



County of Monterey

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

Board Report

File #: A 16-056, **Version:** 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 1 to the Agreement (A-12645) with Smile, Inc. (formerly Tri-County Business Systems Inc.) for Copy Machine Rental and Maintenance Services, extending the Agreement an additional three (3) year period for a revised full term of July 1, 2013 through June 30, 2019 and adding \$750,000 for a revised total Agreement amount not to exceed \$1,440,000.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 1 to the Agreement (A-12645) with Smile, Inc. (formerly Tri-County Business Systems Inc.) for Copy Machine Rental and Maintenance Services, extending the Agreement an additional three (3) year period for a revised full term of July 1, 2013 through June 30, 2019 and adding \$750,000 for a revised total Agreement amount not to exceed \$1,440,000.

SUMMARY/DISCUSSION:

On February 4, 2014 the Board of Supervisors approved an agreement between NMC and Tri-County Business Systems, a small local business in Monterey County, for copy machine/network printer rentals at Natividad Medical Center. NMC originally began leasing copier/printer machines from Tri-County through the County's Master Agreement for copier rentals per Request for Proposals (RFP) No.10019. Upon expiration of the County Master Agreement and in order to maintain services and pricing, NMC has continued copier rental services with Tri-County who continues to provide quality machines and excellent service. Tri-County Business Systems, Inc. and Smile Business Products, Inc. executed an Assignment and Assumption with the effective date of April 1, 2016. Smile Business Products will continue to provide the same local services to NMC as previously provided by Tri-County Business Systems.

Smile Business Products, Inc. will continue to provide NMC with a 36 Month Lease Program for each machine and currently NMC has approximately 60 machines throughout the hospital. Many of NMC's staff don't have local printers connected to their computers and instead utilize networked copier/printers as it has been proven to be more cost effective to share a network printer across a large organization. Maintenance is included in the lease price and toner is also included.

NMC previously requested \$690,000 for the original three year Agreement. This dollar amount was based on an estimated \$230,000 per year. Since that time there has been a slow but steady increase in copier/printer machine costs due to the cycling in of newer machines that cost more to lease and operate than the older machines did three years ago. NMC pays a set and agreed upon amount for each machine and also pays additional fees each month based on the number of pages copied or printed. Based on current expenditures NMC has projected \$250,000 per year over the next three years for this Agreement and is therefore requesting \$750,000 for the next three years as per Amendment No. 1.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 1 as to legal form and risk provisions, and the

Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 1 has also been reviewed and approved by NMC's Finance Committee on February 25, 2016 and by its Board of Trustees on March 4, 2016.

FINANCING:

The cost for this Amendment No. 1 is \$750,000 of which \$250,000 is included in the Fiscal Year 2016-17 Recommended 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: Kristen Aldrich, Contracts Division Manager, 783-2627

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

Amendment No. 1 to Agreement with Smile Business Products, Inc.

Assignment & Assumption between Tri-County Business Systems, Inc. and Smile Business Products, Inc.

Original Agreement with Tri-County Business Systems, Inc.

Spend Sheet for Smile Business Products

Attachments on file with Clerk of the Board