



City of League City, TX

300 West Walker
League City TX 77573

Text File

File Number: 14-0347

Agenda Date: 5/27/2014

Version: 1

Status: Consent Agenda

In Control: City Council

File Type: Agenda Item

Agenda Number: 11F.

Title

Consider and take action to ratify funding for the annual lease payments of 10 copiers and the maintenance costs of the total inventory of 24 copiers in the total estimated amount of \$66,139 (Director of Finance)

..Background:

Approval of this item will ratify funding for the annual obligations for 10 copiers currently under lease throughout the City and approve the funding of maintenance cost for the total inventory of all 24 City copiers.

The City's practice has been to lease copiers and multifunction printers/copiers (MFC) to meet the needs of the operating departments. The leases have been entered into with the local DIR (Texas Department of Information Resources) vendor, Imagenet Consulting. (By leasing and purchasing through DIR pricing, the City meets procurement requirements, as those prices are bid by the State of Texas.) Staff has analyzed the current practice of leasing copiers, and based upon cost and the City practice of retaining copiers past the end of the lease period, recommends that going forward, the city purchase copiers or multifunction printers/copiers (MFC). As an example, the cost of lease vs. purchase of the 2 copiers that we propose to purchase at this time is as follows:

| | <u># Mons.</u> | <u>Payment</u> | <u>Total lease</u> | <u>Purchase price</u> | <u>Savings</u> |
|----------------------|----------------|----------------|--------------------|-----------------------|-----------------|
| Hometown Heroes Park | 36 | \$ 283.00 | \$ 10,188.00 | \$ 8,193.40 | \$ 1,994.60 |
| Human Resources | 36 | 194.30 | 6,994.80 | 5,625.36 | <u>1,369.44</u> |
| | | | | | \$ 3,364.04 |

By purchasing, rather than leasing, the City will save \$3,364, over the 3 year period, on these 2 copiers alone. The savings per copier varies based upon the cost of copier; but in all cases, the City will save by investing the funds in advance, rather than paying the lease over time.

This recommended change in practice will require a period of transition. Currently, city wide there are 24 copiers in operation throughout the organization. Of those, we are under lease for 10 units whose leases expire over the next three years; two new units we will purchase; and the city owns 12 other units.

Over the next 12 months, the City will pay \$28,614 under the 10 existing leases. Additionally, annual maintenance for all 24 units is approximately \$ 37,525 for a total estimated cost for the 12 month period of \$ 66,139. (This maintenance cost per unit is based on usage and covers most repairs, toner, etc.)

FUNDING

{ } NOT APPLICABLE

{X} Funds are available from Account #various department budget lines

{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____

APPROVED
MAY 27 2014
CITY COUNCIL