

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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ITEM NO: C - 3

DATE: May 28, 2009

SUBJECT: Authorization to Purchase Xerox Work Centre 5665PT Copy Machine and Enter into a Maintenance Agreement

CONTACT PERSON: Deborah Knight, City Administrator

**ISSUE:**

The issue before the City Council is to authorize the Mayor to sign Acquisition and Maintenance Agreements with Quality Business Systems for a Xerox Work Centre copy machine.

**STAFF RECOMMENDATION:**

1. Authorize the Mayor to sign an Acquisition Agreement (Attachment A) with Quality Business Systems to purchase a Xerox WorkCentre copy machine in an amount not to exceed \$11,000.00.
2. Authorize the Mayor to sign a 12 month Maintenance Agreement (Attachment B) for \$.0054 per page.

**SUMMARY:**

The City Council authorized City staff to purchase a new copy machine in the 2009 budget. The budget approved by Council is \$12,000.00. The purchase price for the proposed Xerox WorkCentre (with tax) is \$10,782.73. The machine is expected to have a useful life of approximately five (5) years.

The City relies heavily on its copy machine. The City purchased its Canon copy machine in 2001. Its useful life when purchased was 5 years. The City's current Canon copy machine has printed over 1,320,000 copies. It has exceeded its expected lifespan and is beginning to show its age. It is slow (33 copies/minute) and is requiring more frequent maintenance to keep pace with the amount of copying the City requires. Its trade in value is approximately \$500.00. City staff recommends keeping the Canon machine and using it at the public works shop. The current shop machine is approximately 12 years old and will be surplus with Council approval.

Proposed Xerox WorkCentre 5665PT

<b>Description</b>	<b>Cost</b>	<b>Explanation</b>
Xerox WorkCentre 5665PT	\$7,797	Base machine
Copy/Print/Scan Print Controller	\$765	Allows machine to print and scan. Scanning saves paper and is used for digital packets and posting information to the website.
Office Finisher	\$816	Piece on the side where paper is fed and stapled
<b>Sub-total</b>	<b>\$9,378.00</b>	

City staff recommend the following additions to the base machine:

<b>Description</b>	<b>Cost</b>	<b>Explanation</b>
3-hole punch	\$92.00	Allows paper to be automatically hole-punched for council and planning board packets and other notebook materials.
Copy/Print/Scan Print Controller	\$468	Allows machine to scan in color. Many of the documents the City creates and receives are provided in color. This feature allows the City to scan color documents in color including council and planning board packets. Outreach and marketing materials, handouts, etc.
<b>Sub-Total</b>	<b>\$9,938.00</b>	
Tax	844.73	
<b>Total</b>	<b>\$10,782.73</b>	

**DISCUSSION:**

The copy machine is one of the most used pieces of equipment at City Hall. City staff carefully considered a number of alternatives and “test” drove several machines before recommending the Xerox WorkCentre. The key feature is the machine’s copy speed and color scan features. The speed is 65 copies/minute compared to the 35 copies/minute on the existing machine which is a time saver when staff is working to deliver large Council or Planning Board agenda packets.

### Leased Konica

One of alternatives staff considered was keeping the leased Konica machine used at the police station. The Konica was recently moved from the police station to the City Hall lobby. City staff have been working with the lease holder (US Bank) to end the lease and return the machine. Unfortunately it appears the Konica cannot be returned until the end of the year. The monthly lease is \$231.87/month. The cost per copy is .012 or approximately \$240 per month (compared to .0054/copy for the proposed Xerox machine). The cost to keep the Konica until the end of 2009 is \$1,391 for the lease (\$231.87 x 6 months) and an additional \$240/month per page charge for a total cost of \$3,071.

There are 18 months left on the lease agreement – The lease expires in December 2010. If the City wants to keep the Konica at the end of the lease in December 2010, the City will be responsible for paying an additional cost (\$1,200-\$5,000). At this point the Konica will be 5 years old.

Since the per copy page of the Konica is twice the cost of the Xerox machine, City staff recommend putting the Konica in the lobby for customer use only until it can be returned to the vendor at the end of the year. Any copy costs can be covered by a per page charge under the City's fee schedule.

