

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS
 DATE: 5/18/16

Departmental Concurrence

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

349



FROM: Riverside County Information Technology (RCIT) and Purchasing and Fleet Services

SUBMITTAL DATE:
 May 18, 2016

SUBJECT: Approval of Maintenance Service Agreements for Existing Multifunctional Devices with Advanced Copy Systems, Burtronics, Canon, Konica Minolta, Xerox and Ricoh; and Approval of Service Agreements for Print Management Services, Equipment Purchases and Maintenance Services with HP and Ricoh Inc., All Districts [\$20 million total]; [\$4,000,000 annually]; 100% Department Budgets

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute Maintenance Service Agreements with Advanced Copy Systems, Burtronics, Canon, Konica Minolta, and Xerox for existing Multifunctional Devices in the amount of \$300,000 each annually for an aggregate maximum total of \$1.5 million per year, for a period of five (5) years; and,
2. Approve and execute the Service Agreements with HP and Ricoh for Print Management Services, Equipment Purchases and Maintenance Agreements in the amount of \$1.25 million each annually for an aggregate maximum total of \$2.5 million per year, for a period of five (5) years; and,

(continued on page 2)

Lisa Brandl
 Lisa Brandl, Director
 Purchasing and Fleet Services

Steve Reneker
 Steve Reneker
 Chief Information Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 333,333	\$ 4,000,000	\$ 20,000,000	\$ 4,000,000	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Department Budgets
Budget Adjustment: No
For Fiscal Year: 15/16 – 19/21

C.E.O. RECOMMENDATION:

APPROVE
Jennifer L. Sargent
 BY: Jennifer L. Sargent

County Executive Office Signature

3) **MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Benoit, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that recommendation 1 is approved as recommended and that staff bring back recommendation 2 with more details on June 21, 2016 at 9:00 a.m.

Ayes: Jeffries, Washington and Benoit
 Nays: None
 Absent: Tavaglione and Ashley
 Date: June 7, 2016
 xc: RCIT, Purchasing

Kecia Harper-Ihem
 Clerk of the Board
 By: *Kecia Harper-Ihem*
 Deputy

- A-30
- 4/5 Vote
- Positions Added
- Change Order

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

3-81

RECOMMENDED MOTIONS: (Continued from page 1)

3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to: (a) sign amendments that do not change the substantive terms of the agreement; (b) move the allocated funds among the vendors not to exceed the annual aggregate maximum total; and (c) sign amendments to the compensation provisions that do not exceed 10% of the aggregate total.

BACKGROUND:

Summary

County departments maintain a fleet of various multifunction printers/scanners/fax devices (MFDs) that are supported by awarded vendors. RCIT and Purchasing and Fleet Services worked together to identify the various service needs of county departments in order to establish new contract awards. Additionally, the agreements presented for approval align with RCIT's adopted technology standards to provide greater efficiencies. Below is a summary of the service agreements presented for approval.

Print Management Services:

RCIT is encouraging departments to utilize Print Management Services as it provides a full-service support program for MFDs. Under a Print Management Service, the vendor is responsible for direct customer support and has required service levels for problem resolution, management, optimizing, support, and maintenance of the MFDs. The agreements presented for approval allow departments to contract for Print Management Services from HP or Ricoh, as they are the new countywide technology standard for new equipment purchases and print management service agreements. If county departments begin utilizing Print Management Services, based on the number of devices and printed pages in the county, it is estimated departments could collectively save as much as 40-50% of the estimated annual \$3.5 million toner spend, which is based on data from Supply Services and recent bid activity. Print Management Services may serve a department's existing inventory of MFDs (including toner – which is one of the highest supply costs for departments) and also provides for new MFDs as the existing inventory is retired, as well as for additional equipment as departments' needs increase.

Maintenance Services:

Approval of the Maintenance Service Agreements allows county departments to continue to receive various services from the vendors for lease arrangements, maintenance and repairs, and rental agreements relating to their existing MFD inventory through the life cycle of the equipment. As the equipment is replaced, county departments will lease or purchase new replacement equipment using RCIT's adopted equipment standards. Based on analysis from the county's financial system, annual maintenance service costs countywide were \$2.5 million last fiscal year. The recommended aggregate agreement amount is lower this time due to the declining use of copiers countywide and the projected increased use of Print Management Services. Due to the complexity and variety of MFDs at county departments, it is difficult to estimate total annual savings. Estimated savings, based on an average-sized black and white copier printing 55 pages per minute, is 28% lower than previous contracts for the same maintenance service.

Equipment Purchases:

During the course of this work effort, RCIT adopted hardware technology standards of HP and Ricoh for MFDs. Implementing technology standards sets a path for future savings and efficiencies. However, there is always a transition period for migrating to the standardized equipment and services. To align with RCIT's adopted standards, and also allow departments who receive state, federal or grant funds who may require utilizing the funds for capital purchases only, agreements for equipment purchases are presented for approval with HP and Ricoh. As an estimate of potential purchases, and based on

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data collected from the Recommended FY15/16 Budget submittal, forty two (42) copier purchases were approved for an estimated amount of \$317,866; an average cost of \$7,568 per device.

Impact on Citizens and Businesses

Utilizing a single set of technology standards and services is a critical step towards building a solid foundation for shared resources and efficiencies for county departments.

SUPPLEMENTAL:

Additional Fiscal Information

County departments will contract directly with the awarded vendors. The individual department's MFD services costs are not within RCIT's rates or budget; departments pay for these costs directly. The requested contract amounts also allows for anticipated increases in needed services resulting from departments expanding into additional offices/facilities.

Contract History and Price Reasonableness

The Purchasing Department, on behalf of the County, issued a bid Request for Proposal PUARC-1423A for a countywide multifunctional device agreement which includes options to rent, lease, purchase, and service agreements. The RFP notification was viewed by 73 companies, and the County received bids from 15 companies. After a comprehensive evaluation by RCIT, it was determined that Advanced Copy Systems, Burtronics, Canon, Konica Minolta, Xerox, and Ricoh will be awarded maintenance service agreements to maintain existing equipment through its life cycle. HP and Ricoh Inc. contracts will provide for new equipment purchases and print management services.

Below is a summary table of the agreements presented for approval:

Description	Advanced Copy Systems	Burtronics	Canon	Konica Minolta	Xerox	Ricoh	HP
Maintenance Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Equipment Purchases						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Print Management Services						<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>