

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 8/05/2014

ITEM SUMMARY, JUSTIFICATION and/or SPECIAL CONSIDERATIONS

Retroactive Amendment of Award: MA# B508471, MA Version 11, Toshiba Business Solutions USA dba Toshiba Business Solutions, for the Master Copier Lease Agreement, increase contract amount by \$767,088.71, Funding Source: Various Department Funds, Administering Department: Information Technology.

BACKGROUND

At the request of, and utilizing contract specifications provided by the Information Technology Department and Sheriff Departments, the Procurement Department conducted IFB # 1001216. A contract was initially awarded by the Procurement Director on 05/03/10 for an initial term of three years in the amount of \$306,000.00 and included two one-year renewals, both of which have been previously executed in the amount of \$204,000.

The Master Agreement provides for the a) lease and b) maintenance of multi-function devices that provide network printing, copying, scanning, and faxing of documents. The number of devices, either owned or leased, has increased significantly requiring two previous amendments of contract award. Pima County Departments have executed leases for 124 devices currently in use.

Each device that is leased requires the Client Department to execute a Supplemental Lease Agreement (SLA) for a typical term of five (5) years. The SLA defines a quarterly lease amount dependent on the selected model and maintenance services that are provided on a Cost-Per-Copy basis and include all service calls, parts, and supplies necessary for maintaining leased or county-owned equipment in accordance with OEM standards.

On December 17, 2013, the BOS approved an amendment of award to increase the contract amount by \$300,000.00 to provide for the payment of Supplemental Lease Agreements and maintenance costs through 06/30/2014.

On May 6, 2014, the Information Technology Department created and directly processed an Agenda Item Summary for Board of Supervisors action that was intended to increase the contract amount by \$1,519,926.43 to fund the following requirements and extend the contract term to June 30, 2019. However, the requested amount of increase was incorrectly specified resulting in an approved increase of the contract amount of only \$752,837.21 which is insufficient to satisfy the following existing financial commitments (SLA) and future requirements which remain unchanged:

- 1) Payment for existing financial obligations, lease and maintenance, of 124 SLA's: \$1,019,926.43
- 2) An additional 15 SLA's if needed until a new Managed Print Services contract is established: \$250,000.00
- 3) Payment for maintenance of county owned devices in the amount of \$250,000

Contract Award/Amendment History Summary:

5/3/10: \$306,000 (Procurement Director Initial Award/3-year)
5/9/11: \$204,000 (CCO exercised renewals)
12/17/13: \$300,000 (Board of Supervisors)
5/6/14: \$752,837.21 (Board of Supervisors/extend to June 30, 2019)
8/5/14: \$767,088.71 (Board of Supervisors; This amendment)
Total: \$2,329,925.92 thru 6/30/2019

This retroactive (4/1/14) contract amendment to increase the contract award amount by \$767,088.71 to \$2,329,925.92 is required to allow Departments to issue Delivery Orders for the full financial commitments of existing and additional SLA's, provide maintenance services for leased and county-owned devices, and to assure that future purchases do not exceed the amount authorized by the BOS. If this amendment is not approved, Departments will not be able to pay for the defined service requirements.

Although the current contract rates are competitive, ITD has performed significant research and is developing a scope of services to form a new Managed Print Services (MPS) contract that when established is expected to provide equal or better services at significantly less lifetime cost. ITD intends to utilize the MPS contract to replace a majority of the lease agreements under the current contract which may ultimately reduce the contract amount ITD plans to complete the MPS scope of services and request a competitive procurement process to establish a new Managed Print Services (MPS) contract by not later than December 2014.

Effective Date: 04/01/2014
New Termination Date: 06/30/2019 (no change)
Original Contract Amount: \$ 306,000.00
Prior Amendment Amounts: \$1,256,837.21
This Amendment Amount: \$ 767,088.71
Revised Contract Amount: \$2,329,925.92
Contract Officer: Nina Schatz for Jennifer Moore, Procurement, 724-8719

Payment System: AMS

CLERK OF BOARD USE ONLY: BOS MTG. _____ ITEM NO. _____