### Copiers Considered

All costs converted to 18 months to compare to Konica lease

MACHINE NAME	PURCHASE PRICE	MAINT. 18 months	COPIES PER MINUTE (CPM)	AGE ON 12/2010	12/2010 TOTAL
Canon 3245i	\$6,194	.0074 per page \$148 per mo. <b>\$2,664/yr total</b>	45	2	<b>\$8,858</b>
Xerox 5665 (QBS)	\$7,797	.0054 per page \$107 per mo. <b>\$1,926/yr total</b>	65	2	<b>\$9,723</b>
Sharp MX- M55ON	\$9,450	.0054 (assumed) \$107 per mo. <b>\$1,926/yr total</b>	55	2	<b>\$11,376</b>
Xerox 5665 (Benchmark)	\$9,850	.0062 per page \$124 per mo. <b>\$2,232/yr total</b>	65	2	<b>\$12,082</b>
Konica	\$4,173 <sup>1</sup> <u>\$5,000</u> <sup>2</sup> \$9,173 total	.012 per page \$240 per mo. <b>\$4,320/yr total</b>	45	5	<b>\$13,493</b>

<sup>1</sup> Total for 18 month on lease

<sup>2</sup> Buyout Total

The analysis assumes the City makes approximately 20,000 copies per month. Each machine comes with free staples and toner.

#### FISCAL IMPACT:

City staff proposed purchasing the Xerox 5665 from Quality Business Systems. The proposed purchase is off the state bid list (Attachment C). The list price is \$20,205.00. The state bid price is \$7,797.00. The maintenance agreement is expected to run approximately \$107.00/month assuming approximately 20,000 copies are made during the month. Staples and toner are included in the maintenance agreement.

The City Council has budgeted to replace the copy machine. The City Council could choose to delay purchasing a new copy machine and use the Konica until it is returned to the vendor. This would cost the City approximately \$240 per month for the per page cost since the lease cost of \$231.87/month is a fixed cost.

#### ALTERNATIVES:

1. Authorize the Mayor to sign Acquisition and Maintenance Agreements (Attachments A and B) with Quality Business Systems to purchase a Xerox WorkCentre copy machine in an amount not to exceed \$11,000.00 with a 12 month Maintenance Agreement for \$.0054 per page.

This alternative implies the City Council supports the staff recommendation and understands the importance of a functional, efficient and reliable copy/scan machine and is prepared to make an investment in a new copy machine.

2. Do not authorize the Mayor to sign Acquisition and Maintenance Agreements with Quality Business Systems to purchase a Xerox WorkCentre copy machine. Provide direction to staff.

This alternative indicates the City Council has questions and/or concerns regarding the proposed purchase and would like additional information before making a decision.

#### RECOMMENDED ACTION:

Authorize the Mayor to sign an Acquisition Agreement (Attachment A) with Quality Business Systems to purchase a Xerox Work Centre copy machine in an amount not to exceed \$11,000.00.

#### ATTACHMENTS:

- A - Acquisition Agreement with Quality Business Systems
- B – Maintenance Agreement with Quality Business Systems
- C – State Bid WorkCentre 5665



# ACQUISITION AGREEMENT

6812 185th AVE NE  
REDMOND, WA 98052

<b>CUSTOMER INFORMATION</b>	COMPANY NAME - SHIP TO:		COMPANY NAME - BILL TO:	
	City of Sultan			
	ADDRESS		ADDRESS	
	319 Main Street, Suite 200			
	CITY		CITY	
	Sultan			
	STATE	ZIP	STATE	ZIP
	Wa	98294		
	PHONE		PHONE	
	(360) 793-2231			
FAX		FAX		
(360) 793-3344				
CONTACT		CONTACT		
Julie Addington				
P.O.#		ORDER DATE		
		13-May-09		

<b>SOLUTION SUMMARY</b>	ORDER QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
	1	Xerox WorkCentre 5665PT		\$ 7,797.00
	1	Copy/Print/Scan Print Controller		\$ 765.00
	1	Office Finisher		\$ 816.00
	1	3-hole punch kit		\$ 92.00
	1	Color Scanning Enablement Kit		\$ 468.00
				\$ -
				\$ -
				\$ -
				\$ -

<b>PROFESSIONAL SERVICES</b>		Pricing Set up by State Contract 2009		\$ -
				\$ -
		Purchase Contingent upon Board Approval May 26th, 2009 (Not a valid transaction until Board Approved)		\$ -
				\$ -
		Includes Delivery and Connectivity for Printing & Scanning		\$ -
				\$ -
				\$ -

		Subtotal:	\$ 9,938.00
		Freight:	
		<b>Tax:</b>	
		<b>TOTAL:</b>	

<b>AUTHORIZATION</b>	COMPANY NAME - SHIP TO:	QUALITY BUSINESS SYSTEMS, INCORPORATED
	City of Sultan	AUTHORIZED SIGNATURE
	AUTHORIZED SIGNATURE	PRINT NAME
	PRINT NAME	TITLE
	TITLE	DATE
	DATE	SALES REPRESENTATIVE Clayton Cockrum

