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**XEROX AMENDMENT NO. 1 TO  
SAN DIEGO UNIFIED PORT DISTRICT  
SERVICES MASTER AGREEMENT  
REFERENCE # 7143687**



This Amendment ("Amendment") amends the Services Master Agreement ("SMA") between the San Diego Unified Port District ("Customer") and Xerox Corporation ("Xerox").

The parties agree that the SMA is modified as described below:

1. Section GEN 1.11 Term and Termination is modified to add the following at the end of the first sentence: **"...If renewed, this Agreement may be renewed for two one-year terms upon written agreement between the parties."**
2. Section GEN 1.1(d)(ii) Maximum Expenditure. Is modified to delete the first sentence and replace it as follows: **"...ii. Maximum Expenditure. The maximum expenditure under this Agreement shall not exceed \$1,800,000.00 for Xerox Print Services ('XPS') and Document Production and Publishing ('DPP')."**
3. Except as specified in this Amendment, the SMA shall remain as stated. In the event of a conflict between the terms and conditions of the SMA and this Amendment, this Amendment will control.

**San Diego Unified Port District**

**Xerox Corporation**

Keith Coffey  
Signature  
Keith Coffey  
Name (Please Print)  
CTO  
Title  
12-18-17-  
Date

Melanie Whalon  
Signature  
Melanie Whalon  
Name (Please Print)  
Contract Specialist  
Title  
12/27/17  
Date

San Diego Unified Port District  
Document No. 67785  
Filed FEB 05 2018  
Office of the District Clerk

**RESOLUTION 2017-159****RESOLUTION AUTHORIZING AMENDMENT NO. 1  
TO AGREEMENT WITH XEROX CORPORATION  
TO PROVIDE MANAGED PRINT SERVICES AND  
DOCUMENT PRODUCTION AND PUBLISHING,  
INCREASING THE MAXIMUM AMOUNT PAYABLE  
UNDER THE AGREEMENT BY \$805,000 FOR A  
NEW MAXIMUM AMOUNT PAYABLE UNDER THE  
AGREEMENT OF \$1,800,000 FOR SERVICES  
THROUGH 11/30/2019**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

**WHEREAS**, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 to establish a policy governing the processing and administration of public projects, consulting and service agreements, the purchasing of supplies, materials, and equipment, and grants; and

**WHEREAS**, on November 4, 2014 the Board awarded an agreement with Xerox Corporation to provide managed print services and document production and publishing for 5 years with 2 optional one year extensions for a total aggregate term of 7 years and an amount not to exceed \$995,000; and

**WHEREAS**, the demand for services, over time, has been increasing instead of decreasing as was projected at the time of the agreement. Some key cost elements were also missing from the original not to exceed agreement amount; and

**WHEREAS**, additionally, the proposed amendment will include costs to replace the high-speed black and white printer currently in use in the production print operations of the Office of the District Clerk; and

**WHEREAS**, to continue to provide necessary printing support services throughout the District, staff recommends the Board authorize Amendment No. 1 to the Agreement with Xerox to provide managed print services and document production and publishing.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Executive Director or her designated representative is hereby authorized and directed on behalf of the San Diego Unified Port District to enter into Amendment No. 1 to Agreement with Xerox Corporation to provide managed

print services and document production and publishing, increasing the maximum amount payable under the Agreement by \$805,000 for a new maximum amount payable under the Agreement of \$1,800,000 for services through 11/30/2019.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

  
By: ~~Assistant~~/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 5<sup>th</sup> day of December, 2017, by the following vote:

AYES: Bonelli, Castellanos, Malcolm, Merrifield, Valderrama, and Zucchet

NAYS: None.

EXCUSED: Moore

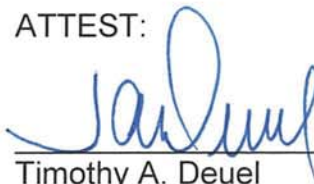
ABSENT: None.

ABSTAIN: None.



