



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Authority to increase purchase order and amend agreement with Ricoh USA for services to provide maintenance, service, repairs and supplies for 15 Ricoh copiers in an amount of \$9,863.76 from an amount of \$18,694.91 to an amount not to exceed \$28,558.67, Account 101-27000-612810, Purchase Order 8007248

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Date	Ver.	Action By	Action	Result
4/3/2014	1	Board of Commissioners	Approved	Pass
4/3/2014	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 3, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to increase purchase order and amend agreement with Ricoh USA for services to provide maintenance, service, repairs and supplies for 15 Ricoh copiers in an amount of \$9,863.76 from an amount of \$18,694.91 to an amount not to exceed \$28,558.67, Account 101-27000-612810, Purchase Order 8007248

Dear Sir:

On June 11, 2012, the Board of Commissioners authorized the Director of Procurement and Materials Management to issue a purchase order and enter into an agreement with Ricoh USA for services to provide maintenance, service, repairs and supplies for 15 Ricoh copiers, in an amount not to exceed \$4,800.00. The agreement expired on January 31, 2013.

As of March 19, 2014, the attached list of change orders has been approved. The effect of these change orders resulted in an increase of \$13,894.91 from the original amount awarded of \$4,800.00. The prior approved change orders reflect a 189.5% increase to the original purchase order value.

In March 2006, 15 multifunctional photocopier devices were purchased from Ricoh USA. The original contract included procurement of the 15 multifunctional photocopier devices and 4 years of maintenance, service and supplies. The organization's strategy was to purchase a predetermined number of multifunctional photocopier devices and 4 years of repair service and maintenance. At contract termination, a new agreement would be prepared and the devices purchased under the previous contract would be utilized as trade-in equipment for the purchase of new multifunctional devices. In 2011, that strategy ceased to exist.

The Information Technology Department received direction to reduce its current fleet of 104 multifunctional

photocopier devices and to discontinue the practice of procuring new multifunctional photocopier devices every 4 years. Instead, Information Technology is pursuing lease of the multifunctional photocopier devices and will continue to purchase repair and maintenance services and supplies for the existing devices.

Ricoh USA has an automatic rollover policy with regard to maintenance of the multifunctional photocopier devices. Such policy has facilitated in the continued maintenance of the devices with rates equal to the rates obtained at contract initiation.

Consistent with the Executive Director's instruction, the Information Technology Department has entered a lease agreement with Canon Business Solutions via the City of Chicago's Contract 28364, for an initial lease of 7 multifunctional devices. These devices will be strategically placed throughout the organization to determine their functionality and endurance. Once satisfied that the Canon devices meet the requirements of the District, Information Technology plans to lease additional devices and begin to replace the existing Ricoh fleet with the newer high capacity Canon devices in key locations. Simultaneously, Information Technology will begin its efforts to reduce the current fleet and determine its impact on the user community. Until this transition is complete, the Information Technology Department is required to maintain service on existing machinery to ensure the proper functioning of current multifunctional photocopier devices. The requested extension will expire December 31, 2014.

This change order is in compliance with the Illinois Criminal Code since the change is due to circumstances not reasonably foreseeable at the time the contract was signed, and is in the best interest of the District.

It is hereby recommended that the Board of Commissioners authorize the Director of Procurement and Materials Management to execute a change order to increase the purchase order and amend the agreement in an amount of \$9,863.76 (53% of the current contract value) from an amount of \$18,694.91 to an amount not to exceed \$28,558.67.

Funds are available in Account 101-27000-612810.

Requested, Ellen Barry, Acting Director of Information Technology, EB: CLG

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for April 3, 2014.

Attachment