



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
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[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2013-0078 Version 2

**TO:** Mayor and City Council Members  
**FROM:** Bob Grace, Director of MIS  
**DATE:** November 14, 2016  
**SUBJECT:** Multi-Function Devices and Printer Management

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**REQUEST:**

City Council is requested to authorize an increase to the blanket purchase order for the maintenance agreement portion of its multi-function devices and printer management contract to Applied Imaging, Novi, Michigan in the amount of \$27,500.00 for a new amount of \$117,242.20 and for a new total not-to-exceed project amount of \$227,500.00 (the total not-to-exceed amount includes the lease portion to PNC Equipment Finance and the maintenance agreement portion to Applied Imaging) through April 1, 2018.

**REASON FOR PURCHASE:**

At its March 4, 2013 meeting, City Council authorized a five-year lease agreement for multi-function devices to PNC Equipment Finance, LLC, Cincinnati, Ohio in the amount of \$110,257.80 and maintenance agreement for multi-function devices and printer management to Applied Imaging, Novi, Michigan in the amount of \$89,742.20 for a total amount of \$200,000.00.

The City of Farmington Hills on behalf of the MITN Cooperative Purchasing Group, solicited a Request for Proposals for copier and print management, resulting in an award to Applied Imaging. The award was based on best value providing a unique, total solution business approach to the management of printer and copier devices.

As part of the contract agreement, pricing through Applied Imaging is firm for the five-year contract period. At the time of the contract approval request, the department provided its best estimate (based on historical print counts) as to what copy/print costs would be during the five-year term of the agreement. These estimates will be short of what the City's actual use is currently trending at. In evaluating the print costs of the City as a whole, color printing is higher than anticipated. This is due to the fact that more and more departments are doing printing in-house, rather than sending it out to the City's copy and print vendor, because in some cases the costs are less to do the printing in-house rather than contract it out.

5-Year Print Mgt Project	Original Blanket	Change	Proposed Blanket
Lease	\$ 110,257.80	\$ -	\$ 110,257.80
Maintenance	\$ 89,742.20	\$ 27,500.00	\$ 117,242.20
<b>Total Project</b>	<b>\$ 200,000.00</b>	<b>\$ 27,500.00</b>	<b>\$ 227,500.00</b>

**PROCESS:**

**Vendor Name and Address:**

Applied Imaging  
46620 Ryan Court  
Novi, MI 48377

PNC Equipment Finance, LLC  
995 Dalton Avenue  
Cincinnati, OH 45203

**Reason for Selection:**

Best Value

**Method of Purchase:**

Contracts/Blanket Purchase Orders

**BUDGET:**

Funds are available in the FY 2016 and FY 2017 Adopted Budgets.

For the past several years the MIS Department has been including a higher (more in-line with actual) amount for Printer / Copier / Scanner Maintenance in the MIS Fund annual budget.

Fund Name	Department Account No	Account No. Description	2-Year Budget Amount	2-Year Cost	2-Year Remaining Budget
MIS	636.807000	Contractual Service	\$50,000	\$27,500	\$22,500

**RECOMMENDATION:**

It is recommended that City Council authorize and increase to the blanket purchase order for the maintenance agreement portion of its multi-function devices and printer management to Applied Imaging, Novi, Michigan in the amount of \$27,500.00 for a new amount of \$117,242.20 for total not-to-exceed amount of \$227,500.00 (this amount includes the lease portion to PNC Equipment Finance and the maintenance agreement portion to Applied Imaging) through April 1, 2018.

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APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		