



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: Consent Item

Lead Department: Administrative Services

Meeting Date: May 6, 2024

Report #:2308-1959

TITLE

Approval of General Service Agreement Contract Number C24189229 with Xerox in an Amount Not to Exceed \$382,165 to Lease Printing Equipment for the Print Shop for a Period of Three Years; CEQA Status: Not a Project

RECOMMENDATION

Staff recommends the City Council approve and authorize the City Manager or their designee to execute Contract No. C24189229 (Attachment A) with Xerox Corporation (Xerox) to lease printing equipment for the City's Print Shop for a term of three (3) years and a total amount not-to-exceed \$382,165, including \$347,422 for basic services and \$34,743 for additional services.

BACKGROUND

The Administrative Services Department's printing operation provides printing services to all City departments. The Print Shop operation was approved by Council to remain in-house as of November 13th, 2023 (2310-2165¹). The Print Shop currently has two (2) printers, Xerox Model No. V180, which is capable of printing both color and black and white, and one (1) model N120, which is only black and white. The Xerox N120 is in almost constant use processing print jobs daily. Every week this printer produces the Council packets that may contain as many as 500 pages, Planning's Architectural Review Board (ARB) and Human Resources Board (HRB) packets, which can average 200 pages for each packet, as well as thousands of notification postcards. It also supports all city departments printing large volumes of copies of forms using standard copy paper or specialized colored paper and multiple-part no carbon required (NCR) paper for documents that require carbon copies.

The color printer, Xerox V180 is also an important part of the Print Shop, it provides services to departments that mainly interact with the public. The Xerox V180 is routinely printing color copies, flyers, brochures, booklets, programs, manuals, and specialized print requests for the

¹ City Council, 11/13/2023; <https://portal.laserfiche.com/Portal/DocView.aspx?id=68640&repo=r-704298fc&searchid=61267795-cf57-4e5e-aac8-ccf9b3862cb0>

Community Service Department and various departments at City Hall. The Print Shop has other smaller equipment that helps to support the printers such as the paper folders and paper cutter which are utilized to cut and fold printed paper to various sizes. For the larger print requests of packets and manuals, the Print Shop can offer a variety of finishes including 3-hole punch, comb, spiral binding, and fastback. This equipment ensures the Print Shop can fulfill most print requests.

ANALYSIS

The existing equipment in the Print Shop has reached its “end of life” cycle and has been discontinued by the manufacturer. Over the past nine years the black and white printer model N120 has printed 4,948,810 copies and the color printer model V180 has produced 2,242,575 copies. Finding replacement parts is challenging and results in downtime and new equipment is recommended to keep the Print Shop functioning efficiently.

The approval of this contract will replace the existing equipment. The new equipment model numbers will be VR280 (Versant 280 Press) this is a color printer which features larger paper tray capacity feeders, allowing production to print for a longer time without interruptions and the DPS120 (Nuvera 120 EA System) which will print in black and white, with a printing speed of 120 pages per minute. Both pieces of equipment will feature various finishing options, like collating, stapling, folding and hole punching, which will help decrease manual labor time and increase the turnaround time for certain print requests. The new equipment will significantly reduce the downtime currently associated with service calls.

Previously the Print Shop leased equipment from Xerox per contract S18170901 for \$151,624 and contract S17166823 for \$253,119 for a grand total of \$404,744. The previous contracts were for three machines (two V180 and one N120). The new contract C24189229 for an annual cost of \$127,388 (\$382,165 for three years) is for leasing two machines (VR280 and DPS120). The two new machines can cover the work of the three older machines due to having a higher capacity and can copy in both black and white and color. The basic annual lease is \$93,213 and the remaining costs are based on per page printed and taxes. The per page cost ranges from \$0.0085 to \$0.0356. The printing costs were determined based on past printing volume. The City will save approximately \$22,570 over three years between the previous and new lease contract.

Procurement Process

This contract was awarded utilizing the Sourcwell Cooperative Agreement Number 030321-XOX² as authorized by the Palo Alto Municipal Code 2.30.360(j). The cooperative purchasing

² Sourcwell Cooperative Agreement #030321-XOX; <https://www.sourcwell-mn.gov/cooperative-purchasing/030321-XOX>

agreement contract was competitively solicited and publicly awarded through the cooperating purchasing organization Sourcewell and the City is a member of the cooperative.

FISCAL/RESOURCE IMPACT

Funding for this contract is available in the FY 2024 Adopted Operating Budget of the Administrative Services Department in the Print and Mail Fund. Funding for future years of the contract is subject to City Council approval through the annual budget process. The Print and Mail Fund allocates expenses to departments proportionally to their use of services to offset the costs to provide these services. While the annual not-to-exceed amount is \$382,165, the actual annual cost will vary depending on printing quantity, color versus black and white, and volume demand from various departments.

STAKEHOLDER ENGAGEMENT

City Departments participated in previous surveys/meetings to determine printing requirements. This study was done as part of an exploration of possibly outsourcing the City's printing needs. The outcome was to retain in-house printing services.

ENVIRONMENTAL REVIEW

These services do not constitute a project for the purposes of the California Environmental Quality Act.

ATTACHMENTS

Attachment A: Contract with Xerox C24189229

APPROVED BY:

Kiely Nose, Assistant City Manager