

REPORT TO COUNCIL

SUBJECT

Authorize Amending an Existing Contract Purchase Agreement with Canon Financial Services, Inc. for the Lease of Multi-Function Devices (F22-159) to Extend the Term and Increase the Amount

REPORT IN BRIEF

Approval is requested to amend an existing contract purchase agreement, initially issued as a purchase order, with Canon Financial Services, Inc. of Mount Laurel, NJ for the lease and purchase of multi-function devices citywide, increasing the not-to-exceed amount by \$41,000 for a new not-to-exceed amount of \$341,367. Approval is also requested for a contingency in the amount of \$2,000.

EXISTING POLICY

Pursuant to Section 2.08.040(d) of the Sunnyvale Municipal Code, Council approval is required for the procurement of goods and/or services greater than \$250,000 in any one transaction.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

BACKGROUND AND DISCUSSION

The Information Technology Department (ITD) manages the lease of multi-function devices (MFD) for use throughout the City. MFDs are utilized to consolidate printing, scanning and copying into one piece of equipment while reducing the need for stand-alone printers and the cost on toner and maintenance. All departments have a primary MFD with access to these features.

In 2019, the City issued a three-year purchase order to Canon Financial Services, Inc. for the lease of MFDs (RTC No. 19-0196). During the term of the lease agreement, and in consideration of the new Civic Center, it became necessary to lease an additional piece of equipment for department use. The additional equipment resulted in an increase to the overall lease amount and the need to extend the duration of the lease term. In addition, the original lease agreement presented by Canon covered the cost of the original and additional equipment but did not include the associated necessary sales tax. This also necessitates an increase to the overall lease amount.

The lease agreement included an option for the City to purchase each piece of equipment at the end of the lease for \$1. The City has decided to elect this option for the original equipment and the additional equipment in preparation for the move to the new Civic Center.

To accommodate these additional costs and fees, staff recommends amending the contract purchase agreement to extend the term through December 31, 2022 and to increase the contract amount by \$41,000 for a new total not-to-exceed amount of \$341,367. In addition, to cover any taxes or fees not currently calculated, an additional contingency in the amount of \$2,000 is requested through the end of the new lease term.

FISCAL IMPACT

Funding for these costs is available in the Technology and Communication Internal Service Sub-Fund (Fund 7027).

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Public Library, Senior Center, Community Center and in the Department of Public Safety Lobby. In addition, the agenda and report are available at the Sunnyvale Public Library, Office of the City Clerk, and on the City's website.

RECOMMENDATION

Take the following actions:

- Authorize amending the existing Contract Purchase Agreement with Canon Financial Services, Inc. for the lease of multi-function devices, increasing the not-to-exceed contract amount by \$41,000 for a new not-to-exceed contract amount of \$341,367 and extending the term through December 31, 2022; and
- Approve a contingency in the amount of \$2,000.00.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Kathleen Boutté Foster, Chief Information Officer

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager