

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
PURCHASING & GENERAL SERVICES DEPARTMENT**

CONSENT AGENDA
ITEM NO. 7

TO: Mayor and City Council

FROM: Janic B. Cantu, Director of Purchasing & General Services

THROUGH: Terry M. Brechtel, City Manager

COPIES: Travis M. Bishop, Assistant City Manager;
File

SUBJECT: Lease of Network Printer

DATE: August 28, 2003

SUMMARY & RECOMMENDATION:

This ordinance authorizes the Purchasing & General Services Department to accept the offer from Heidelberg USA, Inc. to provide the Purchasing & General Services Central Stores Print Shop Division with the lease of a black and white network printer. Staff recommends approval of this ordinance.

BACKGROUND INFORMATION:

The attached tabulation of fifteen bids to provide the City of San Antonio Purchasing & General Services Department Print Shop with the lease of a black and white network printer is hereby submitted for council consideration and action. The bids submitted by Blue Image Technology, Inc.; CTWP; Oce Printing Systems, bid no.'s 1-3; Office Communications Systems, bid no.'s 1-4; Xerox Corporation, bid no.'s 2-4 failed to meet City specifications. The low qualified offer was submitted by Heidelberg USA, Inc.

The Central Stores Division maintains a full service print shop centrally located in the City Hall Annex. The Print Shop provides all City departments with reproduction services on a variety of documents, brochures, and forms. The Print Shop is fully equipped with printers, color printers, duplicators, binders and finishers. Printing services are provided on a charge-back basis to City departments. This operation allows the City to reduce printing costs through volume discounts for paper, equipment costs and supplies. This centralized operation on average provides charges 25% to 30% lower than those charged by outside vendors.

The printer provided by this contract is the most important piece of equipment in this operation. The current volume of printing for this printer is approximately 800,000 copies per month. This is expected to increase as the City's implements a networked print management strategy. This equipment is highly specialized with many features that are only available from two manufacturers. Some of these features include 155 copies per minute speed, nine different paper sources, stacking capacity of 8,000 sheets, scanning speed of 65 copies per minute. The printer also includes software, which allows for open architecture, making the software compatible with various printers while being connected to the network. All of these features combined will help to improve productivity and control costs. Additionally, this equipment will reduce current costs by 20%.

Only three of the offers submitted met the City's specifications. Representatives from the Purchasing, Budget, Information Technology Services and the Finance Departments evaluated this equipment. A best and final offer was requested and the team recommended the City award the contract based on the lowest qualified bid from Heidelberg USA, Inc.

Heidelberg USA, Inc. submitted a tax-exempt lease as their offer in association with Key Municipal Finance, a division of Key Corporate Capital, Inc. Key shall act as lessor under the lease providing a tax-exempt interest rate of 3.4% over the sixty-month term, including the option to purchase the equipment for \$1.00 at the end of the term. This lease allows the City to prepay the balance due for a 1% prepayment fee at any time during the term. The beginning lease value of the equipment is \$349,525.86.

This purchase is being made utilizing the State of Texas Cooperative Purchasing Agreement adopted by the City of San Antonio Resolution No. 91-39-53. Vendors were selected from the State of Texas Qualified Information Systems Vendor (QISV) listing.

POLICY ANALYSIS:


This contract provides the Purchasing & General Services Central Stores Division with the lease of a network printer from Heidelberg USA, Inc. through a tax-exempt lease from Key Financial Corporation. The contract includes installation, training, ten hours of software support service, maintenance service with three months of free service and consumable supplies to include toner. The contract shall begin upon award by City Council and terminates sixty-months from the date of installation by vendor.

FINANCIAL IMPACT:

The estimated cost of this contract is \$10,638.80 per month, which includes \$6,342.84 for the lease of equipment and approximately \$4,295.96 for maintenance. Funding will be from the Internal Services Fund. Additionally, the equipment will be insured by Key Financial Corporation for \$131.07 per month. All expenditures will be in accordance with the FY02-03 Budget approved by City Council.

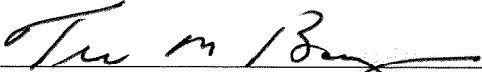
COORDINATION

This ordinance has been coordinated with the City of San Antonio Information Technology Services, Finance and the Budget Departments.




Janie B. Cantu, C.P.M., Director
Purchasing & General Services

Approved:



