TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES

DATE: OCTOBER 24, 2005 CMR: 397:05

SUBJECT: APPROVAL OF EXTENSION OF 33 MONTHS OF THE CURRENT LEASE MAINTENANCE AGREEMENT WITH MBA OF CALIFORNIA, INC. IN THE AMOUNT OF $17,800 MONTHLY FOR THE RENTAL AND MAINTENANCE OF COPIERS

RECOMMENDATION:
Staff recommends that Council approve and authorize the City Manager to execute an amendment to the Lease Maintenance Agreement with MBA of California for the lease and maintenance of 59 organization-wide photocopiers. The agreement will cover an additional 33-month period for a total not-to-exceed amount of $617,400. The total amount includes $17,800 per month and a not-to-exceed amount of $30,000 to cover the cost of color copies, copies exceeding the maximum volumes set forth in the Agreement, and the costs of additional or upgraded photocopy machines.

BACKGROUND:
The City entered into a three-year lease for approximately 53 copiers with MBA of California, Inc. on November 27, 2002. MBA of California, Inc. was selected using a Request for Proposals process. Over the years, 6 additional copiers have been added, for a total of 59.

DISCUSSION:
In late June, the Evaluation Committee that reviewed the proposals and selected MBA of California, Inc. three years earlier, reconvened to discuss the performance of MBA of California, Inc. and to address any problems and resolutions that occurred over the three-year period. The Committee members were satisfied with the copiers and the service provided by MBA. As such, it was the Committee’s determination to recommend that Council extend the current Lease Maintenance Agreement for an additional 33 months.

MBA has agreed to upgrade approximately 20 of the 59 copiers throughout the City for no additional cost. (See Revised Exhibit A.) These copiers represent the higher-end usage among City Departments. The additional $30,000 requested is necessary to provide flexibility in upgrading and replacing existing copiers as the City’s needs change. These funds will also cover color copiers and any overage in usage.
**RESOURCE IMPACT:**
Funds for this project are included in the fiscal year 2005-06 and 2006-07 Budgets. MBA has agreed to upgrade high volume copiers as identified on the attached list and to keep low volume units in place. Staff has completed informal price checks with other copier lease providers and determined that the prices and services provided by MBA to the City of Palo Alto are substantially lower. A change of vendors, at this point, would necessitate arranging for new equipment and changing out the old equipment, working with a new vendor to determine how accounts are managed and would involve considerable disruption.

**ENVIRONMENTAL ASSESSMENT:**
These services do not constitute a project under the California Environmental Quality Act (CEQA). Therefore, no environmental assessment is required.

**PREPARED BY:**
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Contract Manager

**DEPARTMENT HEAD APPROVAL:**
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CARL YEATS
Director, Administrative Services

**CITY MANAGER APPROVAL:**
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EMILY HARRISON
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**ATTACHMENTS:**
Attachment 1: Amendment No. 1