrowed down the selection to California Business Machines, Inc. and Ray Morgan, which are both authorized Kyocera MDS dealers, to demonstrate the latest technology features. With equipment and support being equal, California Business Machines, Inc. offered cost benefits that were more advantageous to the County, including approximately 7% additional savings on purchase costs above the Kyocera preferential pricing obtained through the San Luis Obispo bid process, and approximately 50% savings on maintenance costs.

On February 20, 2018, your Board approved an extension of the County's current agreement for purchase, rental, and maintenance of the County's copier fleet. The County's current agreement for copiers with California Business Machines, Inc. expires on March 11, 2019. Staff is now recommending the current agreement, as previously amended, be replaced and superseded by a new Agreement, which amends and restates the terms of the existing and previously amended agreement with California Business Machines, Inc. This is being requested because the new Agreement will allow departments to take advantage of preferential pricing sooner.

The County has approximately 430 copiers, of which 183 are more than five years old. Replacement of the aged copiers will result in significant cost savings for copier maintenance for the departments choosing to replace their older machines. ISD-Purchasing, with the assistance of California Business Machines, Inc., will engage the departments with the oldest copiers and provide a cost analysis for replacement.

The recommended action approves and authorizes an Agreement with California Business Machines, Inc. to provide for the purchase, rental, and maintenance of copiers and related equipment for a three-year base contract with two optional one-year extensions, total not to exceed \$4,000,000.

REFERENCE MATERIAL:

BAI #29, February 20, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

Yussel Zalapa