



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 19-0132, **Version:** 1

- a. Approve and authorize the Monterey County Contracts/Purchasing Officer to execute a Sixty (60) Months Lease Agreement with Equipment Leasing and Consulting, for the lease of a new Criterion Elevate Sorting System W/24 Single Tier X-Class Unit, from July 1, 2019 through June 30, 2024, for a not to exceed dollar amount of \$312,980; and
- b. Approve and authorize the Monterey County Contracts/Purchasing Officer to approve modifications to the purchase order where modifications do not significantly alter the scope of the Agreement and do not exceed 10% of the current aggregate five-year total (\$31,298).

RECOMMENDATION:

- a. Approve and authorize the Monterey County Contracts/Purchasing Officer to execute a Sixty (60) Months Lease Agreement with Equipment Leasing and Consulting, for the lease of a new Criterion Elevate Sorting System W/24 Single Tier X-Class Unit, from July 1, 2019 through June 30, 2024, for a not to exceed dollar amount of \$312,980; and
- b. Approve and authorize the Monterey County Contracts/Purchasing Officer to approve modifications to the purchase order where modifications do not significantly alter the scope of the Agreement and do not exceed 10% of the current aggregate five-year total (\$31,298).

SUMMARY/DISCUSSION:

This request will support the relocation plan of the County's existing Mail Operations program from its current location at 855 East Laurel Drive, Building C, to 1488 Schilling Place. The planned relocation is scheduled to begin on June 1, 2019, with a completion date of July 1, 2019. In preparation for the move it has been identified by the current system provider, Fluence Automation, that the existing piece of equipment located at 855 East Laurel Drive is upwards of eighteen (18) plus years in age and has needed replacement for some time now. The relocation plan provides the County with the opportunity to complete the necessary replacement with little or no-disruption in the services. The existing unit will remain operational until the new unit has been fully installed and tested with a go-live date of July 1, 2019.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this request, as has the Auditor-Controller's Office.

FINANCING:

Monthly lease payments of \$5,394, including all appropriate taxes and fees with an annual cost of \$71,208 in the General Fund- Mail Unit. Total costs for the 5-year lease is \$356,040. The new equipment will be installed in June 2019, and as a result the first monthly lease payment of \$5,934 is due in June. The FY2018-2019 Resource Management Agency (RMA)-Mail Operation budget (001-8178-RMA005) has sufficient appropriations, due to salary savings, to cover the costs. Cost associated with the new agreement with Equipment Leasing and Consulting are to be incurred over the next five Fiscal years through June 30, 2024. Future year's costs will be included in the County Administration Office (CAO)-Mail Operation budget appropriations.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Mike Derr, Contracts/Purchasing Officer, Ext. 4992

Approved by: Dewayne Woods, Assistant CAO, Ext. 5309

Attachments: Equipment Leasing Agreement