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CITY OF OAKLAND
AGENDA REPORT

2007 JUN 26 PM 2:51

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance and Management Agency
DATE: June 26, 2007

RE: **Resolution Appropriating Two Hundred Fifty Thousand Dollars (\$250,000) From
Reproduction Fund (4300) Fund Balance For The Purchase Of Replacement
Printing Equipment**

SUMMARY

Staff requests City Council's appropriation of \$250,000 from Reproduction Fund (4300) Fund Balance to purchase replacement equipment in lieu of the five-year lease option previously approved during the 2006-2007 mid-cycle budget adoption. An examination of current lease rates and terms reveals that it is economically advantageous for the City to purchase the equipment outright rather than lease it over a five-year period. Specifically, the cost for current lease rates and terms exceed the \$250,000 approved by City Council.

FISCAL IMPACT

There are currently sufficient funds in the Reproduction Fund (4300) Fund Balance to make this one time expenditure for replacement equipment. The funds will be appropriated to the Reproduction Fund (4300), Reprographic Services Org (46121), Furniture & Equipment Account (57512), in a project to be established.

BACKGROUND

During the 2006-2007 mid-cycle budget, per Resolution No. 79949 C.M.S., the City Council appropriated \$50,000 to the Reproduction Fund (4300) for the acquisition and replacement of reprographic equipment, via a five-year lease totaling \$250,000. The Finance and Management Agency's Information Technology Division' Administration and Reprographics Services Unit will oversee the use and maintenance of the equipment.

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KEY ISSUES AND IMPACTS

This purchase replaces two (2) print presses, a paper cutter and a plate setter. The equipment purchase(s) will go through the standard City procurement process. The purchase(s) will be competitively bid and vendors will be required to comply with the City's purchasing programs and policies.

PROJECT DESCRIPTION

The Finance and Management Agency, Information Technology Division's Administration and Reprographics Unit provides cost effective reprographic services to all City Departments. The unit produces large and high volume print jobs including flyers, brochures and business cards, to name a few. The unit is located in two City locations, 7101 Edgewater and 250 Frank Ogawa Plaza.

SUSTAINABLE OPPORTUNITIES

Economic: This equipment purchase will continue the cost effective services provided by the City's Reprographics section.

Environmental: The newer equipment provides for the latest in environmental protection, energy conservation and personnel safety.

Social Equity: There are no social equity opportunities associated with this report.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability or senior citizen access issues associated with this report.

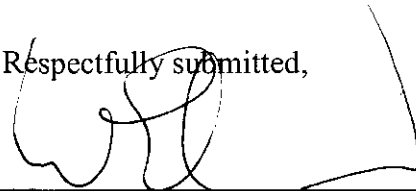
RECOMMENDATION(S) AND RATIONALE

Staff recommends that Council approve by resolution the appropriation of funds from Reproduction Fund (4300) Fund Balance. The funds will be appropriated to the Reproduction Fund (4300), Reprographic Services Org (46121), Furniture & Equipment Account (57512), in a project to be established, to replacement reprographic print shop equipment. This equipment has been identified as two (2) print presses, the paper cutter and the plate setter.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council approve the resolution appropriating funds from Reproduction Fund (4300) Fund Balance to purchase replacement reprographic print shop equipment.

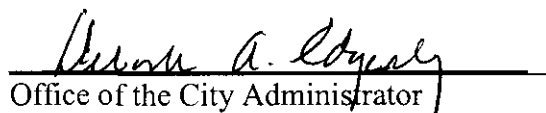
Respectfully submitted,



William E. Noland, Director
Finance and Management Agency

Prepared by:
Bob Glaze, Chief Technology Officer
Information Technology Division

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:


Office of the City Administrator

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OAKLAND CITY COUNCIL
RESOLUTION No. _____ C.M.S.

RESOLUTION APPROPRIATING TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) FROM REPRODUCTION FUND (4300) FUND BALANCE FOR THE PURCHASE OF REPLACEMENT PRINTING EQUIPMENT

WHEREAS, the Finance and Management Agency (FMA), Information Technology Division is updating, improving quality and reliability of reprographic service provided to City Agencies and Departments; and

WHEREAS, the City Council appropriated partial funds for the acquisition of replacement equipment in the 2006-2007 mid-cycle budget, with the expectation that the City would fund a total of \$250,000 to obtain the equipment through a five-year lease, and appropriations were to be spread over a five-year period at fifty thousand dollars per year through the 2010-2011 budget cycle; and

WHEREAS, FMA Information Technology and Treasury staff have determined that the City will save money by purchasing rather than leasing the equipment, but a purchase will require that the full appropriation to cover the equipment cost must be made in this budget cycle; and

WHEREAS, this equipment purchase, two (2) print presses, a paper cutter and a plate setter for \$250,000.00 or less, is within the City Administrator's purchase authority, will be obtained through the City's standard competitive bid process and the successful vendor(s) will be required to comply with all City purchasing programs and policies; now, therefore, be it

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RESOLVED: That the City Council hereby appropriates two hundred fifty thousand dollars (\$250,000) from Reproduction Fund (4300) Fund Balance to Reproduction Fund (4300), Reprographic Services Org (46121), Furniture & Equipment Account (57512), in a project to be determined, to be used for the purchase of replacement printing equipment.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

AYES-BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council of
the City of Oakland, California

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FINANCE & MANAGEMENT COMMITTEE

JUN 26 2007