

JAN 04 10 40 AM '16



PIMA COUNTY

MEMORANDUM

INFORMATION TECHNOLOGY

Date: December 22, 2015

To: Chuck H. Huckelberry
County Administrator

From: Jesse Rodriguez
Chief Information Officer

Via: Tom Burke
Deputy County Administrator

Re: Cooperative Agreement with Toshiba Business Solutions

In 2010, Pima County entered into an agreement with Toshiba Business Solutions for the leasing and purchasing of Multi-Function Devices (MFDs). Over the subsequent 5 years, the County established 110 leases with Toshiba under Master Agreement (MA) B508471 supporting 14 departments: Sheriff's Department, RWRD, Public Fiduciary, Health Department PACC, Finance, Procurement, Graphic Services, Library, Information Technology, Flood Control, Housing Center, OEM, and Community Development.

The Information Technology Department (ITD) had very little visibility to the creation of these leases as any department could enter into a lease without involving ITD. This resulted in an over expenditure of the Master Agreement to which ITD came to the Board of Supervisors on May 6, 2014, to seek approval to modify the existing contract to accommodate the leases that departments had entered into for the total amount of \$1,269,926.43. Additionally, to address this concern, ITD, Procurement and Finance met to determine the best way forward to resolve this issue. The solution selected was that all copier, printer, and scanner solutions, either lease or purchase, would be submitted by ITD and that a new bid would be submitted to accommodate the way forward. Elected Officials may participate in this solution as well, otherwise separate contracts for their needs would be necessary.

Furthermore, ITD, now tasked with copier lease or purchases, set out to find the most economical approach for Pima County and decided there was not enough information to make a decision. To that end, Pima County ITD is recommending a Cooperative Agreement with Toshiba using the State of Arizona contract as the basis for the agreement. The State contract provides established pricing, terms and conditions which meet the needs of Pima County. Attachment A contains additional detail regarding the state contract, memos and agenda item report provided to the Board of Supervisors on December 15, 2015. By taking advantage of this co-op, the County benefits in the following ways:

- Migration of the existing 110 leases will result in savings of \$366,793.20 over a 60-month period. This is accomplished through the State contract, by which Toshiba has provided a promotion which allows for additional reduced pricing on purchased and leased MFD's if 200 or more devices are contracted. Toshiba has also lowered the rate of Color Cost-per-Copy from \$0.041 to \$0.03. Cost savings based on the replacing of 110 Toshiba MFD devices whose leases will expire during the contract is shown in the following table.

Chuck H. Huckelberry, County Administrator
Via Tom Burk, Deputy County Administrator for Administration
Re: Cooperative Agreement with Toshiba Business Solutions
December 22, 2015
Page 2 of 2

	Per Month	Over 60 month lease
Promotion Savings	\$ 3,275.18	\$ 196,510.80
Color Copy Savings	\$ 2,838.04	\$ 170,282.40
Estimated total savings over 60 month lease		\$ 366,793.20

Note: Attachment B is a detailed spreadsheet for each leased printer by department.

- Rightsizing, device monitoring and reporting activities to be performed by Toshiba providing the right printer to meet customer's needs, further reducing costs of consumables, prints, copies, and scans, as applicable.

Rightsizing services are defined as all services, tasks and responsibilities associated with the evaluation and professional management of Pima County's Print Device Fleet including but not limited to MFD's, printers and copiers. Toshiba will perform an inventory of these devices through on-site evaluation, usage by devices on the network, and actual needs of the users. Recommendations for removal, relocation and/or replacement may be made as part of the rightsizing outcome.

Two years into this agreement, Toshiba will supply a report which includes the Pima County inventory of MFD and network printer devices. This inventory will provide the necessary information to make recommendations for County-wide standardization and cost savings moving forward. As ITD initiates the process for a new contract in 2018 for Print Management Services, this report will be used to evaluate the services and options available.

ITD has followed all Procurement directions and policies to meet the submittal of this contract for Board of Supervisors approval. The resulting contract, if approved, will enable Pima County to move forward with leasing multi-function printing devices and provide an inventory to enable a future recommendation to the Governing Board based on a comparative analysis between cost per copy, leasing, and purchasing paradigm.

DW/mk

Attachments