

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: CHUCK MCBRIDE, CHIEF FINANCIAL OFFICER, FINANCE
DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
SUBJECT: GSA ADD FUNDS – SEVENTH AMENDMENT TO GSA F000608
SMILE BUSINESS PRODUCTS, INC.

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance Department, that the Council, by resolution, approve a Seventh Amendment to the General Services Agreement (GSA) F000608 to add funds for copier rental and service with Smile Business Products, Inc., Sacramento, California, in the total amount not to exceed \$300,000 bringing the total Agreement amount not to exceed \$1,089,813.02.

EXECUTIVE SUMMARY

This Agreement provides copier rental and service to all departments in the City of Santa Rosa. The contractor provides and installs all copiers and consumables, except for paper, and provides maintenance and repair services as needed.

BACKGROUND

On August 7, 2013, the City Council awarded a National Joint Powers Authority (NJPA) cooperative agreement, GSA F000608, for copier rental and service for a fixed price, 3-year term contract with Smile Business Products, Inc., Sacramento, CA, in the amount of \$500,000. The First Amendment corrected the start date of the contract, amended Exhibit B to reflect the actual copiers being provided to the City, and added funds in the amount of \$262,764.40. The Second Amendment removed services. The Third Amendment through the Sixth Amendment added copiers to Geysers, Laguna Treatment Plant, Utilities and Community Engagement.

There are currently 55 copiers under this agreement. Charges are based on a fixed monthly amount depending on the size, speed, and options of the copier, plus a cost per copy charge for copies over a maximum number included with a fixed monthly amount.

Additional costs are incurred if a department exceeds their fixed monthly amount of copies. The City spends an average of \$19,500 per month for equipment, service, supplies which includes an estimated \$5,000 per month of overages for the entire copier fleet.

Overages are costs incurred by exceeding the contract printing allotments for black and white, and color copies. Purchasing has continually recommended to departments to utilize the current printing Agreement with Clone for large printing needs in lieu of copiers in order to minimize the overage expenses to the copier contract.

Purchasing was notified in July 2018 that Accounts Payable has overpaid this Agreement by a total of \$153,835.46 as invoices were submitted by IT that exceed the original award amount. There are 7 months left on the contract with an estimated total amount of \$146,164.54 funding required. Of the \$300,000 being requested, \$153,835.46 is for invoices paid in Fiscal Year (FY) 2017-18 outside of the approved award, and \$146,164.54 to ensure that there will be funds available through the end of the term of the Agreement based on use analysis.

PRIOR CITY COUNCIL REVIEW

On August 7, 2013, Council awarded a 3-year GSA in the amount of \$500,000. On January 7, 2014, the City Council approved the First Amendment to correct the start date of the contract to February 1, 2014, for a 5-year contract, amend Exhibit B to reflect the actual copiers being provided to the City, and add funds in the amount of \$262,764.40.

ANALYSIS

Additional funds are necessary to pay for continuing services. The original award was based on the previous contract use and was an estimate only.

The City and Smile Business Products, Inc. entered into an agreement on August 7, 2013, awarded by the City Council. See activity chart below:

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	August 7, 2013	3-Yr Contract	\$500,000	City Council
First Amendment	January 7, 2014	Amend Contract to 5-yr & add funds	\$262,764.40	City Council

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Second Amendment	April 15, 2014	Remove services	-\$17,723.40	Purchasing Agent
Third Amendment	December 14, 2014	Add Services	\$12,011.08	Purchasing Agent
Fourth Amendment	February 25, 2015	Add Services	\$12,760.94	Purchasing Agent
Fifth Amendment	October 17, 2016	Add Services	\$10,000	Purchasing Agent
Sixth Amendment	February 7, 2017	Add Services	\$10,000	Purchasing Agent
Seventh Amendment	Pending	Add Funds	\$300,000	City Council
Cumulative Contract Value			\$1,089,813.02	

With approval of the Seventh Amendment, the cumulative value of the GSA F000608 will be \$1,089,813.02. Under the City’s Contract/Purchase Order Modification Policy III-9, the Seventh Amendment requires approval by the City Council.

FISCAL IMPACT

Funds for this expense are included in the current Fiscal Year and will be included in the proposed budget for FY 2019-20 as a normal operating expense when presented to the City Council.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment or a foreseeable indirect physical change in the environment pursuant to CEQA guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not applicable

ATTACHMENTS

- Resolution/Exhibit A - Seventh Amendment

CONTACT

Chuck McBride, Chief Financial Officer, Finance Department, 707-543-3089, cmcbride@srcity.org

Brandalyn Tramel, Purchasing Agent, Finance Department, 707-543-3706, btramel@srcity.org

Amy Carter, Buyer, Finance Department, 707-543-3702, acarter@srcity.org