



BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 5/6/2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

Subsequent to IFB# 1001216, contract B508471-BC was initially awarded on 5/3/10 for an initial term of three years in the amount of \$102,000 annually and included two one-year renewals. The anticipated volume of lease agreements was 37, with those being for the Sheriff's Dept. Two amendments were awarded for this contract, most recently 12/17/13, that raised the total value of the contract to \$763,089.22.

However, the popularity of the convenience of a lease agreement that included auto-replenishment of consumables and customize quarterly billings with a lower total cost of ownership drove up demand throughout the County for more leases. Additionally, more expensive service contracts expired, and, for example, support was no longer available for aged Canon copiers last year that further fueled demand against this contract. There are currently 114 leases with ten retroactive pending that will require a total of \$1,269,926.43 for lease and services through 6/30/19. Additionally, contract B506578 for copier maintenance provided by CopyGraphix is expiring on 6/29/14 which will add additional demand to this contract, estimated to be \$250,000, until a permanent solution is awarded from an IFB for managed print services throughout Pima County in July, 2014 upon BOS approval.

CONTRACT NUMBER (If applicable): B508471-BC

STAFF RECOMMENDATION(S):

ITD recommends increasing the total spending authority of Toshiba contract B508471-BC from the current limit of \$763,089.22 to \$1,519,926.43 to accommodate all current demand against said contract retroactively, and cover short term anticipated demand while a new permanent solution to managed print services in Pima County is presented for BOS action in July, 2014. This requires an amendment to increase by \$752,837.21 the total value of said contract to accommodate all Toshiba copier lease obligations through 6/30/19. Contract will need to extend through July, 2019 to allow for last payment of leases terminating in June, 2019.

PIMA COUNTY COST: _____ **and/or REVENUE TO PIMA COUNTY:** _____

FUNDING SOURCE(S): General Fund

(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

ADVERTISED PUBLIC HEARING: ☐ YES ☒ NO

BOARD OF SUPERVISORS DISTRICT: ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒ ALL

IMPACT:

IF APPROVED:

Adequate funding in this contract will be available throughout the duration to the last lease payment due in July, 2019 for second quarter lease payments due at the end of June, 2019. Going forward, no new leases will be granted under this contract, above and beyond up to fifteen additional leases that may be necessary to let while Pima County transitions to a managed print services (MPS). MPS is a paradigm for all copier and network printing management services in Pima County that is the subject of an IFB the Procurement and Information Technology departments are completing and expected to release in early May, 2014. The transition will begin upon BOS award of a contract in July, 2014 resulting from the IFB.

IF DENIED:

Departments with leased Toshiba copiers or those with service agreements will *not* be able to pay the lease/service agreement obligations after 6/30/14. Additionally, ten retroactive lease agreements for copiers delivered by Toshiba in good faith on 3/29/14 will have to be removed, leaving affected departments without copiers they needed right away while a new contract strategy was agreed upon with Procurement.

DEPARTMENT NAME: Information Technology


CONTACT PERSON: Craig S. Rendahl

TELEPHONE NO 724-7590

DEPARTMENT DIRECTOR: Jesse Rodriguez

Date: April 23, 2014

To: Chuck H. Huckelberry
County Administrator

From: Jesse Rodriguez 
Chief Information Officer

Re: Toshiba Master Agreement B508477-BC

Subsequent to IFB# 1001216, a contract was initially awarded on 5/3/10 for an initial term of three years in the amount of \$102,000 annually, and included two one-year renewals. The anticipated volume of leases was 37 for the Sheriff's Dept. Two amendments were awarded for this contract, most recently 12/17/13 which raised the total value of the contract to \$763,089.22.

Over the last two years IT and Procurement have been working together to replace the existing agreements with a more permanent solution for managed print services throughout Pima County projected to be awarded in July, 2014 upon BOS approval. In the meantime, the process to add additional Multi-Function Devices (MFD's) to the Toshiba contract was to have the department head identify the need, sign off and forward to the Records and Compliance Manager to then sign off and provide to the Procurement Director for final signature to move forward with the acquisition of the additional devices. This process was followed in all cases including the remaining ten devices; however the last ten purchase contracts were not signed by the Procurement Director so the equipment should not have been delivered or received.

There are currently 114 leases with ten additional retroactive pending. This requires a total of \$1,269,926.43 for lease and services through 6/30/19. Additionally, contract B506578 for copier maintenance provided by CopyGraphix is expiring on 6/29/14 which will add additional demand to this contract, estimated to be \$250,000.

ITD recommends increasing the total spending authority of Toshiba contract B508471 from the current limit of \$763,089.22 to \$1,519,926.43 to accommodate all current demand against said contract retroactively, and cover short term anticipated demand. This requires an amendment to increase the current contract by \$752,837.21 to accommodate all Toshiba copier lease obligations through 6/30/19. The contract will need to extend through July, 2019 to allow for last payment of leases terminating in June, 2019.

To ensure this does not happen again, IT has sent all staff related to procurement activities to Procurement training and will provide the scope of services and specifications to Procurement as directed. Procurement will then move forward to award the contracts accordingly.

Your approval is recommended.

JR/mk

APPROVED:

 4/23/14
C. H. Huckelberry, County Administrator Date