



# COUNTY OF MENDOCINO

## Executive Office

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### STAFF REPORT

**DATE:** April 23, 2019

**TO:** The Honorable Board of Supervisors

**FROM:** Janelle Rau, Deputy CEO

**SUBJECT:** Approval of an Agreement in the Amount of \$350,000 with Toshiba Business Solutions (Toshiba) for the Acquisition of Multifunction Copier Devices and Maintenance Services

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The Executive Office/Central Service Division is responsible for the administration, support and maintenance of the County's multifunction copier device contract, with approximately 110 multifunctional copier devices in use today under this program. These devices are made available to County departments to support their copying, printing, and scanning needs.

#### **Overview of the County's Current Digital Copying Services and Infrastructure**

With the impending expiration of the existing multifunction copier contract, the Executive Office has analyzed the age of our copier inventory in conjunction with other potential copier service enhancements. The majority of the County's existing copier inventory is approximately five (5) years old; replacing the aging machines with the latest technology would provide the users with more reliability and efficiencies. Over the past five years, digital production technology has improved significantly. Multifunction devices currently offer a wide array of features and functionalities to improve productivity and efficiency in the workplace. Enhanced features include color scanning, copying, secure and remote printing.

#### **Assessment of the County's Current Copier and Printing Infrastructure**

The Executive Office began assessing and planning on the copier fleet replacement in the fall of 2018 to discuss the County's current digital copier inventory, analyzing the characteristics of the County's printing activity and resources, and reviewing options associated with other competitive and/or cooperative contract processes related to digital copier services, and consideration of other related services.

In order to obtain as much detail on the County's printing and copying activity, Toshiba embarked upon a County-wide assessment of the County's printing and copying activity as a means to obtain information in order to assess the County's future copier and printing needs. In partnership with Toshiba under the current contractual relationship (and at no cost to the County or obligation to Toshiba), an onsite assessment of the County's current print and copy environment was conducted in March 2019. This assessment was a key step in understanding each department's printer and copier activities.

During the onsite assessment, Toshiba completed interviews with key departmental staff in order to prepare the most comprehensive management strategy of the County's equipment. This allowed the Executive Office to evaluate existing infrastructure allocation, including device models and number of employees in respective areas and mapping the data against facility floor plans and develop a plan for updating the copier fleet.

### **Analysis of Various Competitive Processes**

The Executive Office/Central Services Division evaluated cost savings alternatives towards acquiring a new contract that would meet the County's current and future operational requirements. Several cost saving alternatives were evaluated, including the use of competitively bid cooperative agreements available for use by other public agencies. As with the County's current Master Copier Contract (which was the result of piggy-backing off of an LA World Airports competitive contract), it was determined that the use of eligible cooperative agreements (piggy backing) from other agencies, where usage volume is significantly higher, would result in better pricing than what Mendocino County could secure independently.

There were several Cooperative Contracts that were evaluated, including: National Association of State Procurement Officials (Naspo), Texas Department of Information Resources (DIR), and Region 4. Toshiba is a successful vendor in each of these cooperative processes. The Toshiba solution is based on a single, all-inclusive cost-per-image to include all maintenance, toner, staples, firmware updates, network support, and unlimited training.

Based upon the review and research conducted, it was determined that the terms and rates available in the Region 4 contract with Toshiba, would allow the County to replace the County's aging and/or inefficient machines with the newest technology (the following table illustrates the current Master Copier Contract in comparison to the proposed copier contract).

