



Legislation Details (With Text)

File #: Ordinance 08-2017
Name:
Type: Ordinance
Status: Passed
File created: 3/21/2017
In control: City Council
On agenda: 5/2/2017
Final action: 5/2/2017
Title: An ordinance on second reading to approve Canon Financial Services, Inc Master Lease Agreement
Sponsors:
Indexes:
Code sections:
Attachments: 1. Ordinance No. 08-2017, 2. Canon Agreement, 3. 1220 Municipal Fiscal Funding Addendum, 4. Exhibit A - Order Form - Purchase, 5. Exhibit B - Order Form - Lease, 6. Canon County of Dupont Cooperative Agreement

Date	Ver.	Action By	Action	Result
5/2/2017	3	City Council		
4/18/2017	2	City Council	approved	Pass

Agenda Date: 05/02/2017

Subject:

An ordinance on second reading to approve Canon Financial Services, Inc Master Lease Agreement

Presented By: Tiffany Hooten, Finance Director

POLICY QUESTION:

Does city council support a master lease agreement with Canon Financial Services, Inc.?

BACKGROUND:

Copiers are located throughout city buildings for use by employees. In October 2015, city council approved a multi-year lease with Pacific Office Automation for copiers at the library. Pacific Office Automation represents numerous brands so departments can select a copier that best meets their needs (i.e. public coin operated copiers at the library). Pacific Office Automation does not offer the Canon line of copiers. The city currently leases several Canon copiers and in order to renew leases with Canon, staff recommends creating a Master Lease Agreement similar to that which was approved for Pacific Office Automation.

A master lease agreement with Canon Financial Services, Inc., will be used to renew the lease for the multi-function copier for the Belleview Service Center and a multi-function copier for the Communications Department which provides print services across the organization. The Belleview Service Center lease has lapsed and is currently paying month-to-month pending this lease approval. The Communications Department will consolidate two copier leases into one.

The city code requires equipment leases with a duration greater than one year be approved by council. Under this master lease agreement, departments will have the option of leasing with Canon Financial Services, Inc. in

addition to Pacific Office Automation for future copier needs for a term not to exceed five years. Staff believes this competition will result in lower prices while allowing city work groups more flexibility in choosing copiers that meet their specific needs.

Among other documents, attached to this council communication is the Canon Cooperative Agreement (from DuPage County Illinois). The city's purchasing policy allows for cooperative purchasing, meaning the city is allowed to "piggy-back" on contract prices obtained by other governments through a competitive bidding process. Canon has agreed to honor the prices in this agreement.

STAFF ANALYSIS:

The City Attorney's Office and the Finance Department worked cooperatively to develop and support this agreement. It provides an additional option when selecting copier leases, streamlines the lease process saving considerable staff time, and makes better use of city council time by not requiring council approval for every copier lease renewal.

FISCAL IMPACTS:

Under the terms of this lease, the Belleview Service Center copier will cost approximately \$251 per month for 48 months compared to \$374 per month under the current lease. The total savings over the four years is estimated to be \$5,858. A new lease with Canon for the Communications Department will cost approximately \$3,410 per month compared to \$4,175 per month for 48 months. The total cost saving over the four years is estimated to be \$36,720.

STAFF RECOMMENDATION:

Staff recommends approval.

PROPOSED MOTION:

I move to approve the ordinance on second reading approving a Master Lease Agreement with Canon Financial Services, Inc.