

School Board Workshop:

June 22, 2015

Subject:

Print Shop Copier Equipment
Lease Approval

Presenter:

Gary Kawlewski

SUGGESTED SCHOOL BOARD ACTION:

Approval of a 5-year lease rental for equipment and service for the Central Print Shop with Ricoh, Inc. through Metro Sales, Inc. effective July 1, 2015 through June 30, 2020 and approval of a five-year pricing agreement for the purchase of multi-function copier equipment, supplies and service and printer and copier supplies and service.

DESCRIPTION:

Print Shop Copier Lease Rental

In March, 2010, the school district entered into a 5-year lease rental on copier equipment for the district's central print shop. The agreement expired at the end of March 2015 and we have been operating on a month-to-month basis through June of 2015. We reviewed options with various vendors and ultimately determined that we should enter into another 5-year lease term on new equipment with Ricoh, Inc. through Metro Sales, Inc. The terms and conditions of the lease are being purchased using the State of Minnesota's Cooperative Purchasing Venture program contract which normally would not require board approval. However, Ricoh, Inc. is requesting that the board record formally acknowledge the lease with their company. In addition, we have negotiated pricing on the equipment and service that is below the stated amounts of the state contract. We also agreed to purchase the DocSend devices at their fair market value. These devices are used throughout the district for uploading print jobs to the central print shop and have proven to be an efficient way to move the print jobs to the print shop. The equipment lease costs will be about \$1,800 per month less than our current agreement that is expiring. Some of that savings is due to purchasing the DocSend devices outright rather than leasing them. In addition, our maintenance agreement on the equipment will be about \$400 per month less than the current agreement assuming we experience similar levels of printing.

Multi-function copier equipment, supplies and service and printer and copier supplies and service

We are also extending our expiring agreement with Metro Sales on our negotiated pricing for certain models of multi-function copier devices and service and supplies and service and supplies for printers and non-multifunction copiers. This agreement is also based on the State of Minnesota's Cooperative Purchasing Venture program contract. We have negotiated this agreement to be below the stated pricing as well and it essentially locks in our current pricing structure for the next five years. We have had

this agreement in place for the last three and a half years. The agreement also stipulates that the pricing structure automatically adjusts down in the event that the State bids out their agreements and the pricing comes back lower than our existing structure. The system has worked well once it became established and we believe it to be in the best interest of the school district to continue our relationship with Metro Sales, Inc. and Ricoh, Inc.

ATTACHMENTS:

None