
Council Meeting Date: December 10, 2001

Agenda Item: 7(e)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize The City Manager To Sign A Purchase Order With Ikon Office Solutions To Purchase 12 Copiers
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT: The City currently has 12 copiers financed through a lease that expires in January 2002. The 2002 Proposed Budget provides resources to purchase 12 replacement copiers to support City services. Staff recommends that these copiers be purchased through the State of Washington General Administration contract with Ikon Solutions, which is allowed by the City's purchasing policies. In order to have sufficient time for delivery of the replacement copiers prior to the lease expiration, the order for these copiers must be placed prior to December 12, 2001.

FINANCIAL IMPACT: The 2002 budget includes \$213,517 for the acquisition of 12 copiers, which includes a copier for Spartan Gym.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to sign a purchase order for an amount not to exceed \$213,517 with Ikon Solutions to purchase new copiers.

Approved By:

City Manager

City Attorney

INTRODUCTION

The 2002 Proposed Budget provides resources to purchase 12 replacement copiers to support City services. In order to have sufficient time for delivery of the replacement copiers prior to the lease expiration, the order for these copiers must be placed prior to December 12, 2001.

ALTERNATIVES ANALYSIS

The State of Washington Department of General Administration contract for copiers allows either a lease or purchase arrangement for copiers. Staff reviewed the cost of both scenarios and determined that there would be annual operating savings by purchasing copiers instead of leasing. This is demonstrated in the following comparison.

ANNUAL COSTS

	Purchase Copiers	Lease Copiers (3 year)	Lease Copiers (4 year)
Annual Equipment Replacement Funding	\$ 64,897		
Annual Lease Payments (Equipment & Maintenance)		\$ 127,288	\$110,676
Maintenance & Supplies	\$ 25,090		
Total	\$ 89,987	\$ 127,288	\$110,676
Annual Budget Savings for Lease vs. Purchase		<u>\$ 37,301</u>	<u>\$ 20,689</u>
Number of Years to Recapture Investment of \$213,517		<u>5.72</u>	<u>10.32</u>

RECOMMENDATION

Staff recommends that Council authorize the City Manager to sign a purchase order for an amount not to exceed \$213,517 with Ikon Solutions to purchase new copiers.

