



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** January 28, 2014

From: Marc Puckett, Assistant Town Manager **Item No:** 3
Finance & Administration

Subject: PHOTOCOPIER UPGRADE

T.M. Approval: _____

Budgeted Item: Yes No N/A

RECOMMENDED ACTION:

That the Town Council authorize the Town Manager to enter into a lease agreement with Konica Minolta for six (6) photocopier machines.

SUMMARY:

Upgrading the six (6) Konica Minolta Bizhub photocopier machines will save the Town \$8,786.67 over the lease term based upon the current costs and usage of the existing photo copier machines. This upgrade is needed to improve the reliability of the machines, meet the Town's printing demands and reduce the photocopier costs.

BACKGROUND:

As summarized in the attached cost analysis spreadsheet, the six (6) Bizhub model C652 photocopiers leased from Konica Minolta by the Town are used heavily by both Town and Police staff. Currently, these devices are frequently under repair and unavailable at an increasing rate resulting in lost staff time and increased costs of operation for the machines.

The upgraded devices have the printing capabilities to meet staff's printing demands for the foreseeable future. However, most importantly, the upgraded devices will improve the reliability of the machines, reduce operating expenses and reduce the loss in staff time.

The County of San Bernardino has a County contract which other agencies within the County have been able to utilize to increase cost savings for each participating agency. The existing lease cost is based upon utilization of the County contract. Staff was able to negotiate a further reduction of the lease costs for the copier at a rate below that of the County contract. The proposed pricing for the six photocopiers will provide the Town with copier machines and save the Town \$8,786.67 over the lease term based upon the current costs and usage for the existing copiers.

FISCAL IMPACT:

The proposed pricing for the six photocopiers will provide the Town with copier machines and save the Town \$8,786.67 over the lease term based upon the current costs and usage for the existing copiers. This is a non-budgeted upgrade. Based upon the current costs for the existing lease, the proposed lease agreement will reduce operating expenses by \$8,786.67 over the life of the 5 year lease.

CONCLUSION:

Staff recommends adoption of the recommended action.

Contract Length: 60

Konica Minolta (Current)

| Location | Model | QTY Black | Average Monthly Usage | Cost Per Black | QTY Color | Average Monthly Usage | Cost per Color | Usage Cost | Monthly Lease | Total Cost |
|---|-------------|-----------|-----------------------|----------------|-----------|-----------------------|----------------|--------------|---------------|--------------|
| Administrative Services Animal Shelter Building & Safety Finance | Bizhub C652 | 537,832 | 8,964 | 0.0062 | 538,040 | 9,301 | 0.0527 | \$32,743.27 | \$204.01 | \$44,983.87 |
| | Bizhub C652 | 331,663 | 5,528 | 0.0062 | 346,111 | 5,769 | 0.0527 | \$20,296.36 | \$204.01 | \$32,536.96 |
| | Bizhub C652 | 266,084 | 4,435 | 0.0062 | 119,320 | 1,989 | 0.0527 | \$7,997.88 | \$204.01 | \$20,178.48 |
| | Bizhub C652 | 502,328 | 8,372 | 0.0062 | 256,172 | 4,270 | 0.0527 | \$16,614.70 | \$204.01 | \$28,855.30 |
| | Bizhub C652 | 302,858 | 5,048 | 0.0062 | 201,349 | 3,356 | 0.0527 | \$12,488.81 | \$204.01 | \$24,729.41 |
| Municipal Operations Police Admin | Bizhub C652 | 1,044,580 | 17,410 | 0.0062 | 252,799 | 4,213 | 0.0527 | \$19,798.90 | \$204.01 | \$32,039.50 |
| | | 2,985,345 | 49,756 | | 1,733,791 | 28,897 | Subtotals: | \$109,879.92 | \$1,224.06 | \$183,323.52 |

5 Copier Replacement

| Location | Model | QTY Black | Average Monthly Usage | Cost Per Black | QTY Color | Average Monthly Usage | Cost per Color | Usage Cost | Monthly Lease | Total Cost |
|---|-------------|-----------|-----------------------|----------------|-----------|-----------------------|----------------|-------------|---------------|--------------|
| Administrative Services Animal Shelter Building & Safety Finance | Bizhub C652 | 531,284 | 8,855 | 0.0055 | 551,606 | 9,193 | 0.046 | \$28,295.94 | \$233.20 | \$42,287.94 |
| | Bizhub C652 | 331,663 | 5,528 | 0.0062 | 346,111 | 5,769 | 0.0527 | \$20,296.36 | \$204.01 | \$32,536.96 |
| | Bizhub C652 | 256,897 | 4,282 | 0.0055 | 111,288 | 1,855 | 0.046 | \$6,532.18 | \$233.20 | \$20,524.18 |
| | Bizhub C652 | 491,761 | 8,196 | 0.0055 | 248,240 | 4,137 | 0.046 | \$14,123.73 | \$233.20 | \$26,115.73 |
| | Bizhub C652 | 267,766 | 4,463 | 0.0055 | 181,356 | 3,023 | 0.046 | \$9,815.09 | \$233.20 | \$23,807.09 |
| Municipal Operations Police Admin | Bizhub C652 | 1,008,468 | 16,808 | 0.0055 | 237,002 | 3,950 | 0.046 | \$16,448.67 | \$233.20 | \$30,440.67 |
| | | 2,887,839 | 48,131 | | 1,675,603 | 27,927 | Subtotals: | \$95,511.96 | \$1,370.01 | \$177,712.56 |

-\$5,610.96
Savings

6 Copier Replacement

| Location | Model | QTY Black | Average Monthly Usage | Cost Per Black | QTY Color | Average Monthly Usage | Cost per Color | Usage Cost | Monthly Lease | Total Cost |
|---|-------------|-----------|-----------------------|----------------|-----------|-----------------------|----------------|-------------|---------------|--------------|
| Administrative Services Animal Shelter Building & Safety Finance | Bizhub C652 | 531,284 | 8,855 | 0.0055 | 551,606 | 9,193 | 0.046 | \$28,295.94 | \$226.60 | \$41,891.94 |
| | Bizhub C652 | 331,663 | 5,528 | 0.0055 | 346,111 | 5,769 | 0.046 | \$17,745.25 | \$226.60 | \$31,341.25 |
| | Bizhub C652 | 256,897 | 4,282 | 0.0055 | 111,288 | 1,855 | 0.046 | \$6,532.18 | \$226.60 | \$20,128.18 |
| | Bizhub C652 | 491,761 | 8,196 | 0.0055 | 248,240 | 4,137 | 0.046 | \$14,123.73 | \$226.60 | \$27,719.73 |
| | Bizhub C652 | 267,766 | 4,463 | 0.0055 | 181,356 | 3,023 | 0.046 | \$9,815.09 | \$226.60 | \$23,411.09 |
| Municipal Operations Police Admin | Bizhub C652 | 1,008,468 | 16,808 | 0.0055 | 237,002 | 3,950 | 0.046 | \$16,448.67 | \$226.60 | \$30,044.67 |
| | | 2,887,839 | 48,131 | | 1,675,603 | 27,927 | Subtotals: | \$92,960.85 | \$1,359.60 | \$174,536.85 |

-\$8,786.67
Savings