

Date of Action: <u>2.23.15</u>	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>
By: <u>[Signature]</u>	

**CITY COUNCIL ACTION MEMORANDUM**

**AM No. 15-15: Contract renewal with Valley Business Machines (VBM) in the amount of \$162,000 for a five (5) year contract for city-wide copier/printer leases.**

Originator: April Dwyer, Purchasing  
 Date: 2/10/2015

Agenda of: 2/23/2015

Route to:	Department Head	Signature	Date
X	Chief of Police		
X	Public Works Director	<u>[Signature]</u>	<u>2/11/15</u>
X	Recreation & Cultural Services Director	<u>[Signature]</u>	<u>2/11/15</u>
X	Finance Director	<u>[Signature]</u>	<u>2/11/15</u>
X	Deputy Administrator	<u>[Signature]</u>	<u>2/11/15</u>
X	City Clerk	<u>[Signature]</u>	<u>2.12.15</u>

Reviewed by Mayor Bert L. Cottle: [Signature] 02:11:2015

Fiscal Impact:  yes or  no      Funds Available:  yes or  no

**Account name/number/amount:**

Department	Account	Monthly Cost	Annual Cost
Clerks	001-4110-411.40-40	186.68	2,240.14
Records	001-4112-411.40-40	4.73	56.70
Council	001-4115-411.40-40	186.68	2,240.14
Mayor	001-4130-413.40-40	156.44	1,877.26
HR	001-4136-414.40-40	198.96	2,387.56
Planning	001-4138-414.40-40	180.01	2,160.11
Finance	001-4150-415.40-40	755.46	9,065.52
WPD Adm	001-4210-420.40-40	285.39	3,424.68
Investigations	001-4224-420.40-40	10.29	123.44
Dispatch	001-4240-420.40-40	65.72	788.62
PW Adm	001-4310-431.40-40	266.92	3,203.06
Museum	001-4510-451.40-40	172.50	2,070.04
Library	001-4550-455.40-40	53.60	643.14
Youth Court	220-4270-427.40-40	88.56	1,062.72
CMMSC	340-4530-453.40-40	88.07	1,056.89
		2,700.00	32,400.00

Rentals xxx-xxxx-xxx-40-40 \$32,400 x 5 years = 162,000

**Attachments:** VBM Upgrade (6 pages)

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**Summary Statement:** The City of Wasilla issued RFP 0627R-0-2007/WM for a City-wide Copier/Lease Program. In December 2010, Council approved an early upgrade option which extended the contract until October 31, 2015. In January 2015, VBM presented the City of Wasilla with a proposal that would lower our monthly billing while allowing each department the opportunity to upgrade their machine(s) with the latest technology at no additional cost.

In the attached proposal from VBM, they outline the upgrade in speed, quality, and efficiency of the new machines. Each department's needs have been assessed and the best solution has been proposed.

VBM is the only local company that provides same day supplies, service, and the quality of machines the City needs to run efficiently. It is recommended that Council approve the early upgrade option and renew the contract with VBM beginning November 1, 2015 and ending on October 31, 2020. The City will save an estimated \$19,725 during the length of the contract.

**Staff Recommendation:** Adopt AM No. 15-15



**MASTER  
Cost Proposal**

**Proposal for Copier/Scanner/Printer Multifunction  
Devices**

Prepared For

**The City of Wasilla**  
April Dwyer, Purchasing Officer



In response to Request for Proposal  
#0627R-0-2007/WM  
Citywide Copier/Printer Lease Program

Early Upgrade Option:  
January 16, 2015  
**Contract Upgrade:**  
**March 1st, 2015**

## RFP Signature Page

Company Name: Valley Business Machines, Inc.      Contact Person: Loren Rupe

Address: 5825 East Mayflower Court    City: Wasilla    State: AK    Zip: 99654

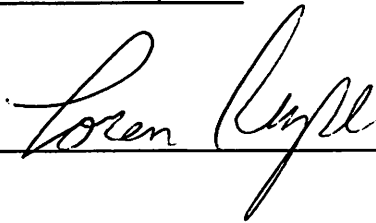
Telephone: 907-376-5077    Fax: 907-376-1187    Federal Tax ID No.: 92-0110608

E-Mail Address: Loren.Rupe@VBMAAlaska.com

I have read, understand, and agree to all terms and conditions herein.

Date: November 15, 2014

Signed: \_\_\_\_\_

A handwritten signature in cursive script, reading "Loren Rupe", written over a horizontal line.

Loren Rupe, President  
Valley Business Machines, Inc.  
5825 East Mayflower Court  
Wasilla, AK 99654  
907-376-5077

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**2.0 Proposed Replacement Machines**

