

City Council – Action Request Form

Date: May 9, 2023

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Johnnie Taylor, Assistant City Manager
Thomas Kureczka, Chief Information Officer

Council Action Requested:
Resolution Approving Expenditure of Funds for the Ricoh Contract for the Remainder of FY22-23 and for Portions of FY23-24

Strategic Focus Area: Service Excellence
Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:

For the past seventeen years the City has participated in a Managed Services Provider (MSP) contract and relationship with Ricoh USA Inc. (Ricoh) for reproduction, printing, and courier services. The three components of these services are:

- 1) Mail distribution and courier services for the City’s inter-office mail and all inbound and outbound USPS and Accountable mail for 84 mail stops within 31 City facilities.
- 2) The Reprographic/Print Center Services located in the basement of the Bryce A. Stuart Municipal Building.
- 3) The provision and support of the fleet of Multi-Functional Printer devices, standard printers, copiers, and scanners in City facilities.

Committee Action:

Committee	FC May 9, 2023	Action	Approval
For	Unanimous	Against	
Remarks:			

The first contract was awarded in February 2006 following a Request for Proposal (RFP) process. Ricoh was the selected vendor and, following City Council approval, they entered a five-year contract with the City. Since that time, the City has entered two additional five-year contracts and one three-year contract with Ricoh, following an RFP process and Council approval. The current contract with Ricoh will expire in January 2024. Staff is requesting approval for the expenditure of additional funds to complete the contract for FY22-23 and in FY23-24 as necessary. Funds are allocated in the approved FY22-23 and proposed FY23-24 Information Systems operating budgets for these expenses.

The City’s current contract with Ricoh, approved by Council in January 2021, consists of two categories. The first category represents Managed Services and includes the Mail Distribution and Courier Services, Reprographic/Print Center Services, and support of printing services throughout the City’s facilities. The second category represents the Equipment Leasing costs for the fleet of Multi-Functional Printer devices, standard printers, copiers, and scanners in City facilities.

The proposed costs approved by Council in January 2021 for a three-year contract are shown in the following tables:

Managed Services

Contract Year	Time Period	Cost	Percentage of Change
1	2/1/21 – 1/31/22	\$385,744.00	----
2	2/1/22 – 1/31/23	\$397,316.32	3%
3	2/1/23 – 1/31/24	\$409,235.81	3%
Total	2/1/21 – 1/31/24	\$1,192,296.13	6%

Note that the costs shown above are only for the fixed portion of the contract. There are variable costs that the City incurs. The actual variable costs are determined by:

- The number of printer clicks (pages) on the leased devices
- MICR toner for the printing of checks
- Print Shop equipment and supplies
- Postage supplies and metering
- Approved Ricoh staff overtime for special print job requests

Staff includes in each proposed fiscal year operating budget funds to cover these variable costs, based on historical data.

Equipment Leasing

Contract Year	Time Period	Cost ***	Percentage of Change
1	2/1/21 – 1/31/22	\$231,600.00	----
2	2/1/22 – 1/31/23	\$231,600.00	0%
3	2/1/23 – 1/31/24	\$231,600.00	0%
Total	2/1/21 – 1/31/24	\$694,800.00	0%

As was noted in the January 2021 CARF and Resolution, the cost for all three years staying the same assumed no additional devices are leased. The cost could increase in the event of the City adding additional facilities to the contract, and/or the addition of new leased equipment for existing facilities. This situation has proven to be true.

Staff anticipates that the actual costs for all components of the Ricoh contract for FY22-23 will be \$826,216, which is \$197,300 greater than amount approved in January of \$628,916. The additional \$197,300 is due to the total of all variable costs and additional leasing payments due to new equipment being added to the City's fleet of devices. Staff did anticipate additional costs, and funds are available in the approved FY22-23 operating budget.

Staff is requesting approval to spend the additional \$197,300 for the Ricoh services as we close out FY22-23.

Staff has included funds in the proposed FY23-24 budget in anticipation of variable costs and additional devices and is requesting further approval to spend these funds as incurred.

With the current three-year contract expiring January 31, 2024, staff does plan to release an RFP in early FY23-24 for a new contract.