



City Council Report

4a
4-6-09

Date: April 6, 2009
To: City Council
Through: Bryan Raines, Deputy City Manager
From: Edward Quedens, Business Services Director
Subject: Purchase of a Color Photocopier/Network Printer (Replacement) for the Business Services Department, Mail & Print Services Division (Tax-Exempt Lease) (State of Arizona Contract #EPS-060-122-2-5A) "Citywide" contract

Purpose and Recommendation

Council is requested to approve the Purchase of a Color Photocopier/Network Printer, to be financed through a tax-exempt lease as recommended. State contract pricing was evaluated by the Business Services Department.

The Business Services Department recommends authorizing purchase from the State of Arizona contract with Hughes-Calihan Konica Minolta Corporation at \$49,795.35, including applicable sales tax.

Background/Discussion

This replacement purchase will provide the Print Services Division with a high-volume copier/network printer that will allow staff to supply internal customers citywide with high quality color print jobs. The lease on the current copier expired March 31st, and due to its age, maintenance frequency and older technology is in need of replacement.

As customers continue to require more color publications, this copier will provide a robust machine to meet copy demands, thus minimizing the need for individual departments to procure color copiers and increasing the capacity of in-house color print jobs.

Alternatives

Council may choose not to authorize purchase from the State contract and new bids will be obtained; however, the State contract contains a "most favored customer clause" that prohibits the successful bidder(s) from offering other Arizona customers a better price for similar items without extending that price to the State of Arizona as well. Because this clause exists, it is doubtful that the City could obtain a better price by obtaining separate bids.


Fiscal Impact

The total amount of \$49,795.35 will be expended from the Mail & Print Services Division's budget using tax-exempt lease funds.


The Financial Services Department anticipates an interest rate of 4.25% for four years, with a total interest expense of \$4,872.35 and annual payments of \$12,448.84. Lease payments will begin in FY2008-09 and are in the Mail & Print Services Division's budget. Funds for subsequent years' lease payments will be included in future budget requests.

Coordinated With:

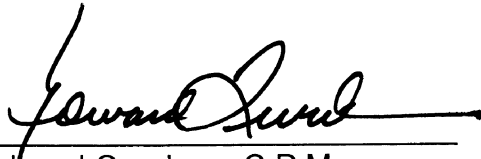
Mail & Print Services Division



Cyndi Gonzales,
Management Assistant II



Jim Ruiz, CPPB
Purchasing Administrator



Edward Quedens, C.P.M.
Business Services Director



Bryan Raines,
Deputy City Manager

**CITY OF MESA
PURCHASE RECOMMENDATION
HIGH VOLUME NETWORK PHOTOCOPIER
(STATE OF ARIZONA CONTRACT #EPS-060-122-2-A7)**

**Hughes-Calihan Konica Minolta Corporation
Phoenix, AZ**

Description	Bid Price
Bizhub Pro C6501 Color Copier	\$41,480.00 8.3% Sales Tax <u>3,442.84</u> Sub Total \$44,922.84 Interest Expense <u>4,872.35</u> TOTAL \$49,795.35