Cash Transactions Only: Title will be passed on to you when your cash transaction is paid in full. Until such time, to secure all of your obligations to us under this Agreement, you hereby grant us a security interest in (a) the Equipment to the extent of your interests in the Equipment, (b) anything attached or added to the Equipment at any time, (c) any money or property from the sale of the Equipment, and (d) any money from an insurance claim if the Equipment is lost or damaged. You agree that the security interest will not be affected if this Agreement is changed in any way. You hereby appoint us (our agents) as your true and lawful attorney-in-fact to affix your signature to UCC financing statements prepared and filed on your behalf by us (or our agent) with the same force and effect as if you had signed such financing statements. If we request, you agree to sign financing statements in order for us to publicly record our security interest. This Agreement or a copy of this Agreement shall be sufficient as a financing statement and may be filed as such.

<b>CUSTOMER INFORMATION</b>	COMPANY NAME - SHIP TO: <b>City of Sultan</b>		COMPANY NAME - BILL TO:	
	ADDRESS 319 Main Street, Suite 200		ADDRESS	
	CITY Sultan		CITY	
	STATE Wa	ZIP 98294	STATE	ZIP
	PHONE (360) 793-2231		PHONE	
	FAX (360) 793-3344		FAX	
	CONTACT Julie Addington		CONTACT	
	P.O.#	START DATE	ORDER DATE 13-May-09	

Product Make / Model	Serial Number	Start Meter	Networked	Coverage Option	Statement of Work
Xerox 5665 System	WTM773036	11708	Yes	Full - B/W	N/A

Coverage Option	Description of Coverage				
Basic Fax	Include parts and labor for one year. Does not include supply items				
	Rate			per Year	
Full - B & W	Includes parts, labor and supply items for the monthly PAGE ALLOWANCE, for a 12-month period. Additional pages shall be billed at the Overage Rate. This agreement does not cover paper, transparencies or staples. OVERAGES TO BE BILLED MONTHLY OR QUARTERLY ONLY				
	Monthly Allowance	0	Monthly Base Rate	\$0.0054	Overage Rate
					\$0.0054
Full - Color	Includes parts, labor and supply items for the monthly PAGE ALLOWANCE, for a 12-month period. Additional pages shall be billed at the Overage Rate. This agreement does not cover paper, transparencies or staples. OVERAGES TO BE BILLED MONTHLY OR QUARTERLY ONLY				
	Monthly Allowance		Monthly Base Rate		Overage Rate
T.I.M - B & W	Includes parts, labor and supply items for the monthly PAGE ALLOWANCE. Additional pages billed at the OVERAGE RATE. This agreement does not cover paper, transparencies, or staples. OVERAGES TO BE BILLED MONTHLY OR QUARTERLY ONLY				
	Monthly Allowance		Monthly Base Rate	Included	Overage Rate
T.I.M - Color	Includes parts, labor and supply items for the monthly PAGE ALLOWANCE. Additional pages billed at the OVERAGE RATE. This agreement does not cover paper, transparencies or staples. OVERAGES TO BE BILLED MONTHLY OR QUARTERLY ONLY				
	Monthly Allowance		Monthly Base Rate	Included	Overage Rate

<b>BILLING</b>	Special Billing Instructions	Please check one: <input checked="" type="checkbox"/> Monthly Overages <input type="checkbox"/> Quarterly Overages <input type="checkbox"/> Special Overages <b>PRICING SET BY STATE CONTRACT 2009. Agreement includes Staples.</b> <b>Maintenance Agreement Rate(s) locked for 5 years (per State Contract 2009)</b> Initials _____
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**DISCLAIMER**  
 CUSTOMER AGREES TO PURCHASE AND QUALITY BUSINESS SYSTEMS AGREES TO PROVIDE MAINTENANCE SERVICE FOR THE EQUIPMENT IDENTIFIED ABOVE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS ON BOTH SIDES OF THIS AGREEMENT. NO TERMS OR CONDITIONS, EXPRESSED OR IMPLIED, ARE AUTHORIZED UNLESS THEY APPEAR AS AN AMENDMENT TO THIS AGREEMENT AND ARE SIGNED BY CUSTOMER AND DIRECTOR OF SUPPORT OPERATIONS FOR QUALITY BUSINESS SYSTEMS, INC. AUTHORIZED CUSTOMER SIGNATURE BELOW AND/OR PAYMENT OF THE AGREEMENT RATE CONSTITUTES ACCEPTANCE OF THIS AGREEMENT BY CUSTOMER. THIS AGREEMENT IS NOT VALID UNTIL SIGNED BY SERVICE MANAGER FOR QUALITY BUSINESS SYSTEMS, INC.