Travis M. Bishop, Assistant City Manager
City Manager's Office



Terry M. Brechtel
City Manager

City of San Antonio Bid Tabulation

Opened: March 31, 2003		Option #1				
For: Lease of Black and White Network Printer		Heidelberg USA, Inc.	Blue Image Technology, Inc.	CTWP	Ikon Office Solutions	Oce Printing Systems USA, Inc.
RFO NO.03-041		1000 Gutenberg Drive	16610 Dallas Parkway Ste. 1250	4249 Centergate	121 Interpark Blvd., #104	5600 Broken Sound Blvd.
AR/rm		Kennesaw GA 30144	Dallas TX 75248	San Antonio TX 78217	San Antonio TX 78216	Boca Raton FL
Item	Description					
1	60-Month Lease of Equipment Price Per Month	\$6,342.84**	NAS \$4,700.00	NAS \$2,152.08	\$7,467.00**	NAS \$8,895.00
2	Manufacturer Make and Model	Heidelberg Digimaster 9150i	IBM Infoprint 2000	Minolta Di 850	Canon Image Runner 150	Océ DPS400
3	Optional Accessories Price per Month Binder Maintenance Price per Month			TR Micropress Included		Doc Works Exec & Doc Setter Included
4	Cost per click over 850,000 click Price Per Click	\$.0040	\$3,315.00/\$.00390*	\$0.0075	\$0.0039	\$0.0027
5	Maintenance Service Price Per Month	\$4,295.96	\$2,000.00	\$6,375.00	\$5,412.00	Included
6	Installation & Delivery					
	Grand Total	\$10,638.80	\$10,015.00	\$8,527.08	\$12,879.00	\$8,895.00
	Estimated Total Award	\$10,638.80				

*Price has been adjusted for comparison purposes only.

**Best and Final Offer Pricing

City of San Antonio Bid Tabulation

		Option #2	Option #3	Option #1	Option #2	Option #3
Opened: March 31, 2003		Oce Printing Systems USA, Inc.	Oce Printing Systems USA, Inc.	Office Communications Systems	Office Communications Systems	Office Communications Systems
For: Lease of Black and White Network Printer		5600 Broken Sound Blvd.	5600 Broken Sound Blvd.	10231 Kotzebue	10231 Kotzebue	10231 Kotzebue
RFO NO.03-041		AR/rm Boca Raton FL	Boca Raton FL	San Antonio TX 78217	San Antonio TX 78217	San Antonio TX 78217
Item	Description					
1	60-Month Lease of Equipment Price Per Month	NAS \$8,895.00	NAS \$8,895.00	NAS \$2,252.00	NAS \$2,252.00	NAS \$1,375.00
2	Manufacturer Make and Model	Océ 3165SL	Océ 3275	Lanier 5685	Lanier 5685	Toshiba 810
3	Optional Accessories Price per Month Binder Maintenance Price per Month	Doc Works Exec & Doc Setter Included	Doc Works Exec & Doc Setter Included	Bind Fast 5 Perfect Binder \$110.00 Bind Fast 5 \$750.00/62.50*	BQ-270 Perfect Binder \$909.00 BQ-270 Perfect Binder \$3,900.00/\$325.00*	Bind Fast 5 Perfect Binder \$110.00 Bind Fast 5 \$750.00/62.50*
4	Cost per click over 850,000 click Price Per Click	\$5,680.00/\$0.008*	\$5,680.00/\$0.008*	\$0.0055	\$0.0055	\$0.0055
5	Maintenance Service Price Per Month	Included	Included	\$1,199.00	\$1,199.00	\$1,199.00
6	Installation & Delivery			\$1,500.00	\$1,500.00	\$1,500.00
	Grand Total	\$14,575.00	\$14,575.00	\$3,513.50	\$3,776.00	\$4,245.50
Estimated Total Award						

*Price has been adjusted for comparison purposes only.

**Best and Final Offer Pricing

City of San Antonio Bid Tabulation

Opened: March 31, 2003		Option #4	Option #1	Option #2	Option #3	Option #4
For: Lease of Black and White Network Printer		Office Communications Systems	Xerox Corporation	Xerox Corporation	Xerox Corporation	Xerox Corporation
RFO NO.03-041		10231 Kotzebue	100 NE Loop 410 Suite 400	100 NE Loop 410 Suite 400	100 NE Loop 410 Suite 400	100 NE Loop 410 Suite 400
AR/rm		San Antonio TX 78217	San Antonio TX 78216	San Antonio TX 78216	San Antonio TX 78216	San Antonio TX 78216
Item	Description					
1	60-Month Lease of Equipment	NAS		NAS	NAS	NAS
	Price Per Month	\$1,375.00	\$6,012.59**	\$5,544.22	\$4,935.94	\$1,835.25
2	Manufacturer Make and Model	Toshiba 810	Xerox 6155	Xerox 6135 w/ SBMF	Xerox 6100 w/ DC545 & SBMF	Xerox DC490 w/existing printer
3	Optional Accessories	BQ-270 Perfect Binder				
	Price per Month	\$909.00				
	Binder Maintenance	BQ-270 Perfect Binder				
	Price per Month	\$3,900.00/\$325.00*				
4	Cost per click over 850,000 click					
	Price Per Click	\$.0055	\$0.0032	\$0.0038	\$.0038 & .0046	\$0.005
5	Maintenance Service Price Per Month	\$1,199.00	\$5,266.00	\$3,883.10	\$4,152.32	\$1,024.50
6	Installation & Delivery	\$1,500.00				
	Grand Total	\$5,308.00	\$11,278.59	\$9,427.32	\$9,088.26	\$2,859.75
Estimated Total Award						

*Price has been adjusted for comparison purposes only.

**Best and Final Offer Pricing