



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 3, 2014

COMMITTEE ON Procurement

Mr. David St. Pierre, Executive Director

Authority to increase purchase order for Contract 06-418-11, Furnish and Deliver Thirty-Two (32) Multi-Functional Photocopier Devices and a Five Year Repair Service, Supplies and Maintenance Agreement at Various Locations, to Ricoh Americas Corporation, in an amount of \$12,180.00 from an amount of \$424,931.87, to an amount not to exceed \$437,111.87. Account 101-27000-612810 Purchase Order 3041665

Dear Sir:

On November 16, 2006, the Board of Commissioners authorized the Director of Procurement and Materials Management to issue a purchase order for Contract 06-418-11, Furnish and Deliver Thirty-Two (32) Multi-Functional Photocopier Devices and a Five Year Repair Service, Supplies and Maintenance Agreement at Various Locations, to Lanier Worldwide Inc., in an amount not to exceed \$337,287.84. The contract expired on December 31, 2011.

As of March 19, 2014, the attached list of change orders has been approved. The effect of these change orders resulted in an increase in an amount of \$87,644.03 from the original amount awarded of \$337,287.84, as well as an increase in multifunctional photocopier devices from a total of 32 to a total of 37. The current contract value is \$424,931.87. The prior approved change orders reflect a 25.9% increase to the original contract value.

In 2001, Lanier Worldwide, Inc. merged with Ricoh Corporation but continued to operate as separate entities. Effective April 1, 2007, the companies combined to become one company, Ricoh Americas Corporation. In 2008, IKON became a Ricoh Company. Effective January, 2012, the two companies have aligned to a single brand under the umbrella of Ricoh USA. Effective April 1, 2012, all invoices and payments were made to Ricoh USA.

The original terms of the contract allowed for a five-year service, supplies and maintenance agreement. The contract originally expired on December 31, 2011. Ricoh USA has an automatic rollover policy with regard to maintenance of the multifunctional devices. Such policy has facilitated in the continued maintenance of the devices with rates equal to the rates obtained at contract initiation.

The District's past strategy was to purchase a predetermined number of multifunctional photocopier devices and four and later five 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 the lease of newer model multifunctional

photocopier devices and will continue to purchase maintenance services and supplies for the existing devices.

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 photocopier 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 for Contract 06-418-11 in an amount of \$12,180.00 (2.9% of the current contract value), from an amount of \$424,931.87 to an amount not to exceed \$437,111.87.

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