<b>AUTHORIZATION</b>	City of Sultan	<b>QUALITY BUSINESS SYSTEMS, INCORPORATED</b>
	AUTHORIZED SIGNATURE	AUTHORIZED SIGNATURE
	PRINT NAME	PRINT NAME
	TITLE	TITLE
	DATE	DATE SALES REPRESENTATIVE Clayton Cockrum

TERMS AND CONDITIONS

1. DESCRIPTION OF COVERAGE

This agreement covers labor and parts as deemed necessary by the Field Service Technician through normal operation of the equipment. Labor and parts needed to repair the machine due to misuse, abuse, negligence or environmental conditions are not covered and will be billed at the then published rates. QUALITY BUSINESS SYSTEMS may cancel the agreement in the event the equipment is modified or damaged, altered or serviced by personnel other than those employed by QUALITY BUSINESS SYSTEMS, or, if parts, accessories or components are installed without prior approval from QUALITY BUSINESS SYSTEMS.

2. EXTENT OF LABOR SERVICES

Labor performed during a service call includes testing, programming, adjusting and cleaning of the equipment, also repair or replacement of parts described in Paragraph 3.

3. SERVICE CALLS AND REPLACEMENT OF PARTS

Service calls will be made during QUALITY BUSINESS SYSTEMS normal business hours at the installation address shown on the reverse side of this agreement. Travel and labor time for service calls after QUALITY BUSINESS SYSTEMS normal business hours, on weekends and on holidays, if and when applicable, will be charged at QUALITY BUSINESS SYSTEMS overtime rates in effect at the time the service call is made.

All parts and labor necessary to operate the equipment as originally designed, with the exception of the parts and labor listed below will be furnished free of charge during a service call.

Exceptions are:

- i. Copy/print control/auditing equipment.
- ii. Memory upgrades, for all equipment.
- iii. Paper, ~~staples~~, labels, and transparencies.
- iv. Any damage caused by abuse of the equipment, to include damage caused by improper use, faulty or poor electrical power or damage resulting from improper moving of the equipment.
- v. Labor associated with reloading of print/scan drivers in the event the customer's network is modified or changed which results in the corruption or loss of the associated drivers.

4. CONNECTED DIGITAL EQUIPMENT

Connected equipment will be covered up to the computer connection or the network connection. Service calls caused by the customer's computer/network will be charged at the current published hourly rate. Scanning or printing issues resulting from problems with the customer's network will be charged at the current published hourly rate.

5. SHOP REPAIRS

During the term of this agreement it may be necessary to bring the covered equipment in to QUALITY BUSINESS SYSTEMS repair facility to determine the problem and effect repair due to space requirements at the customer's location or if the machine is to be down for an extended period of time. During this time, we will provide a loaner machine of like capabilities for the customer to use. The page count from the loaner machine will be incorporated in the normal billing of the original machine at the current rate.

6. TERM

This agreement takes effect on the date listed on page 1 and when both parties have agreed to the terms and conditions. The term is twelve (12) months in length, in the event of a T.I.M. (Total Image Management) agreement; it will be automatically renewed each year to match the length of the equipment lease. The volume limits and rates may be adjusted if both parties agree, but only at the contract billing interval date (monthly or quarterly). The new volume commitments and/or rates will be effective only going forward. Unless notified in writing thirty (30) days prior to the renewal date by the customer this maintenance agreement shall be automatically renewed for the same successive period of time upon the same terms and conditions ~~also subject to any price/rate increase at any twelve (12) months renewal interval.~~

7. CANCELLATION CLAUSE

This contract may not be transferred if equipment is sold, or title is transferred. This agreement is non-cancelable or refundable.

8. CHARGES

Customer agrees to pay the base charges and any overage charges within fifteen (15) days of the date QUALITY BUSINESS SYSTEMS invoices for such charges. CUSTOMER AGREES THAT, SHOULD THEY BECOME PAST DUE WITH QUALITY BUSINESS SYSTEMS FOR WHATEVER REASON, SERVICE UNDER THIS AGREEMENT WILL BE SUSPENDED UNTIL ACCOUNT IS BROUGHT CURRENT.

9. BREACH OR DEFAULT

All equipment sold by QUALITY BUSINESS SYSTEMS is designed to give excellent performance when operated within the following guidelines:

- i. Equipment must be placed in a normal office setting free from excessive dust, humidity, temperatures and ammonia fumes.
- ii. Equipment must be operated on a dedicated electrical line. Equipment must always be operated on a UL approved electrical circuit, with proper current, voltage, and receptacle configuration.
- iii. Equipment should be operated within the specified operational (including usage) specifications.
- iv. Only supplies (including paper) within manufacturer required specifications should be used (refer to CHARGES paragraph).

