



## Agenda Item Summary

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### **Submitted By**

Bill McKenna, Village Engineer

### **Reviewed By**

LKS

### **Agenda Item Title**

**A Resolution Approving a Customer Agreement and Rental Agreement with Canon Solutions America, Inc., for a Five-Year Lease of an Océ ColorWave 3500 Printing System in an Amount Not to Exceed \$49,825.00, Authorizing Their Execution and Waiving the Village's Bid Process for the Agreements**

### **Overview**

The Engineering Division is currently leasing a large format printing system for copying, scanning, and printing and is about to enter the fifth year of the current five year lease. The current vendor, Canon Solutions America, is offering a discount to purchase back the equipment and provide a discount for new equipment under a new five year lease which will save the Village money. Canon Solutions America, Inc. was previously selected five years ago as the vendor using a request for proposal process and has the lowest competitive cost and best service.

### **Recommendation**

Approve the Resolution.

### **Fiscal Impact**

There are available funds for this lease in the FY2020 Capital Improvement Fund, Public Works-Engineering, Office Equipment for the lease of a printer, plotter, and large scale copier account #3095-43780-101-550671.

The current lease costs the Village \$10,280 annually. The proposed 5-year lease for the new upgraded equipment will cost the Village \$9,965 annually, saving the Village \$315 in 2020 and \$1,575 over the 5-year lease period as compared to the existing lease. The Village will also receive a \$4,000 trade-in value in 2020 for the existing plotter.

### **Background**

The Engineering Division currently leases an Océ ColorWave 500 printing system with Canon Solutions of America for handling much of the large format printing, scanning, and copying needs for the Engineering Division and other Village departments. The current five year lease ends on June 20, 2021. The existing printing system is starting to have more frequent problems and increased maintenance due to its age and use.

The Engineering Division requested a proposal from Canon for replacing and upgrading the system to a newer model and getting out of, or buying out, the last year of the current lease. Approximately five years ago, the

Engineering Division previously requested proposals from companies authorized to sell and maintain the selected printing system and selected the proposal from Canon Solutions since they had the lowest competitive cost and best service as the manufacturer of the printing system. Staff did not request a proposal from other vendors based on the results of the previous RFP process and that the last year of the current lease would have to be purchased from Canon in the amount of \$10,280 from any other vendors.

The Canon Solutions of America proposal includes a first quarter of the year \$4,000 trade-in value, a first quarter of the year promotional 4.24% lease rate, fixed annual payments for 5 years, and an early buyout from Canon Financial Services. This proposal includes canceling the current lease which costs the Village \$10,280 annually and starting a new five-year lease with an annual cost of \$9,965 saving the Village \$315 in 2020 and \$1,575 over the 5-year lease period as compared to the existing lease. The proposal also includes toner, service, software, and removal of the existing system.

### **Alternatives**

The alternative to this recommendation could be to delay action to gain additional information.

### **Previous Board Action**

N/A.

### **Citizen Advisory Commission Action**

N/A.

### **Anticipated Future Actions/Commitments**

This item is for five year lease agreements. Funds for the annual cost of this lease will be included in future budgets.

### **Intergovernmental Cooperation Opportunities**

None at this time.