To: Honorable Mayor and Members of the City Council
From: Dee-Williams Ridley, City Manager
Submitted by: Henry Oyekanmi, Director of Finance
Subject: Toshiba Managed Printed Services – Participation in Cooperative Contract: Region 4 Education Service Center/Omnia Partners

RECOMMENDATION
Adopt a Resolution authorizing the City Manager to piggyback off Region 4 Education Service Center Contract No. R171405 (hereinafter Region 4 Contract) and enter into annual Purchase Order agreements and any amendments with Toshiba Business Solutions Inc. (TBS) for the provision of citywide managed print and copy services. Expenditures are projected to amount to $267,938 in FY2020, $275,976 in FY2021, and $284,255 in FY2022, for a total not to exceed amount of $828,170 for three (3) years coverage, subject to the City’s annual budget appropriation process.

FINANCIAL IMPLICATIONS
Funds are available in each individual department’s budget. The City currently spends approximately $250,000 annually with TBS for the lease of 66 multifunction printers/photocopiers and the maintenance of 12 printers/photocopiers that various departments purchased. TBS printers/photocopiers afford the City approximately 500,000 prints per month corresponding to an average cost per copy of $0.0416, excluding paper. By piggybacking off the Region 4 Contract the City will maintain existing pricing over the next three years term and, increase the level of service via enhanced capability to access new online fleet management tools, data analysis software, and streamlined customer service procedures.

After an evaluation of available service options, inclusive of price and service comparisons from other providers, Finance General Services determined piggybacking off the Region 4 Contract presents the overall best value to the City. Expenditures are projected to amount to $267,938 in FY2020, $275,976 in FY2021, and $284,255 in FY2022, for a total not to exceed value of $828,170 for three (3) years coverage, subject to the City’s annual budget appropriation process.

CURRENT SITUATION AND ITS EFFECTS
On July 1, 2013 the City executed Contract No. 10190 with TBS, piggybacking off the Contra Costa County Copier Program Agreement BID#1201-003B (Contract Costa County Copier Program). Subsequently, TBS provided the City with 78 multifunction
printers and copiers, out of which 66 are leased and 12 owned. Contract No. 10190 terminated on June 30, 2019 with continuing service for four months provided through a standard expenditure contract as a short-term bridge prior to effecting a piggyback off the Region 4 Contract. Consequently, the City Manager seeks the authority to piggyback off the Region 4 competitively awarded contract, thus maintaining current pricing over the next three years with TBS offering enhanced services. City departments will issue purchase orders for each equipment placement utilizing established pricing. Concurrently, Finance General Services and the IT departments will engage in collaborative programs with TBS to maximize value by monitoring consumption and by promoting a Reduce, Reuse and Recycle work environment.

BACKGROUND
The City consolidated managed printing/copy services with TBS as a single provider in August 2007, after execution of Contract No. 7395 authorized by Resolution No. 63,590-N.S. Since July 1, 2013 the City has been piggybacking off the Contra Costa County Copier Program with adoption of Resolution No. 66,297-N.S that authorized Contract No. 10190. Contract No. 10190 terminated on June 30, 2019 with continuing service for four months provided through a standard expenditure contract as a short-term bridge prior to effecting a piggyback off the Region 4 Contract. Region 4 Education Service Center is part of Omnia Partners, a cooperative purchasing organization that serves more than 60,000 public entities and boasts roughly $13 billion in purchasing power. On March 1, 2018 Region 4 concluded TBS Contract No. R171405 for managed print and copy services. Contract No. R171405 has a three (3) year term with an option to renew annually for an additional two (2) years. By piggybacking off the Region 4 Contract, the City will stabilize printing and copying costs over the next three years and, at the same time, add service value through enhanced consumption monitoring tools, data analysis software and a streamlined customer service delivery model.

ENVIRONMENTAL SUSTAINABILITY
Toshiba Group in 2017 reduced the environmental impacts of its manufacturing processes by cutting back greenhouse gas emissions by approximately 12 million t-CO₂, by curbing 37,000 tons of landfill waste and by bringing the water received per unit of production at 89% of FY2013 level. Additionally, TBS provides the City with a no cost Zero Waste recycling program for disposing of consumables such as toner, fax cartridges and drum units. TBS will also collaborate with Finance General Services, the IT Department and other citywide users in order to promote a Reduce, Reuse and Recycle culture.

RATIONALE FOR RECOMMENDATION
After a thorough and comprehensive analysis that looked at customer and business requirements, current spend, future spend, and the market, it was concluded that the Region 4 Contract is the best value option to stabilize print and copy prices over the next three years and, simultaneously, enhance the level of service through consumption monitoring tools, data analysis software and a streamlined customer service delivery model.

ALTERNATIVE ACTIONS
Conducting an RFP solicitation was considered. After engaging market players, assessing departmental needs and considering transition expenses, it was determined that the costs and risks of an RFP solicitation outweigh the benefits of piggybacking off the negotiated Region 4 Contract. An RFP would not guarantee the Region 4 pricing level and it would require between 70 and 120 of City staff hours to finalize the solicitation process.

CONTACT PERSON
Dennis Dang, Acting General Services Manager, Finance Department, 510-981-7329

Attachments:
1: Resolution
RESOLUTION NO. ##,##-N.S.

PURCHASE ORDER AGREEMENT FOR TOSHIBA BUSINESS SOLUTIONS
MANAGED PRINTING AND COPY SERVICES

WHEREAS, all City departments need printers and copiers to conduct daily activities; and

WHEREAS, the City has been piggybacking off Contra Costa County Copier Program Agreement BID#1201-003B through Contract No. 1091; and

WHEREAS, Contract No. 1091 term expired on June 30, 2019 with continuing service provided for four months via a standard purchase order agreement; and

WHEREAS, after an evaluation of available service options it was determined that piggybacking off the competitively negotiated Region 4 Education Service Center Contract No. R171405 offered the best overall value to the City; and

WHEREAS, Region 4 Education Service Center Contract No. R171405 allows the City to stabilize printing prices over the next three years and to receive an enhanced level of service via consumption monitoring tools, data analysis software, and a streamlined customer service delivery model.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to enter into annual Purchase Order agreements and any amendments with Toshiba Business Solutions Inc. for the provision of citywide managed printer and copier services. Expenditures are projected to amount to $267,938 in FY2020, $275,976 in FY2021 and $284,255 in FY2022 for a total not to exceed of $828,170 for three (3) years coverage, subject to the City’s annual budget appropriation process.