



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: May 18, 2011

FROM: CONTRACTS AND PURCHASING DIVISION

**SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39585 TO
CANON BUSINESS SOLUTIONS FOR THE LEASE/RENTAL OF
PHOTOCOPIER EQUIPMENT**

SUMMARY:

The Contracts and Purchasing Division requests approval to award Contract No. 39585 to Canon Business Solutions for photocopier lease/rental services. Contract No. 39585 is a one-year contract, with two one-year renewal options at an annual amount not-to-exceed \$350,000. Through this contract, Canon Business Solutions will supply and maintain black and white photocopiers at various Harbor Department office locations.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve Contract No. 39585 with Canon Business Solutions for a one-year term at a not-to-exceed amount of \$350,000;
2. Authorize the Executive Director to execute two, one-year extensions at an amount not-to-exceed \$350,000 annually, subject to budget authorization in each fiscal year;
3. Authorize the Executive Director to execute the proposed contract; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background – The Harbor Department currently rents/leases 41 Canon black and white photocopiers and 2 color copiers, for an annual amount of \$266,727. In October 2010, and in anticipation of the expiration of the Harbor Department's current contract with Canon Business Solutions (Canon), Graphics Services and the Information Technology Division (ITD) completed a cost and needs analysis of the five major multifunction copier vendors capable of providing photocopier equipment to the Harbor Department. Specifically, Harbor Department staff analyzed pricing, equipment, and security features of photocopiers provided by Canon, Konica Minolta, Ricoh, Sharp, and Xerox.

It should be noted that more functionalities have been integrated into photocopier devices, including scanning, copying, faxing, printing, and web access. As a result, these devices have become new targets for attackers, as they act as "information hubs", where data from various sources and users is processed, stored, and produced. Since installing and networking any of these multifunctional devices could pose a security risk for the Harbor Department, ITD staff evaluated the security features, system architecture, and the network impact of the equipment of the five major vendors.

Although all of the copiers evaluated had some form of security embedded as a core component, ITD staff determined that Canon and Xerox offered the most comprehensive security architecture that would meet Harbor Department security standards. In addition to analyzing the security features, Harbor Department staff tested equipment, obtained print samples, and completed a cost analysis of equipment provided by the five major vendors. The cost analysis included cost of repairs, parts, labor, toner, and expendables excluding paper and staples. Based on the evaluation of cost and quality, Harbor Department staff determined that Canon provided the best quality prints at the lowest price.

Recognizing that Canon equipment offered the most comprehensive security features, had the best print quality, and was the lowest price, Graphics and ITD staff recommended that the Harbor Department utilize Canon photocopiers for its printing and photocopying needs.

Summary – The Harbor Department's contract for photocopier lease/rental with Canon expired on December 31, 2010. In order to ensure uninterrupted service, the Harbor Department has been contracting with Canon on a month-to-month basis for continued provision of photocopier equipment.

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Selection Process - On January 1, 2011, the County of Los Angeles issued Contract No. MA-IS-1140181-1 for the lease/rental of photocopier equipment to Canon Business Solutions. Pursuant to Sections 371 (e) (8) of the City Charter and 10.15 (a) (8) of the Los Angeles Administrative Code, it is recommended that the Harbor Department piggyback off the County of Los Angeles Agreement with Canon Business Solutions. The County of Los Angeles Agreement provides for competitive rates and will provide for the expedited execution of a contract with Canon for photocopier lease/rental.

The Contracts and Purchasing Division requests approval to award Contract No. 39585 to Canon Business Solutions for photocopier lease/rental services. Contract No. 39585 is a one-year contract, with two one-year renewal options at an annual amount not-to-exceed \$350,000. Through this contract, Canon will supply and maintain black and white photocopiers at various Harbor Department office locations. It is anticipated that the Harbor Department will need to lease 56 black and white photocopiers, including two color copiers. The increase in need over the prior year contract is associated with the expansion of the Port Police Division to the new Port Police Headquarters facility.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the award of a contract to lease office equipment. As such, the Director of the Environmental Management Division has determined that the proposed activity is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no direct employment effect.

FINANCIAL IMPACT:

This contract is anticipated to commence on July 1, 2011. Funding in the amount of \$350,000 for FY 2011/2012 has been included in the proposed budget, Account 54230 (Graphic/Blueprint & Photo), Division 0520 (Contracts and Purchasing), Program 006, subject to Board approval. Operation and Maintenance costs are included in the total contract amount of \$350,000.

The prior year expenditures for photocopier equipment and services was \$266,727. The increase from \$266,727 to \$350,000 for the proposed contract is associated with an increase in need for equipment Department wide, including the expansion of the Port Police Division to the new Port Police Headquarters facility.

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CITY ATTORNEY:

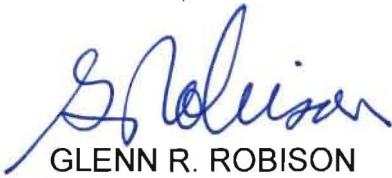
The City Attorney's office has reviewed and approved as to form and legality the subject contract.

TRANSMITTAL:

1. Contract No. 39585
2. County of Los Angeles Contract No. MA-IS-1140181-1

FIS Approval: Eg (initials)

CA Approval: TR (initials)



GLENN R. ROBISON
Director of Contracts and Purchasing



MOLLY CAMPBELL
Deputy Executive Director

APPROVED:



for GERALDINE KNATZ, Ph.D.
Executive Director

GK/MC/GR/TC
Author: TCarey

GK:MC:GR:tc