

# Agenda Report

September 28, 2015

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Finance  
**SUBJECT: PURCHASE ORDER CONTRACT AWARD TO CANON SOLUTIONS AMERICA, INC. FOR THE LEASE AND MAINTENANCE OF ONE CANON VARIOPRINT 135 DIGITAL PRINTING SYSTEM AND ONE CANON IMAGEPRESS C800 DIGITAL COLOR PRINTING SYSTEM AND SUPPORTING SOFTWARE AND HARDWARE NOT TO EXCEED \$576,376 OVER A 63-MONTH PERIOD**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (general rule); and
2. Find that the proposed contract is exempt from competitive bidding and selection requirements pursuant to City Charter Section 1 002(h), and Pasadena Municipal Code Section 4.08.049(A)(3), contracts with other governmental entities; and
3. Authorize the issuance of a purchase order contract with Canon Solutions America, Inc. for costs associated lease and service of one Canon VarioPrint 135 black and white printing system, one ImagePress C800 color printing system and PrismaPrepare software, plus supporting hardware and software in an amount not to exceed \$576,376 for a sixty-three month term.

**BACKGROUND:**

The Department of Finance, Printing Services section provides reprographic and printing services for all city departments. Two of the section's production printers, the Canon IR125 and Oce CS650, are over 9 years and 8 years old, respectively. These machines have reached and exceeded their useful lives and have been subject to an increasing number of malfunctions and downtime. This downtime has resulted in increased costs for lost labor and materials and made it extremely difficult to maintain the level of service required by city departments, particularly in regard to timely reproduction of year-end budgetary documents (CAFR, Adopted Budget, Budget in Brief), Council agenda packets and mailings, and the Capital Improvement Project document. Many of these documents are critical to City operations and require immediate turnaround times that are becoming increasingly difficult to meet.

Over the past 9 years, Printing Services has spent an average of approximately \$129,776 per year to purchase and maintain its production printing equipment. This cost is expected to increase to approximately \$139,623 in FY2016. With a lease agreement which replaces two of the primary printing systems, the primary software front-end, and much of the support hardware, this cost can be reduced by approximately \$29,838 to \$109,786 per year over the following five-year period. Since there was no equipment replacement mechanism put in place when the current printing systems were purchased, a lease option is the most viable solution for the continued operation of Printing Services.

Multiple units from a number of manufacturers were reviewed in order to ensure the appropriate equipment was acquired. These vendors included Xerox, Konica-Minolta, Sharp, Ricoh and Canon. Canon was the deemed the most cost-effective vendor that was still capable of meeting acceptable quality standards of performance.

The county of Dupage, IL recently completed a competitive bidding process and established National IPA contract # CP-002-13 with Canon Solutions America, Inc. for the purchase of printing and copying equipment. Canon Solutions America, Inc. has offered to extend the pricing in the contract to the City of Pasadena. Notably, during the month of September, promotional pricing is available for the ImagePress C800, providing additional savings over those in the NIPA contract.

Attachment A includes tables comparing status-quo costs of operations for FY2016 against costs of operations with an equipment upgrade.


**ENVIRONMENTAL ANALYSIS:**

The proposed contract is exempt from the California Environmental Quality Act (CEQA) per section 15061 (b)(3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action relates to printing services and will not have any impact on the environment.

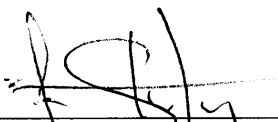
**FISCAL IMPACT:**

The total cost of this action will be \$576,376 and will be distributed across the period beginning in Fiscal Year 2016 and ending in Fiscal Year 2020. Funding for this action is included in account 8113-508-325300. The anticipated impact to other operational programs or capital projects as a result of this action will be none.


Respectfully submitted,

  
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