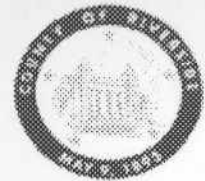


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

818



FROM: Information Technology

SUBMITTAL DATE:
March 8, 2004

SUBJECT: Proposed purchase of a multi-year print services agreement.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve a multi-year agreement with Hewlett Packard to provide printers, maintenance and repair services from Hewlett Packard for a period of three (3) years.

BACKGROUND: County IT printers are currently purchased separately on a needs basis, most with an additional 3 year warranty covering parts & service of break/fix conditions. Currently, 80% of all IT printers are past their 3 year maturation date and are out of warranty. Subsequently, these printers will soon begin to require parts or service. In most cases, it is more cost effective to replace these printers entirely when hardware failure occurs. County IT has 220 employees with a total of 147 printing devices in service. 77% of these devices are non-networked, decentralized printers, fax machines, scanners and copiers. By increasing the existing ratio of 1 printer per every 1.5 employees, to a one printer per every 9 employee ratio and implementing a network centric, multi function technology approach; IT will set the foundation for future cost of ownership reduction. Projected savings based on consolidation and vendor service options versus current expenditures is \$86,136.48 over three years or 26%.


Continued on Page 2

By 
Matthew Frymire, CIO
Information Technology

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 85,168	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	
	Annual Net County Cost:	\$	For Fiscal Year:	2003/2004

SOURCE OF FUNDS: Information Technology	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature 

COUNTY COUNSEL
 MAR 29 2004
 Robert J. Howdysshell, Director Purchasing and Fleet Services
 Policy Policy
 Consent Consent
 Dept't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: | District: | Agenda Number:

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.17

Proposed purchase of a multi-year print services agreement.

PRICE REASONABLENESS: The IT Department has performed a price comparison by soliciting a similar pricing proposal from Lexmark, another major printer manufacturer. Given the same situation and known factors that HP was given, it was found that the pricing to provide the same level of equipment change out and service was approximately \$1,400.00 per month more than the proposal offered by HP. This is compounded by the cost of stocking new toner cartridges that would not be within the current inventory as many of the HP toner cartridges are presently, due to the widespread use of HP machines. The Purchasing Department has reviewed the pricing elements and concurs with our finding and based on this, the price is considered to be fair and reasonable.

We have selected Hewlett Packard as the vendor for this project because they are an approved award vendor for printers and all County of Riverside network printing devices are standardized on the Hewlett Packard line of products. The Information Technology Department will be the first participant using and benefiting from this type of service contract. Once the Information Technology Department has proven this concept reduces printing expenses, a formal RFP will be issued to establish an award for all County departments to use.

Total Cost Savings for 3 years = \$86,136.48

A buy out option is included in this HP Print Advantage Package. Information Technology Department can purchase the equipment at the end of the lease at the Fair Market Value.

HP Print Advantage Package - Equipment

Retain two Color LaserJet 4600DTN and one Color LaserJet 5500DN printer. Retire all current printers in service, including all copiers, fax machines, and scanners. Lease the following equipment for a 3 year, fair market value term:

9 Multi Function Printers, 8 LaserJet Printers, 3 Color LaserJet Printers, 1 Business Color Inkjet Printer

Monthly Payment (for 36 months) = \$7,097.32

Total 3 Year Cost of Hardware Lease=\$255,503.52

Expenditure Analysis

	Current IT Expenditures	HP Print Advantage
3 Year Costs/Expenditures	IT	HP
Ink/Toner	\$197,100	Provided
Lease Expense	NA	\$255,503.52
Maintenance/Service	\$44,100	Provided
Tech/Helpdesk/Supply/Acct. Labor	\$19,800	\$700
PM Kit Replacement & Service	\$25,600	Provided
Inventory & Asset Tracking	\$9,240	Provided
Purchase Printers(Includes Sales Tax)	\$38,800	NA
Duplexing Paper Cost Savings	NA	-\$7,700
Totals	\$334,640	\$248,503.52

Additional Cost Factors

- Manageable low monthly payment vs. large replacement investment
- All ink & toner costs included
- Includes preventative maintenance kits for all printers
- Includes inventory & asset management tracking & reporting
- Speed of print increased from 20ppm to up to 50ppm
- Duplexing option will reduce paper consumption
- Help desk calls reduced by having fewer printers
- MFP's provide PIN code security features
- MFP's provide copying, color scanning, digital sending, and fax capability
- Cost per page reduced significantly with new printer technology
- Excess inventory & waste of consumables eliminated
- Free inside delivery & physical installation