<b>Mendocino County Current Contract / 36 Month Lease Program (in comparison)</b>	
<i>545,000 Black and White images/monthly</i>	<i>All black and white images billed at \$0.0052 each</i>
<i>Avg. 54,950 color images/monthly</i>	<i>All Color Billed at \$0.0373 each</i>
<b>Mendocino County Future Contract / 36 Month Lease Program (in comparison)</b>	
<i>545,000 Mono images/monthly</i>	<i>All black and white images billed at \$0.0066 each</i>
<i>50,000 color images/monthly</i>	<i>All Color Billed at \$0.0373 each</i>

As with the County's existing contract, the proposed contract is comprised of equipment costs for a three year period and maintenance costs for a five year period. The equipment would be acquired via a three year capital lease and will enable the County to pay a reduced rate during the final two years of maintenance. Based on 545,000 month mono images and 50,000 color images, and the monthly lease costs, the annual estimated contract amounts are as follows:

2014 Annual Copier Contract	\$340,152
2019 Annual Copier Contract	\$326,856
Estimated annual savings:	\$13,296

In addition to the above findings and potential cost savings associated with the competitively bid Toshiba contract, listed below are other advantages that were considered in making the recommendation to proceed with Toshiba:

- The Region 4 contract being considered by Mendocino County was awarded through a rigorous and thorough process resulting in best in class products and services at an aggressive price to qualified public entities

- Significant administrative cost savings derived from piggy backing off of the competitive processes undertaken by Region 4, rather than initiating a new competitive process
- Toshiba also continues to receive positive feedback from other surrounding counties, including Sacramento County, Placer County and Contra Costa County, with emphasis on Toshiba's flexibility, responsiveness and effective, efficient contract administration
- Toshiba will analyze and enhance the current provision of toner cartridges for the County's laser printers, as well as continue to service the County's existing laser printer inventory at no additional cost to the County. In continuing with the servicing of the County's existing laser printers, staff estimates that the annual savings to the County will be well in excess of \$20,000 in County staff time
  - With the renewal of this contract with Toshiba, along with the results of the recent copier and printing infrastructure assessment, staff will continue to analyze the County's purchases of toner and explore further cost savings measures
- All new Toshiba multi-function devices will provide full color scanning to the network (e-mail, folder and USB). Additionally, all proposed Toshiba multi-function devices (with exception of the County's Copy Center machine) will also offer scan to mobile devices
- 18 County departments are receiving faster systems than their previous models. This will improve efficiency and reliability.
- All new multi-function systems come with 10.1" color touchscreens (up from 9"), like a tablet computer. These also include personalization capabilities.
- All new systems are equipped with Dual Scan Document Feeders (DSDF). This is an upgraded technology that allows both sides of a 2-sided sheet of paper to be scanned simultaneously in a single pass. This will improve efficiency as the feeder scans a 2-sided original at 240 images per minute (ipm) which is 3x faster than the current fleet.
- All new systems are equipped with an upgraded 300-sheet document feeder. This is 3x more capacity than the current fleet.
- All new systems are receiving 2000-sheet Large Capacity Feeders (LCF) as standard configuration. This will improve efficiency and require departments to load paper less often.
- High fax volume departments will utilize a fax server for greater capabilities than the current fax modules. These enhancements include stream-lined fax from desktop, eliminates paper waste, increased security of faxes, direct integration in to the Toshiba Control Panel, and greater logging and management of fax traffic.
- All new system processors are upgraded from 1.2 GHz to 1.33 GHz for quicker production time.
- RAM upgraded from 2-GB to 4-GB for improved capacity and capability.
- Self-encrypting 320-GB HDD provides 256-bit AES encryption.
- Eliminating high cost color laser printers and moving images to lower cost Toshiba MFP's.
- Repurposing six newer models currently on lease to insure cost savings to Mendocino County. Keeping several previous-model systems in the County's Central warehouse for loaners and parts for quicker service remedy.

#### **Board Considerations/Staff Recommendations:**

Based upon the various factors stated above, and due to the administrative cost savings from utilizing Region 4's competitive process, the Executive Office recommends that the Board of Supervisors:

- Approve the agreement with Toshiba Business Solutions (Toshiba) for the acquisition of multifunction copier devices and maintenance services, based upon the Region 4 competitively awarded contract;
- Approve an amendment to the County's Fixed Asset list with the associated components as detailed in Exhibit E of the agreement;
- Authorize the Purchasing Agent to execute any and all necessary documents related to the transaction;
- Authorize the Purchasing Agent to sign any future amendments to the agreement that do not alter the fiscal aspects of the Toshiba master copier contract.