

MOTION NO. M2018-135

Contract for Enterprise Managed Print Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	11/01/2018	Recommend to Board	Mike Harbour, Deputy CEO Jason Weiss, Chief Information Officer
Board	11/15/2018	Final Action	

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract amendment with Quality Business Systems, Inc., a Xerox Company, and Xerox Financial Services LLC, to provide Enterprise Managed Print Services in the amount of \$1,791,000, for a new total authorized contract amount not to exceed \$5,129,503 plus applicable taxes.

KEY FEATURES SUMMARY

- The original contract with Quality Business Systems, Inc. (QBSI) executed in March 2015 did not include funding for any needs under ST3, as this was prior to the ST3 vote. This action will fund the contract based on ST3 staffing forecasted growth through the initial term of the contract to March 2020.
- This contract provides for:
 - Lease of the agency’s fleet of multi-function and network printers, and desktop scanners
 - Copy Center services and related printing equipment
 - Hardware maintenance, software licensing for the related fleet management software and implementation of such software
 - Other outsourced printing needs.
- The contract integrates business practices to improve control over printing, copying, scanning, and faxing, thereby reducing costs over prior contracts and minimizing paper waste and strengthening the Agency’s environmental commitment.
- The Enterprise Managed Print Services contract includes all equipment, maintenance, and support, software to manage usage and costs, automated supplies and service, and Web-to-Print digital storefront for Copy Center services. Additional software and services includes PrinterOn Mobile Printing and Scan to PC Desktop software and services to support sustainable business practices.
- Applicable taxes are currently estimated to be \$518,079.

BACKGROUND

The Enterprise Managed Print Services contract with QBSI and Xerox Financial Services LLC provides capabilities and services to manage and maintain the overall cost of printing. The initial funding authorization under this contract was executed in March 2015 and did not include funding for any needs under ST3. After ST3 was passed and the agency brought on additional staff and consultants and has expanded its office footprint, the additional capacity and deployment of multi-function printers has exhausted the initial funding and it is necessary to fund this contract for the

additional printing capacity required by the agency based on staffing and consultant forecasts through March 2020.

PROCUREMENT INFORMATION

On July 8, 2014 the Agency solicited proposals for Enterprise Manages Print Services through a competitive Request of Proposals Process. Ten firms submitted proposals and were evaluated. Quality Business Systems Inc. (QBSI), a Xerox company, was determined to be firm that best meets the evaluation criteria, offered the best value and is in the best interest of Sound Transit.

FISCAL INFORMATION

The proposed action will amend the current contract by \$1,791,000 plus applicable taxes for a new total authorized contract amount not to exceed \$5,129,503 plus applicable taxes and will be funded from the services and leases and rentals categories within the Finance and Information Technology Department's annual operating budget. The services category budget is \$13,821,747 million of which a total \$85,827 is estimated to be spent for this contract in 2018 and is within the agency's budget authority. The leases and rentals category budget is \$465,868 of which a total \$46,214 is estimated to be spent for this contract in 2018 and is within the agency's budget authority after approval of this action, the remaining annual budget amounts will be used to fund other department expenditures in 2018.

Funding for the additional years of the contract will be included in future annual budget requests.

Finance and Information Technology

(in thousands)

Cost Category	2018 Annual Operating Budget ¹	YTD Actuals ²	This Action (Current Year Impact Only)	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$27,467	\$17,402	\$	\$17,402	\$10,064
Services	13,822	8,906	86	8,991	4,830
Materials and Supplies	1,876	1,644		1,644	231
Utilities	1,068	718		718	350
Insurance	8,533	5,883		5,883	2,650
Miscellaneous	430	403		403	27
Interest Expense	18	4		4	14
Leases and Rentals	466	412	46	459	7
Total Annual Operating Budget	\$53,679	\$35,373	\$132	\$35,505	\$18,174

Contract Spending Plan	Forecasted Spend for Remainder of			
	Spending to Date ³	2018	Future Spending	Total
Quality Business Systems, Inc and Xerox Financial Services, LLC	\$2,597	\$132	\$2,919	\$5,648

Contract Detail	Board Approved	Proposed Action	Proposed Revised
	Contract Value		Board Approved Contract Value
Quality Business Systems, Inc and Xerox Financial Services, LLC	\$2,676	\$1,791	\$4,467
Contingency	662		\$662
Estimated Taxes	337	181	518
Contract Amount - Total	\$3,676	\$1,972	\$5,648
Percent Contingency	18%	0%	15%

Notes:

¹ 2018 Annual Operating Budget is located on page 25 of the Adopted 2018 Budget book.

² YTD Actuals as of September 30, 2018.

³ Spending to Date as of September 30, 2018.

SMALL BUSINESS/DBE PARTICIPATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one-month delay would impact support services from the vendor.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2015-09: Authorized the chief executive officer to execute a five year contract with one two-year option to extend with Quality Business Systems, Inc. a Xerox Company, and Xerox Financial Services LLC, to provide Enterprise Managed Print Services for lease of multi-function and network printers, Copy Center services, printing equipment, desktop scanners, maintenance, software licensing and implementation for a total authorized contract amount of \$3,350,000, with a 22% contingency of \$738,730, for a total not to exceed amount of \$4,088,730.

ENVIRONMENTAL REVIEW

KH 10/24/18

LEGAL REVIEW

AJP 10/25/18

MOTION NO. M2018-135

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with Quality Business Systems, Inc., a Xerox Company, and Xerox Financial Services LLC, to provide Enterprise Managed Print Services in the amount of \$1,791,000, for a new total authorized contract amount not to exceed \$5,129,503 plus applicable taxes.

BACKGROUND:

The Enterprise Managed Print Services contract with QBSI and Xerox Financial Services LLC provides capabilities and services to manage and maintain the overall cost of printing. The initial funding authorization under this contract was executed in March 2015 and did not include funding for any needs under ST3. After ST3 was passed and the agency brought on additional staff and consultants and has expanded its office footprint, the additional capacity and deployment of multi-function printers has exhausted the initial funding and it is necessary to fund this contract for the additional printing capacity required by the agency based on staffing and consultant forecasts through March 2020. This contract provides for:

- Lease of the agency's fleet of multi-function and network printers, and desktop scanners
- Copy Center services and related printing equipment
- Hardware maintenance, software licensing for the related fleet management software and implementation of such software
- Other outsourced printing needs.

The contract integrates business practices to improve control over printing, copying, scanning, and faxing, thereby reducing costs over prior contracts and minimizing paper waste and strengthening the Agency's environmental commitment.

The Enterprise Managed Print Services contract includes all equipment, maintenance, and support, software to manage usage and costs, automated supplies and service, and Web-to Print digital storefront for Copy Center services. Additional software and services includes PrinterOn Mobile Printing and Scan to PC Desktop software and services to support sustainable business practices.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer to execute a contract amendment with Quality Business Systems, Inc., a Xerox Company, and Xerox Financial Services LLC, to provide Enterprise Managed Print Services in the amount of \$1,791,000, for a new total authorized contract amount not to exceed \$5,129,503 plus applicable taxes.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 15, 2018.



Dave Somers
Board Chair

ATTEST:



Kathryn Flores
Board Administrator