



City of Hudson, Ohio

Staff Report With Text

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Title: A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A NEW AGREEMENT WITH RICOH USA, INC. FOR THE LEASING OF MULTIFUNCTION EQUIPMENT FOR THE PUBLIC WORKS DEPARTMENT AND TO TERMINATE AGREEMENTS WITH COMDOC AND MT TECHNOLOGIES UPON TERM EXPIRATIONS; AND DECLARING AN EMERGENCY.
Executive Summary: The Administration is requesting City Council's approval to end current Public Works Department agreements with ComDoc and MT Technologies, to enter into a new 5-year lease agreement with Ricoh USA, Inc. for the lease of new multifunction equipment at Public Works (Georgetown), and to terminate leases for Public Works, Cemeteries, Fleet, HCTV, Parks and Water upon lease expirations.

Sponsors: David A. Basil

Indexes: Finance - General

Code sections:

Attachments: 1. Ricoh MSC/PW Equipment Assessment, 2. Comdoc - Ricoh Cost Comparison, 3. Resolution No. 17-17

Date	Ver.	Action By	Action	Result
2/7/2017	1	City Council	approved on the consent agenda	Pass

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A NEW AGREEMENT WITH RICOH USA, INC. FOR THE LEASING OF MULTIFUNCTION EQUIPMENT FOR THE PUBLIC WORKS DEPARTMENT AND TO TERMINATE AGREEMENTS WITH COMDOC AND MT TECHNOLOGIES UPON TERM EXPIRATIONS; AND DECLARING AN EMERGENCY.

Executive Summary: The Administration is requesting City Council's approval to end current Public Works Department agreements with ComDoc and MT Technologies, to enter into a new 5-year lease agreement with Ricoh USA, Inc. for the lease of new multifunction equipment at Public Works (Georgetown), and to terminate leases for Public Works, Cemeteries, Fleet, HCTV, Parks and Water upon lease expirations.

Legislative History

Resolution #16-177, authorizing a 5-year lease agreement with Ricoh USA, Inc., from December 1, 2016, through November 30, 2021, for multifunction equipment at the Municipal Services Center at an annual cost of \$4,984.80 (total 5-year contract \$24,924.00), adopted on November 15, 2016.

Purpose & Explanation

The City of Hudson Municipal Services Center (MSC) successfully consolidated equipment to improve operating efficiency and provide cost savings with Ricoh USA, Inc. in December, 2016. To further consolidate equipment and provide further efficiencies and cost savings, a lease agreement for a 5-year term with Ricoh USA, Inc. for Public Works (Georgetown) is requested.

Ricoh USA, Inc. (Georgetown): (2 new devices) at \$2,994.00 per year, total for 5-year lease = \$14,970.00.

Current Lease (all PW locations): (8 existing devices) at \$14,006.20 per year, total for 5 years = \$70,031.00.

With this, the City is reducing Public Works (Georgetown) leased, multifunction equipment from four (4) to two (2) and Public Works, Cemeteries, HCTV, Parks and Water locations from five (5) to zero (0). The new leased equipment, two (2) new devices, will be located in Public Works (Georgetown) Administration and Service. Ricoh USA, Inc. is suggesting an annual lease agreement for a 5-year term at an annual cost of \$2,994.00. This agreement provides the following equipment: (2) Mpc3004 with full maintenance service, parts, toner and staples. Additionally, this recommendation for Public Works results in an estimated savings annually of \$11,012.20, with an estimated savings over five (5) years of \$55,061.00 compared to current.

Public Works, Cemeteries, Fleet, HCTV, Parks and Water departments will terminate each equipment lease upon expiration and will purchase desktop multifunction equipment to further provide cost and operating efficiencies. Additionally, this will reduce the number of leases for multifunction equipment in the City.

It is staff's recommendation to continue efficiencies and to enter an agreement with Ricoh USA, Inc. With this, it is possible to see annual lease savings of \$11,012.20 with a 5-year savings of \$55,061.00 compared to current. In combination with MSC, the total estimated annual savings is \$20,204.40, with an estimated savings over 5 years of \$101,022.00. This estimated savings does not reflect toner, parts, supplies or copy overage charges.

In summary, entering into an agreement with Ricoh USA, Inc., will provide further efficiencies and cost savings for the City and Public Works.

Timing Considerations

Following City Council's approval, the City Manager will enter into a new lease agreement with Ricoh USA, Inc. for Public Works (Georgetown) and will allow the remaining equipment lease and service agreements for Public Works, Cemeteries, Fleet, HCTV, Parks and Water locations to expire without renewal.

Fiscal Impact

- ☒ Currently Budgeted
- ☐ Supplemental Appropriation Required
- ☐ Appropriation Not Required.

By ending the current Public Works lease and service agreements and then entering into a new lease agreement for Public Works (Georgetown), the annual estimated savings will be \$11,012.20, or \$55,061.00 over the 5-year term. In combination with MSC, the total estimated annual savings is \$20,204.40, with an estimated savings over 5 years of \$101,022.00.

Suggested Action

Staff recommends that City Council approve the Resolution authorizing the City Manager to enter into an agreement with Ricoh USA, Inc., 4125 Highlander Parkway, Suite 175, Richfield, Ohio 44286, to provide multifunction equipment for Public Works (Georgetown) for the next 5 years. Staff further recommends City Council allow leases for equipment at Parks, Water, HCTV and Cemeteries to terminate upon expiration of the leases in 2017 and 2018.

Submitted by,

Jane Howington, City Manager

Jeffrey Knoblauch, Finance Director

Susan Chapman, Office Manager