

Consent Item Briefing for PWSRCAC Board of Directors - January 2020

ACTION ITEM

Sponsor: Gregory Dixon
Project number and name or topic: Lease and maintenance agreement for the copiers/printers in the Anchorage and Valdez offices.

1. **Description of agenda item:** The Board of Directors is asked to approve a new five-year lease agreement with Konica Minolta for printer/copiers in the Anchorage and Valdez offices. The current lease and maintenance agreement for these machines will end in early 2020.

2. **Why is this item important to PWSRCAC:** The machines are the primary printers in the Anchorage and Valdez offices and are used to copy documents and assemble committee and board materials.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
Board	1/21/2010	Authorized executive director to enter into lease agreements for two Konica Minolta copier/printers.
Board	1/22/2015	The Board authorized the Executive Director to enter into lease agreements and maintenance contracts for copier/printers to be located in the Anchorage and Valdez offices after evaluation of responses from the RFP and recommendations from the Finance Committee. The lease terms will not exceed five years and the total cost will not exceed \$100,000.

4. **Summary of policy, issues, support or opposition:** Konica Minolta has provided PWSRCAC with a proposal for a new five-year lease. This will entail replacing the current machines with newer models. The basic lease payment is \$528.76 per month or a total of \$31,726 over five years. In addition, there is a charge for each print/copy made and is based on \$0.0620 each for color copies and \$0.0085 each for black and white copies. Based on the average number of copies made over the last several years, there are 104,000 color images and 68,000 black and white images made annually. This will mean an additional cost of \$7,026 per year or \$35,130 over five years. The total estimated cost of the lease, including the base charge and the copy count charge, would be \$66,856. This is an average of \$13,371 per year. The lease agreement provides for onsite maintenance in Anchorage and Valdez as well as toner and other supplies, excluding paper.

Management does not believe there is any advantage to putting this lease out to competitive bid. Konica Minolta has provided an attractive proposal. Konica Minolta has existing machines in Valdez with other customers (City of Valdez, Valdez School District, and Alyeska) and therefore regularly has a technician in Valdez. PWSRCAC has been very satisfied with equipment and maintenance provide by Konica Minolta since 2010. Based on proposals received in past years, there are few, if any vendors, providing the same level of support as Konica Minolta in Valdez.

5. **Relationship to LRP and Budget:** Office machinery is in the approved FY2020 budget in the amount of \$15,800, for the two copy machines.

Delegation of Authority of New Office Machinery Lease 3-1

6. **Action Requested of the Board of Directors:** Authorize the Executive Director to enter into a new five-year sole-source lease agreement and maintenance contract with Konica Minolta for copiers for copiers to be located in the Valdez and Anchorage, in an approximate amount of \$66,856.
7. **Alternatives:** We have considered the outright purchase of machines, but do not recommend this option due to rapidly changing technology of such products. The lease could be put out to competitive bid, but we do not believe there is any advantage to doing this.
8. **Attachments:** None