ACTION: Approve the utilization of a one-year Mohave Educational Services Cooperative, Inc. contract with Arizona Office Technologies and Baystone Financial Group, a Division of Kansas State Bank for the lease, installation, and maintenance of two production printers for the City’s Print Shop Services Division of the Internal Services Department.

FISCAL IMPACT: Total amount of this contract will not exceed $263,765 during the 5-year lease term. Sufficient funds have been appropriated in various departmental operating budgets for the anticipated expenditures in the 2019-20 fiscal year.

RECOMMENDATION: Approve the utilization of the contract.

BACKGROUND INFORMATION: (15M-AOT-0128 AOT, 18L-BFG-0128 Baystone) Mohave Arizona Purchasing Cooperative (Mohave Cooperative) solicited bids and awarded contracts for the lease, installation, and maintenance of multifunctional digital (MFD) printers that contain cooperative language allowing their use by other Arizona government agencies.

The primary purpose of the Mohave Cooperative is to establish the means for participating agencies in the State of Arizona to join together in a cooperative contracting effort in order to achieve cost effective and efficient acquisition of quality products and services. The Mohave Cooperative follows procurement regulations that are similar to the City’s and has a robust contract administration process that will ensure contract compliance.

Staff is requesting the authorization to lease/purchase two production printers as described below:

Xerox Versant V180 Printer

The Print Shop has seen an increase in quality color print production orders from departments throughout the City. The lease of the Xerox Versant V180 will replace the current aging color printer and ensure that print orders that are disseminated to the public with the City's brand have the best color quality available. This particular printer also comes with a booklet maker and can use a number of digital substrates that can be offered to City departments to reduce the cost of going to an outside print vendor.

Mutoh Hybrid Large Format Printer

The Print Shop has been offering large format printing for the past three years. The large print production orders have increased for banners and posters to large window displays at the Tempe Center for the Arts and vehicle decals for Fleet, Police, Solid Waste, Orbit, and Flash buses. The lease of this printer will supplement the current large format printer that the city owns. The printer will allow for a quicker turnaround time as ink dries instantly on substrates due to its ultra violet ink capabilities. With this printer we will also be able to print directly onto substrates such as foam board, saving the costs of having to print a large decal and then mounting it on the substrate.
Annual Cost Breakdown

**Xerox Versant V180**
Annual lease including sales tax: $22,104
Annual maintenance – base ($740 per month): $8,880
  - black & white impressions (550,000 @ $0.0099): $5,445
  - color XL (500,000 less 300,000 included @ $0.025): $5,000
  - color overage estimate (200,000 @ $0.002): $400

ANNUAL TOTAL: $41,829

**Mutoh Hybrid Large Format Printer**
Annual lease including maintenance and sales tax: $10,924

ANNUAL TOTAL - BOTH PRINTERS: $52,753

5 YEAR TOTAL - BOTH PRINTERS: $263,765

The City will own the equipment at the end of the 5-year lease term. The annual lease, maintenance and other costs are expensed to various departmental operating budgets based on the quantity and type of print jobs throughout each fiscal year.

**ATTACHMENTS:** Formal Proposals

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