

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2009-73

Contract for Copy Center Services and Equipment

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	8/20/09	Discussion/Possible Action	Brian McCartan, CFO Jason Weiss, Deputy CIO	(206) 398-5100 (206) 398-5293

Contract/Agreement Type:		Requested Action:	
Competitive Procurement	✓	Execute New Contract/Agreement	✓
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Agreement with Copiers Northwest for Copy Center Services and Equipment

PROPOSED ACTION

Authorizes the chief executive officer to execute a 5-year contract with Copiers Northwest to provide copy center operators, services, and equipment for a total authorized contract amount not to exceed \$1,400,000.

KEY FEATURES of PROPOSED ACTION

- At Finance Committee direction, staff completed a competitive procurement for a comprehensive copy center contract to further reduce agency imaging costs.
- This comprehensive contract with Copiers Northwest will replace the current copy center equipment contract and the current copy center personnel services contract.
- This contract will provide the same capacity and services at half the cost of the two current copy center contracts. At current volumes, the new contract will save the agency approximately \$300,000 per year.
- This contract provides for a five-year term. The requested amount is enough to cover foreseen growth for all five years of the contract, but does not include costs related to future ST2 copy needs.
- Staff analyzed the cost of in-house staff operators vs. outsourced contract operators for the copy center, and determined the comprehensive outsourced model to be the most cost effective option, as well as the most flexible.

BUDGET IMPACT SUMMARY

The budget for both the capital and operating costs have been included within the adopted budgets. There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

BUDGET and FINANCIAL PLAN DISCUSSION

Goods and services procured under this contract will be obtained within Board-adopted budgetary levels.

Budget for the acquisition of copiers is found within the Corporate Services and Administrative Capital Budget. Although payment for the equipment is made monthly over the life of the contract, for budget authorization and accounting purposes, Sound Transit recognizes the full cost of the copier services at the time of service acquisition.

Copy services are included in transit operations, capital projects, and department budgets. Costs are charged to the department or program using the services, at which time adequacy of budget is verified.

BUDGET TABLE

Summary for Board Action (X \$1,000)

Action Item: Copiers NW

	Adopted 2009 Budget	Spent to date in 2009	Contract Expenditures 2009	Remaining 2009 Budget
Current Year Budget				
Corporate Service_ Other Services	433	11	-	422
Corporate Service_ Leased Furn & Equip	79	1	-	78
Agency Operations	1,243	270	-	973
Total Account Category	1,755	282	-	1,473

Budget Shortfall

Level	Shortfall	Resources	Funding Source
N/A	-	-	N/A

Contract Spending Plan	Prior Year(s) Spending	2009 Spending	Future Expenditures	Total
Corporate Services & Agency Operations	-	60	1,340	1,400

Contract Budget	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
Corporate Services & Agency Operations	-	-	1,400	1,400
Contingency	-	-	-	-
Total	-	-	1,400	1,400
Percent Contingency	-	-	0%	0%

Notes:

Budget for this item is included in the Sound Transit Staff Operating Budget Summary page 214 & 240 of the 2009 Board Adopted Budget. The 2010 portion of the contract amount will be requested in the proposed 2010 Budget.

SMALL BUSINESS PARTICIPATION

Prime Consultant/Contractor

There were no small business participation goals in this procurement.

Equal Employment Workforce Profile

Out of its workforce of 208 employees, Copiers Northwest employs 12% people of color and 22% women.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Sound Transit procures copiers for use throughout its facilities; including administrative offices, project field offices, operations facilities, and the copy center. At Finance Committee direction, staff completed two competitive procurements for copier equipment and services to replace existing copier contracts. The first procurement for fleet (office) copiers was completed in February 2009. The second procurement for copy

center personnel services and equipment is now complete, and the recommended action meets the goals of further decreasing overall agency copier costs and improving contract flexibility.

In early 2009, options were investigated to buy out the existing equipment leases to end the contract early. Staff determined it costs substantially less to retire the existing equipment within lease terms than to buy out the equipment, despite the higher monthly operating cost of the current equipment. In February 2009, staff recommended pursuing additional cost savings by combining all copy center elements into one new copy center contract for both equipment and services. This procurement was to be completed by September 2009, when the current copy center equipment leases expire.

The procurement process is complete, and the recommended new contract offers substantial cost savings compared to current contract rates, cutting the overall onsite copy center costs in half. This contract will replace both the existing copy center equipment contract and the existing copy center personnel services contract. At current copy center job volumes, this contract will save Sound Transit approximately \$300,000 per year versus the current contract costs, while maintaining comparable equipment and service capacity.

In addition to cost savings, the Copiers Northwest contract provides flexibility to remove unnecessary or expensive equipment. Copiers Northwest will provide all equipment at the same base contract cost, including any upgrades or replacement during the term of the contract.

This contract is for all copier equipment, personnel, and services for the copy center located at Union Station.

Analysis of Contracting Out vs. Performing In-House

Staff analyzed the cost of in-house staff operators vs. outsourced operators for the copy center, and determined the comprehensive outsourced model combined with equipment to be the most cost effective. A Request For Information (RFI) was completed prior to the procurement of the new copy center contract. As part of the RFI, vendors provided budgetary cost models of equipment only vs. equipment plus service operators. Based on the RFI responses, it was determined the labor cost of in-house staff was very similar to contractor staff. However, contractors have the advantage of backup operators during absences, as well as off-site overflow copy centers that would not be available in an equipment only model. In addition, the overall cost estimate for the combined model was less than the split equipment and staff model.

Prior Board/Committee Actions

None

CONSEQUENCES of DELAY

The current contract provides for copy center equipment through 9/30/2009. Approval of this action in August will allow the Copiers Northwest contract to be in place when the current contract expires.

PUBLIC INVOLVEMENT

Not applicable to this action

ENVIRONMENTAL COMPLIANCE

SSK 8-11-09

LEGAL REVIEW

LA 8-12-09

SOUND TRANSIT

MOTION NO. M2009-73

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a 5-year contract with Copiers Northwest to provide copy center operators, services, and equipment for a total authorized contract amount not to exceed \$1,400,000.

Background:

Sound Transit procures copiers for use throughout its facilities; including administrative offices, project field offices, operations facilities, and the copy center. At Finance Committee direction, staff completed two competitive procurements for copier equipment and services to replace existing copier contracts. The first procurement for fleet (office) copiers was completed in February 2009. The second procurement for copy center personnel services and equipment is now complete, and the recommended action meets the goals of further decreasing overall agency copier costs and improving contract flexibility.

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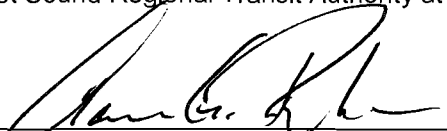
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Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is to execute a 5-year contract with Copiers Northwest to provide copy center operators, services, and equipment for a total authorized contract amount not to exceed \$1,400,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 20, 2009.


Aaron Reardon
Finance Committee Chair

ATTEST:


Marcia Walker
Board Administrator