

Watertown City CouncilJanuary 8th, 2019**Agenda Item: Ricoh Copier Rental Contract****Request for Action: Adopt Resolution #2019-03, Approving Ricoh Machine Rental Agreement****Department: Shane Fineran, City Administrator****Background:**

The City currently rents a Ricoh MP C4503 machine for printing, copying, and scanning needs. This is rented through Metro Sales, Inc. and is negotiated through the State of Minnesota Cooperative Purchasing Venture program. The initial term of the rental agreement was for 3 years. That term has now ended and pricing can be adjusted. The machine is still operating satisfactorily with not maintenance concerns so a replacement machine is not necessary at this time.

The state CPV program will offer reduced rental pricing on the existing machine from \$343.91 down to \$275.13 per month, a savings of \$68.78 per month. The service and supply rate has an increase of \$.0005 per black and white copy and \$.0031 per color copy. The estimated new monthly operating expense is \$358.18, which is a reduction of \$64.92 per month overall.

Staff is recommending approval of the rental agreement with Metro Sales.

Funding Source:

General Fund>Office Equip & Furnishings

Attachments:

Metro Sales Rental Information
Rental Agreement

METRO

SALES INC.

CITY OF WATERTOWN

December 12, 2018 Review

Current Ricoh MP C4503: 45 ppm Black/White, 45 ppm Full Color

Installed November 2015 on 36 Month State of Minnesota Rental Agreement

Rental Payment:	\$343.91
Black/White monthly image average 3,042 x \$.0105 =	\$31.94
Color monthly image average 756 x \$.0625 =	<u>\$47.25</u>
Total Monthly Operating Expense =	\$423.10

- State of Minnesota Rental Agreement provides flexibility to extend the rental of the C4503 for additional 24 Months at 20% off original equipment payment.
- Considering the relatively low monthly image usage, extending the rental makes good business sense.
- State Contract rental terms would have 5% image rate increase per year consecutively start of Year 4 and Year 5.

Proposed New Payment Plan: Year 4

Rental Payment:	\$275.13
Black/White monthly image average 3,042 x \$.0110 =	\$33.46
Color monthly image average 756 x \$.0656 =	<u>\$49.59</u>
Total Monthly Operating Expense =	\$358.18

Proposed New Payment Plan: Year 5

Rental Payment:	\$275.13
Black/White monthly image average 3,042 x \$.0116 =	\$35.29
Color monthly image average 756 x \$.0689 =	<u>\$52.09</u>
Total Monthly Operating Expense =	\$362.51

Ken Sieben

Senior Account Executive

Direct Dial: 612.798.1211

METRO SALES INC.

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Minneapolis / St. Paul | <input type="checkbox"/> Fargo |
| <input type="checkbox"/> Rochester | <input type="checkbox"/> Duluth |
| <input type="checkbox"/> Owatonna | <input type="checkbox"/> Winona |
| <input type="checkbox"/> Mankato | <input type="checkbox"/> Hibbing |
| <input type="checkbox"/> St. Cloud | <input type="checkbox"/> Brainerd |

MACHINE SALES ORDER AND SECURITY AGREEMENT

INSTALL DATE	NEW CUSTOMER <input checked="" type="checkbox"/> CURRENT CUST	CUST NO. 012459	PO #	SALES REP. NO. & NAME Ken Sieben 013A24	MAIN PHONE NO. 952.955.2681
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SHIP TO: SAME

CHARGE TO: City of Watertown
309 Lewis Avenue South
Watertown, MN 55388

QTY. ORD.	PRODUCT NO	I.D. #	DESCRIPTION	UNIT PRICE	AMOUNT
1		109916	Ricoh MP C4803	\$275.13/Month	
1			PB 3160 Paper Unit		
1			SR 3160 Finisher Stapler		
1			Punch Unit PB3060		
1			Bridge Unit		
1			OCR Unit MZ		

SUPPLIES

SPECIAL INSTRUCTIONS
 * 24 Month Rental
 * Includes All Maintenance + Supplies
 * Staples Purchased As Needed

EQUIPMENT TOTAL	
SUPPLY TOTAL	
DELIVERY	
SUBTOTAL	
TAX %	
TOTAL	
LESS DOWN PAYMENT	
BALANCE DUE	
EXEMPT CERTIFICATE ATTACHED	

CREDIT TERMS SERVICE CHARGE OF 1% PER MONTH (12% PER ANNUM) OR HIGHEST LEGAL RATE, WILL BE CHARGED ON ALL PAST DUE ACCOUNTS

Discontinued Products: Metro Sales guarantees the availability of parts, labor, supplies and maintenance until

Date _____ Signature _____

NAME OF CUSTOMER - PRINT

CUSTOMER'S AUTHORIZED SIGNATURE & TITLE

This is a legal agreement to purchase the items specified above, and it includes the terms and conditions of the Security Agreement listed on the reverse of this document

Lease Co./Term/Pay/E.O.T.	Key Operator
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MACHINE PICK-UP INFORMATION

Make/Model	ID/Serial #
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*NOTE: CUSTOMER WARRANTS THAT THE EQUIPMENT IS FREE OF ANY LIENS, SECURITY INTERESTS & ENCUMBRANCES. INITIALS

**CITY OF WATERTOWN
RESOLUTION NO. 2019-03**

RESOLUTION APPROVING RICOH RENTAL CONTRACT

WHEREAS, the City of Watertown (the “City”) leases a Ricoh MP C4503 for the use of municipal business and operations of printing, scanning, copying needs; and

WHEREAS, the City is able to realize additional savings via new contract rental terms via the State Cooperative Purchasing Venture program; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Watertown, Minnesota, hereby approves the proposed rental agreement with Metro Sales for office machines and authorize the City Administrator to execute any necessary documents.

Adopted by the City Council of the City of Watertown this 8th day of January, 2019.

Steve Washburn, Mayor

ATTEST: _____
Lynn Tschudi, Clerk/Treasurer