



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Tony Batalla
Director, Information
Technology Department

SUBJECT: Oakland Reprographics Shop
Equipment Lease Renewal

DATE: January 5, 2024

City Administrator Approval


Jestin Johnson (Jan 30, 2024 12:02 PST)

Date: Jan 30, 2024

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Enter Into A Lease Agreement With Xerox Corporation, For A Grand Total Not To Exceed Amount Of \$938,093 (\$893,422 Plus A Five Percent Contingency Of \$44,671) For A Term Beginning April 1, 2024 And Ending March 31, 2029 To Upgrade, Refresh, And Consolidate Savings For The City's Reprographics Shop Equipment, And To The Extent Necessary, Waiving The Local/Small Local Business Enterprise Program Requirements And The Competitive Multiple-Step Solicitation Process For Information Technology Agreements.

EXECUTIVE SUMMARY

Staff Recommends That the City Council Adopt a Resolution to renew and extend a lease agreement with Xerox Corporation to continue to provide routine and specialized printing for the City's Reprographics Shop and waive the local/small local business enterprise program requirements for information technology agreements.

BACKGROUND / LEGISLATIVE HISTORY

Housed in the Department of Information Technology (ITD), the two (2) Reprographic Shops deliver routine and specialized print and binding services to departments Citywide. The Shops are located at 250 Frank Ogawa Plaza and 7101 Edgewater Drive. Equipment is dispersed across both locations to maximize function and efficiency. Currently, 3.0 FTE staff members (with 2.0 FTE vacancies) that spread work across locations to meet demand.

The Reprographic Shop's current equipment is comprised of a series of four (4) professional printing Xerox Corporation machines leased by the City and paid via the Internal Service Fund attached to Reprographics. The last lease, initiated in April 2019 as a Contract Purchase Order piggyback off Placentia Yorba Linda Unified School District MA-IS-2140251-1, will expire in 2024.

Finance & Management Committee
February 13, 2024

The Information Technology Department recommends entering a new lease agreement with Xerox Corporation for the refresh and renewal of all 4 pieces of equipment. This approach will provide business continuity for the Reprographics Shop, refresh equipment, and generate savings over the prior lease.

ANALYSIS AND POLICY ALTERNATIVES

The City's current Xerox leases will end in April 2024, requiring action by ITD. The primary objective of this policy is to renew the leases ensuring business continuity in the services the Reprographics Shop provides to the City of Oakland. In addition to renewing the overall lease agreement, ITD has the ability to refresh existing equipment and secure additional savings over the prior lease. The new lease would begin on April 1, 2024, and extend for 5 years, or 60 months, ending on March 31, 2029.

ITD has negotiated a lease agreement inclusive of all costs including maintenance and consumable supplies for all print equipment. This fixed service pricing enables the City to plan for a set expenditure level over the 60-month term. The Xerox equipment has been selected to meet the specific needs of the City's printing requirements, and the larger press machines include the ability to fold, punch, and booklet.

The monthly lease payment incorporates a full print-management services package that is inclusive of maintenance, repair, and printing supplies and totals \$14,890. The total value of the lease over 60 payments is \$893,422. ITD recommends including a 5.0 percent contingency amount, or \$44,671, to cover incidentals like staples for specialized binding, or the acquisition of an additional piece of equipment, if required during the 5-year term of this agreement. The new lease will achieve a monthly savings of \$265, or \$15,899, over the life of the lease agreement.

If the City does not enter a new lease agreement, the existing equipment will be removed by Xerox during the coming year, and the Reprographics team will be unable to fulfill the demand for their services. With a current staff of 3.0 FTE across 2 locations, the shop also requires continuity and the ability to work on familiar equipment. Additional training time would be required if the team were to make significant changes in the equipment they are currently using. Endurance in the current configuration of this equipment will help sustain the Citywide priorities of **vibrant, sustainable infrastructure and responsive, trustworthy government**. When print shop services are not delivered timely and efficiently, departments and the residents who rely on print materials are impacted. By ensuring business continuity, this policy seeks to enable the continued availability of print services Citywide to staff and residents who rely on the materials generated by the Reprographics Shop.

Cooperative Purchase

Oakland Municipal Code Section 2.04.080 [Cooperative Agreement Purchasing] authorizes the use of agreements of "...other governmental jurisdictions or public agencies that were awarded pursuant to an appropriate competitive process" to meet the City's multi-step bidding requirements for purchase agreements. ITD recommends this resolution through Omnia Partners Public Sector University of California, CA Contract Number 2020002686 cooperative purchasing agreement.

Waiver Of Competitive Solicitation Requirement Justification

In consideration of both the size and scope of the equipment required, as well as the need for continuity in service delivery by the Reprographics Shop, ITD has determined that a lease renewal with Xerox Corporation is reasonable and economical under the circumstances. Staff are seeking equipment known to be reliable and aligned with what is currently being used. Additionally, renegotiating the current lease results in additional savings that will be accrued over the next 60 months. Therefore, for the purposes of renewing the City's lease and updating Reprographics Shop equipment, and to minimize potential service disruptions and provide business continuity, it is in the City's best interest to waive the Local and Small Local Business Enterprise (L/SLBE) requirements for this lease agreement.

FISCAL IMPACT

This proposed Resolution will authorize the City Administrator to enter into a lease agreement with Xerox Corporation, in an amount not to exceed \$938,093, over a five-year period from April 1, 2024, through March 31, 2029. Funding for the first year and three months of year 2 is included in the approved FY23-25 biennial budget located here: Reprographics Fund (4300), Reprographic Services Organization (46121), and Administrative Services Project (1000011). While funding for the annual contract amount is included in ITD's current baseline budget, funding for the remaining months of years 2 through 5 are subject to funding availability and approval in future budget cycles.

COORDINATION

This report and legislation have been reviewed by the Office of the City Attorney, the Controller's Bureau, and the City Administrator's Office.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

ITD has completed previous leased projects with Xerox Corporation and deemed their performance satisfactory.

SUSTAINABLE OPPORTUNITIES

Economic: Effective City outcomes depend on secure, reliable, and cost-effective technology and platforms. Securing a long-term lease with savings over the current lease agreement ensures that the City's printing will be completed on large-scale, productive, refreshed equipment.

Environmental: For materials and signage that require print distribution, it is imperative that the City opt for highly efficient equipment that minimizes machine use and run-time. Additionally, in

opting for a solution that provides continuity to staff and includes preview and design options, staff will incur less waste in the overall print process.

Race & Equity: The IT Department must ensure that City Staff have the systems and services necessary to provide critical services to the community in support of racial equity goals to address disparities. Providing print options, where required, is a valuable service that City Staff provide to the community.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Enter Into A Lease Agreement With Xerox Corporation To Upgrade, Refresh, And Consolidate Savings For The City's Reprographics Shop Equipment And Waive The Local/Small Local Business Enterprise Program Requirements And The Competitive Multiple-Step Solicitation Process For Information Technology Agreements.

For questions regarding this report, please contact Tony Batalla, Information Technology Director, at 510-238-3319.

Respectfully submitted,



TONY BATALLA
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