



## Board Report

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**File #: A 13-300, Version: 1**

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- a. Approve, and authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute an Agreement with Tri-County Business Systems Inc. for Copy Machine Lease and Maintenance Services at NMC in an amount not to exceed \$690,000 for the period July 1, 2013 to June 30, 2016.
- b. Approve and authorize the Purchasing Manager for NMC to execute up to one (1) Amendment (for an additional three (3) year period) to the Agreement, where the total of the Amendment does not exceed 10% of the original annual contract amount, does not significantly change the scope of work, or result in an increase in County General Fund Contribution.

### **RECOMMENDATION:**

- a. Approve, and authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute an Agreement with Tri-County Business Systems Inc. for Copy Machine Lease and Maintenance Services at NMC in an amount not to exceed \$1,000,000 for the period July 1, 2013 to June 30, 2016.
- b. Approve and authorize the Purchasing Manager for NMC to execute up to one (1) Amendment (for an additional three (3) year period) to the Agreement, where the total of the Amendment does not exceed 10% of the original annual contract amount, does not significantly change the scope of work, or result in an increase in County General Fund Contribution.

### **SUMMARY/DISCUSSION:**

Tri-County provides NMC with a 36 Month Lease Program for each copier used throughout NMC (approximately 60 machines). Previously NMC used Tri-County Business Systems for Copy Machine Lease Services via the County Master Agreement (MA\*56). Upon expiration of the County Master Agreement in January of 2012, County Purchasing and the Auditor-Controller's Office permitted County Departments to continue to use Tri-County Business Systems services via an LPO (Lease Purchase Order). In order to maintain services and pricing, NMC has continued services with Tri-County. An LPO was established for Fiscal Year 2013/2014 in the amount of \$100,000. At this time NMC would like to establish a separate 36 month Agreement (back dated to the beginning of this fiscal year; July 1, 2013) to continue services. The \$100,000 LPO established that began on July 1, 2013 will be applied to the dollars requested for this Agreement.

Services include a Service/Maintenance program for each copier. Toner for all copiers is provided as part of each Service/Maintenance program. Given the history of consistence service and competitive pricing, along with the consideration that Tri-County qualifies as a local vendor based on the Monterey County Local Preference Policy Adopted August 29<sup>th</sup>, 2012, NMC would like to continue services with Tri-County.

Pricing for this three (3) year Agreement was determined as follows:

Total annual spend for fiscal year 2010-2011 was: \$230,059.36

Total annual spend for fiscal year 2011-2012 was: \$210,115.52

Total annual spend for fiscal year 2012-2013 was: \$198,704.38

Average costs for all copy machine lease agreements at NMC over the past three years were \$212,959.75 per year. NMC is requesting \$690,000 for this three year Agreement. This dollar amount is based on an estimated \$230,000 per year, or an increase of 8%, which includes additional new machines, added over the next three years, to allow for increased services. New department copy machines include Neurology, Cath Lab (Cardiac Cauterization/Interventional Radiology Labs) and Radiology. Also, many existing NMC Departments (Surgery, Emergency Room Trauma Team, Central Sterile and Materials Management) that are currently running on only a “day time schedule” are expected to begin 24/7 services during the agreement period. This will also increase the volume of copy machine usage and the need for added machines. NMC is also requesting a 10% or \$69,000 contingency to be used only if needed during the term of the Agreement for any unexpected overages. For any major change to this dollar amount NMC will return to the Board of Supervisors for an Amendment to this Agreement.

### **OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. The Agreement has also been reviewed and approved by Natividad Medical Center’s Board of Trustees.

### **FINANCING:**

The cost for this Agreement is \$690,000 over three years. \$230,000 is included in the Fiscal Year 2013/2014 Adopted Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

Prepared by: Roy Creamier, Director of Materials Management, 783-2621

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Agreement and Spend Sheet

Attachments on File with the Clerk to the Boards Office