

BOARD OF BIDS AND CONTRACTS AUGUST 10, 2017

ITEM REQUIRING BOCC APPROVAL

(1 Item)

1. COLOR PRODUCTION COPIER -- DIVISION OF INFORMATION TECHNOLOGY

AND SUPPORT SERVICES (DITSS)

FUNDING -- DITSS

(Request sent to 35 vendors)

RFB #17-0065 Contract

| | Xerox Corporation | R.K. Black, Inc. (FKA DOCUFORCE) | Sumner One, Inc. dba Western Imaging, Inc. |
|---|-------------------|--|--|
| Model | Versant 180B | Canon C750 Image Press | Canon C750 Image Press |
| 1. Purchase Option-Base Unit | \$29,228.00 | \$48,109.00 | \$36,495.00 |
| 2. Purchase Option-Ability to print on #10 envelopes | included | included | \$50.00 |
| 3. Purchase Option-3 Hole Punch | included | \$574.00 | \$400.00 |
| Total purchase cost | \$29,228.00 | \$48,683.00 | \$36,945.00 |
| 4. Per month, Lease Option-Base Unit | \$548.41 | \$890.00 | \$580.16 |
| 5. Per month, Lease Option-Ability to print on #10 envelopes | included | included | \$1.00 |
| 6. Per month, Lease Option-3 Hole Punch | included | \$11.00 | \$6.47 |
| Total monthly lease cost | \$548.41 | \$901.00 | \$587.63 |
| Service Agreement | \$0.00 | \$0.00 | \$0.00 |
| Click charges, black and white images | \$0.0079 | \$0.0050 | 0.0065 |
| Click charges, color images | \$0.0383 | \$0.0500 | 0.0395 |
| Length of service agreement (months) | 60 | 60 | 63 |
| Hourly rate for extended service (evenings/weekends, outside scope of normal support) | \$644.00 | \$362.00 | \$150.00 |
| Location of support technicians to respond to service calls within four (4) hours | Wichita, KS | Wichita, KS | Wichita, KS |

BOARD OF BIDS AND CONTRACTS AUGUST 10, 2017

| | Galaxie Business Equipment, Inc. | Canon Solutions America, Inc. | Konica Minolta Business Solutions U.S.A., Inc. |
|---|----------------------------------|------------------------------------|---|
| Model | Sharp MX7500MX | Canon C750 Image Press | Accurio Press C2070 |
| 1. Purchase Option-Base Unit | \$32,252.20 | \$53,233.54 | \$31,213.00 |
| 2. Purchase Option-Ability to print on #10 envelopes | included | included | \$1,414.00 |
| 3. Purchase Option-3 Hole Punch | \$396.00 | included | included |
| Total purchase cost | \$32,648.20 | \$53,233.54 | \$32,627.00 |
| 4. Per month, Lease Option-Base Unit | \$596.99 | \$889.00 | \$636.13 |
| 5. Per month, Lease Option-Ability to print on #10 envelopes | included | included | \$28.81 |
| 6. Per month, Lease Option-3 Hole Punch | \$7.33 | included | included |
| Total monthly lease cost | \$604.32 | \$889.00 | \$664.94 |
| Service Agreement | | | |
| Click charges, black and white images | \$0.0035 | \$0.0059 | \$0.0069 |
| Click charges, color images | \$0.0295 | \$0.0290 | \$0.0350 |
| Length of service agreement (months) | 63 | 60 | 60 |
| Hourly rate for extended service (evenings/weekends, outside scope of normal support) | \$180.00 | \$150.00 2 hour minimum | \$100.00 Standby fee, \$135.00 per hour, 2 hour minimum |
| Location of support technicians to respond to service calls within four (4) hours | Winfield, KS | Wichita, KS | Wichita, KS |
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| | Ricoh USA, Inc. | Digital Office Systems, Inc. | |
| Model | Ricoh Pro C 5210S | Ricoh Pro C 5210S | |
| 1. Purchase Option-Base Unit | \$28,661.00 | \$32,395.00 | |
| 2. Purchase Option-Ability to print on #10 envelopes | included | included | |
| 3. Purchase Option-3 Hole Punch | \$338.00 | \$440.00 | |
| Total purchase cost | \$28,999.00 | \$32,835.00 | |
| 4. Per month, Lease Option-Base Unit | \$576.89 | \$600.60 | |
| 5. Per month, Lease Option-Ability to print on #10 envelopes | included | included | |
| 6. Per month, Lease Option-3 Hole Punch | \$6.80 | \$8.16 | |
| Total monthly lease cost | \$583.69 | \$608.76 | |
| Service Agreement | | | |
| Click charges, black and white images | \$0.0050 | \$0.0090 | |
| Click charges, color images | \$0.0300 | \$0.0480 | |
| Length of service agreement (months) | 60 | 60 | |
| Hourly rate for extended service (evenings/weekends, outside scope of normal support) | can be negotiated | \$150.00 | |
| Location of support technicians to respond to service calls within four (4) hours | Wichita, KS | Wichita, KS | |

BOARD OF BIDS AND CONTRACTS AUGUST 10, 2017

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| No Bids | Pitney Bowes, Inc. | Benchmark Business Solutions | High Touch Technologies |
| | PCM-G, Inc. | | |

On the recommendation of Kimberly Bush, on behalf of Division of Information Technology and Support Services, Richard Powell moved to **accept the low overall responsive bid from Canon Solutions America, Inc. at a monthly lease rate of \$889.00, click charges at the rates listed and an extended service rate of \$150.00 per hour, for 60 months.** Talaya Schwartz seconded the motion. The vote passed 3 to 1 with Linda Kizzire voting no.

