

April 16, 2018

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution authorizing execution of a hardware lease and services agreement with Copiers Northwest, Inc. for three years with an option to renew for two terms of one year for Mail, Central Receiving & Distribution, and On-Site Copy Center Services for all City departments, in an amount not to exceed \$2,000,000, plus all applicable taxes, for the initial three-year term.

### **FISCAL IMPACT**

This agreement includes the Mail, Central Receiving & Distribution, and Copy Center Services. The estimated three-year cost is \$1,800,000, however variable costs over and above this may arise over the life of the contract. Therefore an additional 10 percent contingency is included for a total of \$2,000,000, plus all applicable taxes.

Sufficient budget exists in 2018 within the Finance Department's operating budget. The remaining amount will be requested during the upcoming 2019-2020 and 2021-2022 budget processes.

### **STAFF CONTACTS**

Toni Call, Director, 452-7863

Jamie Robinson, Assistant Director, 452-6843

*Finance Department*

### **POLICY CONSIDERATION**

City Purchasing Policies:

Bellevue City Code 4.28.040 authorizes the purchase of material, supplies, and equipment in excess of \$90,000 with Council approval.

Bellevue City Code 4.28.130 authorizes the City to make open market purchases of materials, supplies, and equipment and to procure services without obtaining competitive bids or quotations as otherwise required under BCC 4.28.040 and 4.28.050 when the best interests of the City would be served thereby. Execution of this onsite copy center allows the City to take advantage of favorable pricing for all scopes of the contract.

### **BACKGROUND**

The City conducted a competitive request for proposal (RFP #17097) process in October 2017 for the Mail & Central Receiving and Distribution (Courier) Services. Despite advertising twice in the Seattle Times & Daily Journal of Commerce and being open to proposals for four weeks, the City only received one proposal from Copiers Northwest. During the price negotiations, the vendor agreed to a 25 percent price deduction to the mail & courier portion of the contract to combine personnel efficiencies for operation of the City Hall copy center. Procurement staff conducted a thorough search for other cooperative contract options and none were as cost effective in the market.

The new three-year agreement, with an option to renew for two terms of one year, will provide Mail, Central Receiving & Distribution, and On-Site Copy Center Services to all City of Bellevue locations. The contingency amount is designed to be used for potential changes in copy center needs and/or use during the next three years.

#### **EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

#### **OPTIONS**

1. Adopt the Resolution authorizing execution of a hardware lease and services agreement with Copiers Northwest, Inc. for three years with an option to renew for two terms of one year for Mail, Central Receiving & Distribution, and On-Site Copy Center Services for all City departments, in an amount not to exceed \$2,000,000, plus all applicable taxes, for the initial three-year term.
2. Do not adopt the Resolution and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1

#### **MOTION**

Move to adopt Resolution No. 9399 authorizing execution of a hardware lease and services agreement with Copiers Northwest, Inc. for three years with an option to renew for two terms of one year for Mail, Central Receiving & Distribution, and On-Site Copy Center Services for all City departments, in an amount not to exceed \$2,000,000, plus all applicable taxes, for the initial three-year term.

#### **ATTACHMENTS**

Proposed Resolution No. 9399

#### **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Agreement with Copiers Northwest, Inc.