



Information and General Services Department

950 Maidu Avenue
Nevada City, CA 95959
Phone: 530-265-1238
Fax: 530-265-7112

Information Systems
Geographic Information Systems
Facilities Management

Emergency Services
Central Services
Cable Television

Purchasing
Airport
Library

June 8, 2015

Honorable Board of Supervisors
Eric Rood Administration Center
950 Maidu Avenue
Nevada City, CA 95959

DATE OF MEETING: June 23, 2015

SUBJECT: Resolution authorizing execution of an amendment to the contract with Ray Morgan Company for leasing and service of multi-function office machines.

RECOMMENDATION: Adopt the resolution

FUNDING: Contract costs of \$13,000 per month are budgeted in the Central Services budget and will be charged out to County departments based on their use of the leased equipment.

BACKGROUND:

In 2010, following issuance of a request for proposals and an extensive evaluation of proposed devices and support systems, the County entered into a five-year contract with Ray Morgan Company for leasing of 53 Canon multi-function office machines, and software and maintenance services for those machines plus two additional County-owned machines, for a total monthly cost not to exceed \$17,500 plus applicable sales tax. Resolution 10-404, by which that contract was approved, authorized the Purchasing Agent to execute amendments to the contract up to an aggregate increase of ten (10) percent as needed to meet the changing needs of County departments for this equipment. Since that time, the Purchasing Agent has executed five (5) amendments to the contract. The current monthly cost remains below the original \$17,500 estimate.

The Canon devices leased and serviced under this contract provide printing, scanning, faxing, and copying functionality. They operate on the County network and are fully integrated with the County's MS Exchange and SharePoint servers, providing the capability for users to scan directly to County email accounts and SharePoint libraries. Configuration of this capability was a labor-intensive process for both County and Ray Morgan personnel during the first six to twelve months of the contract period. In light of that major effort, and the fact that most of the leased machines are still in good working order, it would not be cost effective to open this contract up to competition through another RFP process at this time.

The proposed amendment will extend the contract for an additional 4.5 years, through June 30, 2020. It replaces 18 of the machines with new models, due to the current high meter readings for those machines. Three machines will be deleted from the contract and not replaced, one machine will be added at a new location, and 36 machines will be retained. The monthly lease cost for the retained machines will decrease approximately 60%,

reflecting the reduced fair market value of the machines. The lease costs include software maintenance for the scanning and accounting software. In addition to the lease costs, the contract includes maintenance charges based on the utilization of the machines. The new monthly cost for lease and maintenance is not expected to exceed \$13,000, plus applicable sales tax, for the extended period of the agreement.

The Canon machines and the service provided by Ray Morgan Company have proven to be an effective solution to the County's extensive needs for copying, scanning, printing, and faxing capability. Renewal of this contract is recommended as a cost effective solution to continuing to provide this capability over the next five years.

Respectfully,



Stephen T. Monaghan
Chief Information Officer