Ricoh USA, Inc. was deemed non-responsive for failure to submit the correct pricing sheet with their bid response. Galaxie Business Equipment, Inc. quoted a machine that did not meet the minimum resolution specification of 2400 x 2400 dpi.

Note – Overall low pricing was calculated by taking into consideration the monthly lease payment plus the click charges for black and white and color copies based on the 2016 annual volume of prints. In 2016, there were 254,000 black and white clicks and 775,000 color clicks. Please see the table on the next page for reference.

Questions and Answers

Linda Kizzire: I want to know why we are not purchasing it because based on the total for the lease term it is \$182,213.82 to lease it for the five years versus paying \$53,233 to purchase it outright.

Anna Meyerhoff, Operations Manager, Division of Information and Operations: We lease the equipment in the print shop because it comes with service agreements, it pays for all of the toner and accessories we need to print otherwise we would have to buy those outright. Also the technology changes so quickly, in 5 years we will need to upgrade the copier.

Linda Kizzire: Okay well I purchased Bizhub copiers for the Treasurer’s Tag and Tax Offices and we pay per click and we get our maintenance and our toners provided to us.

Anna Meyerhoff: A production copier is different from an office copier. There are more accessories that go into it; the toner costs are higher and it needs maintenance more regularly than an office copier will.

Kimberly Bush: Can I add, just to clarify on the lease price. This \$182,000 that you're looking at - that's including the estimated click charges that we will probably pay over the next five years so we're not paying \$182,000 for the lease on the machine alone; I just want to make sure you understand.

Linda Kizzire: Yes I do because even at that it is \$107.00 less to purchase it than it is to lease it.

Anna Meyerhoff: That includes any parts that need replaced and some of the parts on a production copier can cost \$10,000 each. We have a few big parts that get replaced several times during the lease.

Thomas Stolz: Have we done this historically – leasing?

Anna Meyerhoff: Yes, we have been leasing for the last 25 years.

Thomas Stolz: And you show over time that because of the parts usage that this is still the most cost-effective?

Anna Meyerhoff: Yes, it is most cost-effective for the large equipment to lease. Chris Chronis went through this with us a few years ago when they went from ending lease agreements and purchasing more large equipment within DIO but it was shown that for the copiers it's more affordable to lease.

BOARD OF BIDS AND CONTRACTS AUGUST 10, 2017

Richard Powell: If I could inquire - we also are a large user of Bizhubs in various sizes and configurations. Can you just give us a quick overview? You'd mentioned that this particular device is different than a Bizhub. Now I know we have some Bizhubs that have a lot of capabilities from the standpoint of running our operation. Now of course I know price wise they're nowhere close to what we're talking about here but I know they have a lot of capability.

Anna Meyerhoff: It's not just capability. Production copiers are meant to handle the amount of copying and printing we do. It's also a different quality. We need a higher quality for some of the prints that you see around the county and in the community. They also have different finishers, booklet makers, inserters for large jobs that you wouldn't find in a normal office copier or in the Bizhubs that we have on contract.

Richard Powell: Could you give us an example when you talked about the various things that you're printing there so that I have a clear understanding or perhaps we have a clear understanding? Can you give an example of some of the things that you might print there that would be different than what we would use in the Sheriff's Office with a Bizhub machine that we do daily printing with?

Anna Meyerhoff: We print carbonless which is a specialty type of paper that can't be used with all machines. Some of the booklets used for tickets in the Sheriff's Office are created by us. We also do the budget books and manuals and that requires certain inserts of pages, otherwise it would be done manually. We also do several manuals, certain mailings for postcards that needs to be a certain quality on a certain type of thicker paper that couldn't be handled on the normal office copier.

Richard Powell: And these will go, I'm assuming, from everything like a business card size document up to a legal size document?

Anna Meyerhoff: Business cards print on 8 1/2" X 11" and then are cut down so this actually does from envelopes through a larger sheet than legal - I think 10" X 13".

Richard Powell: The life expectancy of this - I know we print a lot because we are primarily a 24/7 organization. Being a lease versus a purchase when this comes to the point where it's no longer serviceable do we just simply get another one?

Anna Meyerhoff: This is a 60 month lease contract and so we would go to bid and get an upgraded machine with better technology.

Thomas Stolz: I'll ask the same question I do on every piece of equipment where we say someone is not meeting minimum specifications which is the case with Galaxie. Can you in a high-level talk about why they couldn't meet specifications - what is it about their bid that is not meeting the minimum expectation?

Anna Meyerhoff: It was the resolution. It is not high enough resolution which will affect the quality of the copies.

BOARD OF BIDS AND CONTRACTS AUGUST 10, 2017

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| Vendor | Press description | Lease term | Total for lease term | Ranked by price |
| Western Imaging | Canon C750 Image Press | 63 | \$219,721.07 | 6 |
| Docuforce | Canon C750 Image Press | 60 | \$271,089.00 | 7 |
| Xerox | Versant 180B | 60 | \$203,214.74 | 5 |
| Konica Minolta | Accurio Press C2070 | 60 | \$195,213.30 | 4 |
| Canon Solutions | Canon C750 Image Press | 60 | \$182,213.82 | 3 |
| Galaxie Business | Sharp MX7500MX | 63 | \$173,098.55 | 2 |
| Digital Office Systems | Ricoh Pro C 5210S | 60 | \$275,043.24 | 8 |
| Ricoh USA | Ricoh Pro C 5210S | 60 | \$166,828.80 | 1 |
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