Location	Proposed Copier	P P M	Improvements	Sorter Stapler	Hole Punch	Duplex	Fax	Network Print/Scan	Paper Capacity
Public Works	MX-3140N COLOR	31 20% Faster	New User Inter Finisher/Punch	Y	Y	Y	Y	Y	3,100
Finance	MX-C402SC COLOR	40	Pullout KeyBoard Color, Dual Scan	N	N	Y	N	Y	1,100
Finance	MX-5141N COLOR	51 2% Faster	New User Inter Image Edit, Security Upgrade	Y	Y	Y	Y	Y	3,100
Mayor's Office	MX-3140N COLOR	31 20% Faster	New User Inter Image Edit, Security Upgrade	Y	Y	Y	Y	Y	1,100
Council/Clerk's Office	MX-5141 COLOR	51 28% Faster	SHARP, Pullout KeyBoard, New User Interface	Y	Y	Y	Y	Y	3,100
Clerk's Office	MXC402SC COLOR	40	Copy/Scan, Doc Feeder	N	N	Y	Y	Y	1,100
Multi-Use Sports Complex	MXC402SC COLOR	40 32% Faster	Pullout Keyboard Color, Dual Scan	Y	Y	Y	Y	Y	1,100
Multi-Use Sports Skate rental	MX-300W COLOR	30	SHARP, COLOR Faster warm up	N	N	Y	Y	Y	300
Wasilla Police Dept Admin	MX-3140N COLOR	31 20% Faster	New User Inter Image Edit, Security Upgrade	Y	Y	Y	Y	Y	1,100
Wasilla Police Dispatch	MX-301W COLOR	30	SHARP, COLOR	N	N	Y	Y	Y	300
Wasilla PD Investigations	MX-301W COLOR	30	SHARP, COLOR	N	N	Y	Y	Y	300
Planning	MX-3140N COLOR	31 20% Faster	New User Inter Image Edit, Security Upgrade	Y	Y	Y	Y	Y	1,100
Purchasing	MXC402SC COLOR	40 32% Faster	Pullout Keyboard Dual Scan	N	N	Y	Y	Y	1,100
Youth Court	CS-3035	26	No Replacement Per Cust Req	Y	Y	Y	Y	Y	1,100
HR	MXC402SC COLOR	40	Pullout Keyboard Color, Dual Scan	N	N	Y	Y	Y	1,100
Museum	MX-3140 COLOR	31 35% Faster	New User Inter Image Edit, Security Upgrade	N	N	Y	Y	Y	1,100
Library	CS-3035	30	UPGRADE BILL READER	N	N	Y	N	N	1,200
Library	F-300	15	No Replacement	N	N	N	Y	N	550
Records	FS-1128	30	No Replacement	N	N	Y	Y	Y	300

## 1.0 Pricing Summary

### 1.1 Cost-Per-Copy Lease Pricing (RFP 6.4, 6.6)

Cost-Per-Copy	Annual Pool For First Year	Monthly Cost	Total Monthly Cost
\$0.036 Black & White	650,000 Pages	\$1,950.00 B&W	<b>\$ 2,700.00</b>
\$ 0.072 Color	1 25,000 Pages	\$ 750.00 Color	

*The above new Cost-Per-Copy Saves the City 7% over the current contract and includes 15 new machines. 9 departments receive Faster machines, 7 departments machines will have Sharps new award winning 10.1" Color touch-screen user interface which enables new features such as real-time image preview and editing with flick, tap and slide menu navigation. Other new features include Advanced Energy Savings Features, and new end of lease Hard Drive overwrite feature for added security. 7 departments will now have Sharps pull-out Keyboards and 4 new departments will gain the ability to produce Color documents. Also VBM will cover the cost to upgrade the Libraries Coin-op to enable it to except the new \$5 bills. This Early upgrade option will extend the current contract for another 5 years under all of the original terms of the original contract #0627R-0-2007/WM except for the new equipment proposed and the subsequent lower cost per pages as quoted above! VBM would just need a new PO reflecting the new cost and extending the term for another 5 years to proceed!*

### 1.2 Cost-Per-Copy Lease Terms (RFP 6.0, 6.1,6.7, 6.8, 6.9, 6.10)

The CPC Lease is based on a 5 year lease contract between the City of Wasilla and Valley Business Machines Inc. It is a "no minimum" Cost-Per-Copy Program. The "Annual Pool Volume" for black & white and Color copies may be adjusted at the beginning of each contract year to reflect the actual usage of the City of Wasilla. This pricing includes the cost of the equipment, delivery, installation, set up, training, all operating supplies(i.e. toner, developer, fuser oil, drums, rollers, circuit boards, staples, etc. with the only exception of this being paper). Also includes the cost to relocate a machine from one location to another and the cost to remove the equipment at the end of the lease term. New copiers may be added during the term and will feed off of this "Pool" as long as they will be generating additional copy volume and not just taking volume away from the existing machines. If the City would like to add additional machines just for convenience then VBM would need to add enough copies to the "Annual Pool" to cover the cost of the additional machines.

Upgrading or downgrading to an appropriate machine size will be provided at no extra cost if it is determined that the copier is being under or over utilized according to the manufacturers recommended usage.

At the end of each contract year, if the City runs copies in excess of this "Pool" of copies then the excess will be paid at the "Cost-Per-Copy" rate. If the City runs under the estimated yearly "Pool" of copies then a credit would be issued and the "Pool" lowered to better reflect the City's actual yearly copy volume.

## ***Early Upgrade Option***

The above Cost-Per-Copy Lease pricing is based on a 5 year contract but in an effort to add value and keep the latest technology in the City of Wasilla we are including an Early Upgrade Option that would be available at 48 months instead of waiting for the full term of 60 months. At any time after we have billed 48 months of the Cost-Per-Copy Lease Valley Business Machines will replace all equipment covered under the current lease with brand new upgraded equipment. To take advantage of this upgrade the City of Wasilla would just need to sign a new 5 year contract. The new contracted Cost-Per-Copy may decrease or increase based on the then current "Annual Pool Volume" and the new equipment configurations at that time. We feel that this option, while adding value, will also increase the user's satisfaction in their equipment and in Valley Business Machines. At Valley Business Machines our #1 goal is "Satisfied Customers". We don't want the City of Wasilla to use VBM only because we are Local, but because you will receive the **Best Service, Fastest Response Time, and the Best Value For Your Money!**

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