

City of Culver City, California
City Council Agenda Item Report

Meeting Date: August 11, 2008		Item Number: C-4	
AGENDA ITEM: Approval of a Three Year Contract with Ricoh Americas Corporation for Police Department Copy Machines.			
Contact Person/Dept.: Lt. Dean Williams		Phone Number: (310) 253-6104	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master E-Mail Notification List ()			
Department Approval: Don Pedersen (07/24/08)		City Attorney Approval: Carol Schwab (by H. Baker) (08/06/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (08/06/08)		City Manager Approval: Jerry B. Fulwood (08/06/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve a three-year contract agreement with Ricoh Americas Corporation to provide six copiers to the police department. <u>BACKGROUND:</u> The Police Department's current Xerox machines produce about 68,000 black & white and 8,200 color reproductions monthly. Our five year contract with Xerox will expire on August 30, 2008. Over the past couple of years, these Xerox machines have become less reliable, and maintenance support has declined. Many internal complaints have been received by Police Management about the copiers' performance. End-users have dealt with frequent delays and minor mechanical problems that have wasted employees' time and efficiency. Xerox service response times have varied from good to unsatisfactory. Court-imposed time restraints, public records requests, and subpoena compliance, all require timely reports and reliable document reproduction. Unreliable machines and/or poor service response can create legal compliance issues for time sensitive materials. In preparation for our contract's termination, the Police Department has reviewed proposals from Ricoh Americas Corporation and Konica Minolta Business Solutions (KMBS). In an effort to stay current with technological developments, the department's focus has been for a three-year contract. It is also believed that these machines will be more reliable and have fewer major breakdowns with a shorter contract period.			

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Of the two proposals, Ricoh Americas Corporation conducted a more thorough examination of our needs than KMBS, recommending six machines, rather than four. Furthermore, KMBS' proposed machines matched, or barely exceeded the capabilities of the current Xerox machines. KMBS' proposal is a lower base price and ala carte per-copy pricing. Ricoh's proposal includes many useful features for which KMBS will charge extra. Both companies' proposed machines were evaluated at their respective showrooms, and were judged to provide excellent products that are superior to our current Xerox machines.

DISCUSSION:

The Police Department's current printing needs have resulted in numerous stand-alone printers, scanners, and faxes that could benefit from consolidation. Toner costs are very high for these separate machines, and stock management as well as the technical knowledge required to service these devices takes staff time and direction away from other more productive assignments. Time delays, product obsolescence, upgrades, and multiple/varied service support providers cause more inefficiency.

Ricoh's machines will consolidate many separate processes and enhance our efficiency, while reducing or eliminating the need for separate devices. Staff will be able to print reports via the network directly to these machines, which are supported under the proposed contract. The machines will "call home" and report service difficulties directly to Ricoh, as well as automatically record billable information. These machines will automatically e-mail selected staff when toner and supplies are low.

The key differences between Ricoh's Pro906EX versus KMBS' Bizhub 750 are: Ricoh has higher print speeds and significantly higher duty cycles for our records section copier; Newer technology (June 08 versus November 05 release dates); Higher print resolution; Color scanning and their call-home-for-service feature that staff sees as major advantages. Ricoh includes two additional machines versus KMBS' proposal that will consolidate more functions, provide system redundancy, and minimize employee inefficiency.

Ricoh provided a side-by-side analysis of these "flagship" copiers proposed by both companies. Ricoh's comparison is included in the attachments.

Ricoh, under the www.uscommunities.org competitive bid process, was selected by the cities of Los Angeles and Santa Monica police departments for their copying/printing needs.

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FISCAL ANALYSIS:

Xerox's current costs including lease payments and printing overages run about \$2,450 per month for four machines, while numerous standalone printers use approximately \$1,100 in consumables (does not include maintenance for these printers). Monthly toner and maintenance for fax machines have not been specifically tracked, and are not included. On average, the Police Department currently spends at least \$3,550 per month for our printing needs.

KMBS provided a base lease price of \$1,529.20 for **four** new machines of similar capability of our current Xerox machines. Printing costs are \$0.082 per color copy/print, and \$0.010 per black & white copy/print per month using color capable machines (three of four), while the remaining black & white machine will have a per copy/print cost of \$0.0063. Pricing includes service and supplies, excluding paper and taxes.

Ricoh Americas Corporation's proposal is for **six** total machines and includes a base lease price with a printing allowance of 9,000 color pages/month and 75,000 black & white pages/month. Unused printing allowances can be carried over from month-to-month within the quarter, minimizing additional printing charges. Pricing includes service and supplies, excluding paper and taxes.

Both companies provided unlimited training, delivery, and support.

Using the department's average printing counts per month and estimating that 3/4ths of all black & white printing will be at the lower printing rate, the Police Department can expect a minimum month billing from KMBS as follows:

Black & White copies/prints:

68,000 @ 75% * \$0.0063 = \$321.30

68,000 @ 25% * \$0.010 = \$170.00

Color copies/prints:

8,200 * \$0.082 = \$672.40

Monthly lease and minimum printing charges: \$1,529.20 + \$1,163.70 = \$2,692.90

Ricoh's monthly lease includes our average printing counts, plus additional printing allowances that "roll over" from month-to-month within each quarter. This cushion would be helpful when the Police Department has significant events with correspondingly higher printing counts.

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Monthly lease: \$3,250

Printing excesses over the monthly allowance and accumulated roll-over prints will be billed at: Black & White: \$.009 per copy/print, and color at \$.07 per copy/print.

KMBS's expected minimum costs could potentially save as much as \$850 per month over our current Xerox contract costs and separate printing systems; However, Staff recognizes that our printing needs have changed dramatically from month-to-month and without carry-over printing allowances and ala carte pricing, our monthly billing could exceed our current printing costs, or result in a savings.

Ricoh's lease proposal will have a minimum savings of \$300 per month over our current arrangement. Staff feels that this savings is realistic, as the printing allowances will likely cover the varying changes in our monthly printing needs. Over the three year contract term, Ricoh's proposal will very likely result in a \$10,800 savings as compared to the department's current situation.

Comparison of monthly average cost-per-machine:

KMBS' four machines ($\$2692.90 / 4$) = \$673 (estimate)

Ricoh's six machines ($\$3250.00 / 6$) = \$541

Total cost of Ricoh's contract: 36 months @ \$3,250 per month = \$117,000
(excludes potential printing costs over cumulative allowances).

ATTACHMENTS:

1. Exhibit A - Ricoh's side-by-side comparison between Ricoh Pro906EX and KMBS' Bizhub 750.

MOTION:

That the City Council:

- 1) Approve a three-year contract with Ricoh Americas Corporation and;
- 2) Authorize the City Attorney to review/prepare the necessary documents; and,
- 3) Authorize the City Manager to execute such documents on behalf of the City.