If the customer operates any machine outside the above listed guidelines and thereby causes abnormally frequent service calls or service problems, then QUALITY BUSINESS SYSTEMS may at its option, terminate this agreement immediately. In that event, the customer will be offered service on a "Per Call" basis at published rates. In the event that the equipment is moved from the Installation address set forth on the reverse side of this agreement, then, at QUALITY BUSINESS SYSTEMS option, the agreement pertaining to the moved equipment may be terminated or an additional service charge may be added to the basic charge set forth on the reverse side of this agreement. If, in the course of moving the equipment the customer or his agent causes damage to the equipment, the customer will be responsible for any service charges necessary to bring the equipment back into full operational specifications and operation.

10. NO WARRANTY

QUALITY BUSINESS SYSTEMS offers no warranty in addition to the manufacturer's written warranty. This includes any warranties implied or expressed in regards to fitness for use, fitness for a particular use or merchantability of the equipment.

11. MISCELLANEOUS

- i. This agreement shall be governed by and construed according to the laws of the State of Washington applicable to agreements wholly negotiated, executed and performed in Washington State. It constitutes the entire agreement between parties and may not be modified except in writing signed by duly authorized officers of QUALITY BUSINESS SYSTEMS and the customer.
- ii. ~~Toner is included; the consumption shall be within 10% of manufacturer's suggested yields. A charge for toner consumption exceeding 10% of manufacturer's suggested yields will be charged at current retail price.~~
- iii. In the event of a multi-functional product it may be necessary to assess an additional charge for scanning when the scanning usage exceeds the print/copy volume.
- iv. Maintenance Agreements are only available for equipment having a valid manufacturer Serial Number and UL Certification.
- v. The customer agrees to provide QUALITY BUSINESS SYSTEMS with monthly/quarterly meter readings.
- vi. Customer shall pay all federal, state and local sales, use, property, excise or other taxes imposed on or with respect to the purchase price listed on the reverse side of this agreement.
- vii. This agreement does not cover equipment moves and a freight/fuel surcharge may apply.

INITIALS \_\_\_\_\_

# WorkCentre 5665



.0054

\$9,846



Copier 45-75 CPM

ITEM	Description	List Price	Purchase Price	36 Month Lease	48 Month Lease	60 Month Lease
Base Machine w/Required Accessories:	Copy Speed: 65 CPM Suggested Monthly Volume Range: <95,000 Standard Print Capability Delivery 120V/15A Power Filter/Surge Protector 4,700 Sheet Capacity (4 trays & bypass) 75 Sheet Auto Document Feeder Auto Duplexing Electronic Sorting Standard High Cabinet Networking/Print Capability CenterWare Services Installation/Network Connection	20,205.00	7,797.00	208.77	166.22	140.96
CPSCNTRLB	Copier/Printer/Scanner Controller	3,195.00	765.00	13.13	10.45	8.87
OFC50FIN	Office Finisher	1,550.00	816.00	13.99	11.13	9.45
PRO50FIN	Professional Office Finisher	4,600.00	3,182.00	107.23	85.38	72.40
EMFAX1	Embedded Fax 1 Line with LAN Fax	899.00	611.00	10.52	8.37	7.10
ENVKIT	Envelope Insert Kit	199.00	170.00	6.84	5.44	4.62
200FI	Foreign Interface	175.00	149.00	6.01	4.79	4.06
3HOLE	3 Hole Punch Kit	495.00	92.00	3.10	2.46	2.09
NWKACCT	Network Accounting Enable	500.00	425.00	17.18	13.68	11.60
SCANDLXSW	Pro Scan to PC Desktop Software	4,195.00	2,198.00	77.49	61.70	52.33
SCANSTDSW	SE Scan to PC Desktop Software	1,195.00	454.00	15.29	12.17	10.33
SA-MAGSTR	Secure Access s/w w/Mag Stripe Reader	795.00	676.00	37.32	31.75	28.45
SSND21A	SmartSend 2.1	3,998.00	3,772.00	146.78	122.98	108.86
SSNDPR21A	SmartSend PRO 2.1	6,998.00	5,812.00	290.82	250.92	227.24
UNICODE	Unicode Kit	299.00	255.00	10.28	8.19	6.94
CSCAN	Color Scan Enablement Kit	550.00	468.00	18.91	15.05	12.77
XASSIST4	Xerox Copier Assistant	495.00	421.00	17.01	13.54	11.49