



## Legislation Details (With Text)

**File #:** 12-1006      **Version:** 3

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**File created:**      **In control:** Board of Supervisors

**On agenda:** 8/29/2017      **Final action:** 8/29/2017

**Title:** Chief Administrative Office, Procurement and Contracts Division, recommending the Board consider the following:

- 1) Make findings in accordance with Board Policy C-17 that it is in the best interest of the County and makes good business sense to extend the current Countywide copier rental program with Discovery Office Systems in accordance with Board Policy C-17;
- 2) Extend the current rental program for an additional three years; and
- 3) Authorize the Purchasing Agent to extend current individual blanket purchase orders and issue new individual blanket purchase orders on an "as needed" basis for the placement of copiers countywide under the extended term.

**FUNDING:** Various funding sources from all County departments.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 3A - Discovery Copier Rental - Discounted Extension 8-29-17, 2. 2A - Letter from R. Morgan Co. 9-4-12.pdf, 3. A - Evaluation Spreadsheet 8-21-12.pdf

Date	Ver.	Action By	Action	Result
8/29/2017	3	Board of Supervisors	Approved	Pass
9/4/2012	2	Board of Supervisors	Approved	Pass
8/21/2012	1	Board of Supervisors	Failed	Fail
8/21/2012	1	Board of Supervisors	Continued	Pass

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### DEPARTMENT RECOMMENDATION

Chief Administrative Office, Procurement and Contracts Division, recommending the Board consider the following:

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- 2) Extend the current rental program for an additional three years; and
- 3) Authorize the Purchasing Agent to extend current individual blanket purchase orders and issue new individual blanket purchase orders on an "as needed" basis for the placement of copiers countywide under the extended term.

## **DISCUSSION / BACKGROUND**

On September 4, 2012, the Board of Supervisors awarded Award RFP No.12-986-061 to Discovery Office Systems of Sacramento, California for a new countywide convenience copier rental program for a period of five (5) years following Board approval. There are approximately 185 copiers currently placed throughout County departments, each with a 60 month rental term. Each copier expires at a different time based on when the machines were placed into service. The rental term for the first copier placed into service under this program is set to expire in October 2017.

Earlier this year, Discovery Office Systems submitted an offer to Procurement & Contracts to extend the term of all copiers placed through December 2016 for a two or three year period with deeply discounted monthly rental rate of 20% or 25% respectively. Additionally, the offer would maintain existing rates for Maintenance and Toner Supply Click Charges (for black and white, and color copies) during the extended term. The proposal also includes a continued guarantee to replace any service-intensive machine with a like or better machine at no additional cost. Any new additional machines placed into service would be at original program rates for a 60 month term and at the rates of the original contract pricing.

The savings that would be achieved by extending the rental term of the specified copiers would be \$118,473 for a two year extension (at a discount of 20%) or \$222,148 for a three year extension (at a discount of 25%). Discovery Office Systems is able to offer the discounts based on actual machine usage to date and projected machine life. The actual usage by County departments has generally been lower than estimated, thereby extending the life cycle of the copiers.

Procurement and Contracts met with staff from Information Technologies, and solicited input from a number of departments regarding the level of satisfaction with the machines and service provided under the Discovery Office System program. Staff expressed a high degree of satisfaction with both the equipment and services received.

Procurement & Contracts recommends the Board extend the current Countywide copier rental program with Discovery Office Systems for an additional three year period in order to maximize the savings that would be achieved. Additional benefits to extending the current program include extending the timing of implementing a new copier rental program to be after several major building renovation projects and IT infrastructure projects have been completed.

In accordance with Board of Supervisors Policy C-17, 5.9 Exemptions from Competitive Process, competitive bidding need not be required when the Purchasing Agent (for purchases not exceeding \$100,000), or the Board of Supervisors makes findings that:

*“(f) it is in the best interest of the county to extend a contract award from the previous contract period for additional contract terms provided the contractor agrees to furnish such products or services at the same contract price and under the same terms and conditions as the prior contract. This finding shall be made only when one of the following conditions exists:*

1. *The extension is necessary to avoid the interruption of County business; or*

*2. The extension makes good business sense”*

Staff has determined that the request meets these requirements and the contract can be extended without a competitive bidding process.

**ALTERNATIVES**

The Board could authorize a two year extension with Discovery Office Systems, or the Board could direct Procurement and Contracts to issue a new Request for Proposals (RFP) for a countywide copier rental program. In order to issue a new RFP, the Board would need to authorize the Purchasing Agent to extend any existing agreements for the period of time necessary to conduct the RFP and implement a new program.

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Information Technologies Department

**CAO RECOMMENDATION**

It is recommended that the Board approve this item.

**FINANCIAL IMPACT**

Department costs under a three year renewal program would be reduced by \$222,148 during the life of their copier rental agreements. Alternatively, department costs under a two year renewal program would be reduced by \$118,473 during the life of their copier rental agreements.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

None

**STRATEGIC PLAN COMPONENT**

Good Governance

**CONTACT**

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