Robert Valderrama, Chair  
Board of Port Commissioners

ATTEST:

  
Timothy A. Deuel  
District Clerk

(Seal)



## Item No. 2

File #:2017-0483

DATE: December 5, 2017

**SUBJECT:**

**RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO AGREEMENT WITH XEROX CORPORATION TO PROVIDE MANAGED PRINT SERVICES AND DOCUMENT PRODUCTION AND PUBLISHING, INCREASING THE AGREEMENT AMOUNT BY \$805,000 WHICH INCREASES THE AGGREGATE TOTAL OF THE AGREEMENT FROM \$995,000 TO \$1,800,000 FOR SERVICES THROUGH 11/30/2019**

**EXECUTIVE SUMMARY:**

On November 4, 2014 the Board awarded an agreement with Xerox Corporation to provide managed print services and document production and publishing for 5 years with 2 optional one year extensions for a total aggregate term of 7 years and an amount not to exceed \$995,000. The demand for services, over time, has been increasing instead of decreasing as was projected at the time of the agreement. Some key cost elements were also missing from the original not to exceed agreement amount. Additionally, the proposed amendment will include costs to replace the high-speed black and white printer currently in use in the production print operations of the Office of the District Clerk. To continue to provide necessary printing support services throughout the District, staff recommends the Board authorize Amendment No. 1 to the agreement with Xerox to provide managed print services and document production and publishing.

**RECOMMENDATION:**

Adopt a Resolution Authorizing Amendment No. 1 To Agreement With Xerox Corporation, Increasing the Maximum Amount Payable Under the Agreement From \$995,000 To \$1,800,000.

**FISCAL IMPACT:**

	Fiscal Year							Total
	2015	2016	2017	2018	2019	2020	2021	
<b>Xerox MPS</b>	72,110	234,230	328,228	345,000	350,000	350,000	120,432	1,800,000

Funds required for future fiscal years will be budgeted for in the appropriate fiscal year and cost account subject to Board approval upon adoption of each fiscal year's budget.

**File #:2017-0483**

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**COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.

**DISCUSSION:**

On November 4, 2014 the Board awarded an agreement with Xerox Corporation to provide managed print services and document production and publishing for 5 years with 2 optional one year extensions for a total aggregate amount not to exceed \$995,000. Staff recommends an amendment to the agreement to address the District's current and projected future printing needs through the balance of the existing term of the agreement (which expires in 2021 if both one-year options are exercised). As discussed below, the demand for services, over time, has been increasing instead of decreasing as was projected at the time of the agreement. Additionally, certain assumptions in the original agreement have not been realized over time, and the current high-speed production printer in the Office of the District Clerk must be replaced.

The original Xerox agreement did not include some key cost elements due to assumptions made at the time which, in practice, have not occurred. For example, the District assumed that all non-Xerox equipment would be removed from the District's network. Therefore, estimates to cover the non-Xerox provided equipment were not included. Current District infrastructure includes 50 Hewlett Packard devices that are maintained by Xerox. The cost for this service is approximately \$3,600 per month.

An additional item missing from the original estimate is the cost of "click charges" or cost per impression produced by any of the devices covered in the agreement. The agreement with Xerox includes no impressions in the monthly plan. Each page generated is monitored and has an associated cost. The current printing volume calculates to about \$7,500 per month. This cost, along with the cost to maintain the non-Xerox equipment is significant and not included in the estimate in the original not to exceed agreement amount.

The proposed amendment will include costs to replace the current Xerox high speed black and white printer currently in use in the production print operations of the Office of the District Clerk, which will soon be reaching the end of its useful life. The cost of the new device will include those previously excluded costs like the click charges previously discussed. The new device will also include additional features such as full bleed and square fold trimmer modules that will increase the overall print quality, thus reducing the District's reliance on costly, outsourced printing services.

For the reasons discussed above, to continue to provide necessary printing support services throughout the District, staff recommends the Board authorize Amendment No. 1 to the agreement with Xerox to provide managed print services and document production and publishing.

**General Counsel's Comments:**

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**File #:2017-0483**

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The Office of the General Counsel has reviewed the issues set forth in this agenda and found no legal concerns as presented and has reviewed and approved the amendment as to form and legality.

**Environmental Review:**

The proposed Board action does not constitute a “project” under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

In addition, the proposed Board action allows for the District to implement its obligation under the Port Act and/or other laws. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

Finally, the proposed Board action does not allow for “development,” as defined in Section 30106 of the California Coastal Act, or “new development,” pursuant to Section 1.a. of the District’s Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or exclusion is not required.

**Equal Opportunity Program:**

Due to limited known subcontracting opportunities, no small business enterprise goal was established for this agreement.

**PREPARED BY:**

Jeffrey Benedict  
Systems Administration Supervisor, Information Technology

**Attachment(s):**

Attachment A: Amendment No. 1 to Agreement with Xerox Corporation to Provide Managed Print Services and Document Production and Publishing



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**San Deigo Unified Port District**

**Xerox Corporation**

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*Signature*

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*Signature*

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*Name (Please Print)*

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*Name (Please Print)*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Date*

**DRAFT**

**RESOLUTION 20xx-xxx**

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APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 5<sup>th</sup> day of December, 2017, by the following vote: