



# City of Grand Island

Tuesday, March 09, 2010

Council Session

## Item G12

**#2010-70 - Approving Purchase of Leased Copy Machines**

Staff Contact: Mary Lou Brown

# Council Agenda Memo

**From:** Mary Lou Brown, Finance Director

**Meeting:** March 9, 2010

**Subject:** Approving Agreement for City Hall Copier Maintenance & Supplies with Capital Business Systems Inc./Modern Methods

**Item #'s:** G-12

**Presenter(s):** Mary Lou Brown, Finance Director

## Background

On February 27, 2007, Council approved a 36 month Lease Agreement with Modern Methods for five Copier/Printer/Scanners in City Hall for \$48,792.00 with a \$1 buyout at the end of the term. In addition, the City would pay a per copy/print cost which amounted to approximately \$10,000 per year.

## Discussion

As the 36 month lease term ends, the City of Grand Island has two options to consider.

- Option 1: Retain the existing copiers and purchase a one year Maintenance Agreement for \$4,908.00 plus a per copy/print cost based on volume usage.
- Option 2: Replace the existing 5 copiers in City Hall for \$51,000 over a three year term plus a per copy/print cost based on volume usage.

Considering the current usage counts and lifetime expectancy of each copier, it has been deemed adequate to “buy out” the existing copiers for \$1 and enter into a 12 month agreement to pay maintenance totaling \$4,908.00 for the 12 months plus a per copy/print amount. The Maintenance Agreement covers all parts, labor, and supplies (excluding paper and staples).

## Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the 1 year Maintenance Agreement with Capital Business Systems Inc./Modern Methods.
2. Request Bids to replace Copiers in City Hall
3. Take no action.

### **Recommendation**

City Administration recommends that the Council approve the 1 year Maintenance Agreement with Capital Business Systems Inc./Modern Methods for \$4,908.00 plus per copy/print charges.

### **Sample Motion**

Move to approve the 1 year Maintenance Agreement with Capital Business Systems Inc./Modern Methods.

<b>SHIP TO</b>	Customer Name CITY OF GRAND ISLAND	<b>BILL TO</b>	Customer Name
	Address 100 EAST FIRST ST, PO BOX 1968		Address
	Telephone #		Telephone #
	Attention		Attention

POOL BILLING: Yes  No

Make/Model	ID #	Serial #	Annual Base Rate
LD345SP	1964 <i>Finance/HR</i>	75000744	

Contract Term: 12 months. Start: \_\_\_\_\_ End: \_\_\_\_\_  
 Month/Day/Year Month/Day/Year

Beginning Meter Reading:
Color: _____
Black: _____
Other Meter: _____

**Terms of Agreement:**

- Maintenance Agreement covers all parts, labor, and supplies. Supplies will be shipped at the request of the customer. Paper, staples, and masters for duplicators are excluded and must be purchased separately by the customer.
- Annual Base Rate: (Billed \_\_\_\_\_ at \$ 0 )
- Color copies/prints included: \_\_\_\_\_ per  month  quarter  year.  
 Additional color copies billed at \_\_\_\_\_ billed  month  quarter  year.
- Black copies/prints included: 0 per  month  quarter  year.  
 Additional black copies billed at .0084 billed  month  quarter  year.
- Approximate toner and ink yields \_\_\_\_\_ color copies per  carton  cartridge  bottle  
 \_\_\_\_\_ black copies per  carton  cartridge  bottle
- For duplicators, all masters will be billed at \_\_\_\_\_ ¢ per master. Billing will be completed on a quarterly basis.

*Capital Business Systems, Inc. / Modern Methods reserves the right to increase the cost of contract annually during the contract period.*

This is a non-cancelable contract - customer acknowledges to have read the terms above and on the reverse side, and agrees to all of these terms & conditions.

Special Provisions: \_\_\_\_\_

<b>X</b>	_____	_____	_____
	Customer Acceptance	Title	Date
	Capital Business Systems/Modern Methods	Title	Date



**CAPITAL BUSINESS SYSTEMS, INC.**  
**MODERN METHODS**

**Maintenance & Supply Agreement**

<b>SHIP TO</b>	Customer Name CITY OF GRAND ISLAND	<b>BILL TO</b>	Customer Name
	Address 100 EAST FIRST ST, PO BOX 1968		Address
	Telephone #		Telephone #
	Attention		Attention

POOL BILLING: Yes  No

Make/Model	ID #	Serial #	Annual Base Rate
LD345SP	1965 <i>Bldg</i>	75000739	

Contract Term: 12 months. Start: \_\_\_\_\_ End: \_\_\_\_\_  
Month/Day/Year Month/Day/Year

Beginning Meter Reading:
Color: _____
Black: _____
Other Meter: _____

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Special Provisions: \_\_\_\_\_

<b>X</b>		
_____	_____	_____
Customer Acceptance	Title	Date
_____	_____	_____
Capital Business Systems/Modern Methods	Title	Date



**CAPITAL BUSINESS SYSTEMS, INC.**  
**MODERN METHODS**

**Maintenance & Supply Agreement**

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	Address 100 EAST FIRST ST, PO BOX 1968		Address
	Telephone #		Telephone #
	Attention		Attention

POOL BILLING: Yes  No

Make/Model	ID #	Serial #	Annual Base Rate
LD345SP	1930 Admin/Legal	74900773	

Contract Term: 12 months. Start: \_\_\_\_\_ End: \_\_\_\_\_  
Month/Day/Year Month/Day/Year

Beginning Meter Reading:
Color: _____
Black: _____
Other Meter: _____

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Special Provisions: \_\_\_\_\_

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Customer Acceptance	Title	Date
Capital Business Systems/Modern Methods		
	Title	Date



**CAPITAL BUSINESS SYSTEMS, INC.**  
**MODERN METHODS**

**Maintenance & Supply Agreement**

<b>SHIP TO</b>	Customer Name CITY OF GRAND ISLAND	<b>BILL TO</b>	Customer Name
	Address 100 EAST FIRST ST, PO BOX 1968		Address
	Telephone #		Telephone #
	Attention		Attention

POOL BILLING: Yes  No

Make/Model	ID #	Serial #	Annual Base Rate
LD345SP	1966 <i>Utility / PW</i>	75000818	

Contract Term: 12 months. Start: \_\_\_\_\_ End: \_\_\_\_\_  
Month/Day/Year Month/Day/Year

Beginning Meter Reading:
Color: _____
Black: _____
Other Meter: _____

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**CAPITAL BUSINESS SYSTEMS, INC.**  
**MODERN METHODS**

**Maintenance & Supply Agreement**

<b>SHIP TO</b>	Customer Name CITY OF GRAND ISLAND	<b>BILL TO</b>	Customer Name
	Address 100 EAST FIRST ST, PO BOX 1968		Address
	Telephone #		Telephone #
	Attention		Attention

POOL BILLING: Yes  No

Make/Model	ID #	Serial #	Annual Base Rate
LD160C	1973 <i>Mailroom</i>	612000928	

Contract Term: 12 months. Start: \_\_\_\_\_ End: \_\_\_\_\_  
Month/Day/Year Month/Day/Year

Beginning Meter Reading:
Color: _____
Black: _____
Other Meter: _____

**Terms of Agreement:**

- Maintenance Agreement covers all parts, labor, and supplies. Supplies will be shipped at the request of the customer. Paper, staples, and masters for duplicators are excluded and must be purchased separately by the customer.
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- Color copies/prints included: 0 per  month  quarter  year.  
Additional color copies billed at .055 billed  month  quarter  year.
- Black copies/prints included: 0 per  month  quarter  year.  
Additional black copies billed at .0062 billed  month  quarter  year.
- Approximate toner and ink yields \_\_\_\_\_ color copies per  carton  cartridge  bottle  
\_\_\_\_\_ black copies per  carton  cartridge  bottle
- For duplicators, all masters will be billed at \_\_\_\_\_ ¢ per master. Billing will be completed on a quarterly basis.

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<b>X</b>		
Customer Acceptance	Title	Date
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RESOLUTION 2010-70

WHEREAS, on February 27, 2007, by Resolution 2007-50, the City of Grand Island entered into a three year lease for the use of copy machines within City Hall; and

WHEREAS, the current three year lease is about to expire with a \$1 buyout option for all 5 copiers; and

WHEREAS, the cost for 12 months of maintenance to cover all parts, labor, and supplies (excluding paper and staples) is \$4,908.00 plus the copy/print per page cost; and

WHEREAS, the Maintenance agreements have been reviewed and approved by the City Attorney's office;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the 12 month Maintenance agreement by and between the City and Capital Business Systems, Inc./Modern Methods, for the amount of \$4,908.00 plus per copy/print costs per page is hereby approved.

BE IT FURTHER RESOLVED, that the mayor is hereby authorized and directed to execute such agreements on behalf of the City Of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 9, 2010.

\_\_\_\_\_  
Margaret Hornady, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form  \_\_\_\_\_  
March 4, 2010  City Attorney