



Legislation Details (With Text)

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Title: RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO AGREEMENT WITH XEROX CORPORATION TO PROVIDE MANAGED PRINT SERVICES AND DOCUMENT PRODUCTION AND PUBLISHING, INCREASING THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT BY \$386,000 FOR A NEW MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT OF \$2,536,000 FOR CONTEMPLATED SERVICES THROUGH NOVEMBER 30, 2026. EXPENDITURES ARE BUDGETED IN THE INFORMATION TECHNOLOGY MANAGEMENT PROGRAM. FUNDS REQUIRED FOR FUTURE YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET.

Sponsors:

Indexes:

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Attachments: 1. 8. 2020-0315 Attachment A, 2. 8. 2020-0315 Attachment B, 3. 8. 2020-0315 Attachment C, 4. 8. 2020-0315 Attachment D, 5. 8. 2020-0315 Attachment E, 6. 8. 2020-0315 Draft Resolution

| Date | Ver. | Action By | Action | Result |
|-----------|------|-----------------------------|---------|--------|
| 10/6/2020 | 1 | Board of Port Commissioners | adopted | |

DATE: October 06, 2020

SUBJECT:

RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO AGREEMENT WITH XEROX CORPORATION TO PROVIDE MANAGED PRINT SERVICES AND DOCUMENT PRODUCTION AND PUBLISHING, INCREASING THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT BY \$386,000 FOR A NEW MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT OF \$2,536,000 FOR CONTEMPLATED SERVICES THROUGH NOVEMBER 30, 2026. EXPENDITURES ARE BUDGETED IN THE INFORMATION TECHNOLOGY MANAGEMENT PROGRAM. FUNDS REQUIRED FOR FUTURE YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET.

EXECUTIVE SUMMARY:

On November 4, 2014, the Board authorized an agreement with Xerox Corporation to provide managed print services and document production and publishing for five years, with two optional one-year extensions for a total aggregate term of seven years and an amount not to exceed of \$995,000. On December 5, 2017, the Board approved Amendment No. 1 to increase the not-to-exceed amount to \$1,800,000 and in February 2018 the District exercised the option to extend the term two years. In April 2020, the Board authorized Amendment No. 2 to increase the not-to-exceed amount to \$2,150,000. As amended, the agreement currently expires on November 30, 2021 and continues on

a month to month basis thereafter unless expressly renewed for a longer period by written agreement or terminated by either party by providing 90 days' written notice.

To provide uninterrupted printing support services and to reduce costs during the COVID-19 pandemic, staff proposes a flexible strategy: 1) create a new 60-month reduced-cost schedule for printers at Harbor Police, Maritime and General Services Departments 2) retain a minimum number of Administration Building printers under the existing orders and 3) return the remainder of Administration Building printers that are at the end of their lease. Staff recommends the Board authorize Amendment No. 3 to the agreement with Xerox, adding \$386,000 to the existing agreement, and adding the new 60-month schedule. Once "new normal" is known and printing requirements are identified, staff will seek authorization for renewed Administration Building printing services if needed.

RECOMMENDATION:

Adopt a Resolution Authorizing Amendment No. 3 To Agreement with Xerox Corporation, Increasing the Maximum Amount Payable Under the Agreement From \$2,150,000 to \$2,536,000.

FISCAL IMPACT:

Current year expenditures are included in the Information Technology Management program expense budget approved for FY 2021. Staff has reduced the number of printing devices by 18 as a cost savings measure during COVID-19 which is anticipated to save approximately \$72,000 annually.

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.

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 authorized an agreement with Xerox Corporation to provide managed print services and document production and publishing for five years, with two optional one-year extensions for a total aggregate term of seven years and an amount not to exceed \$995,000. On December 5, 2017, the Board authorized Amendment No. 1 to increase the maximum amount to \$1,800,000 and in February 2018, the District exercised the option to extend the term two years. In April 2020, the Board authorized Amendment No. 2 to increase the maximum amount to \$2,150,000.

Staff was planning for a full enterprise printing service renewal, when a majority of standard office-worker District employees were sent to work from home on March 16th in response to the COVID-19 pandemic. A number of online tools and collaboration applications have allowed staff to remain productive and continue the business of the District, despite not having access to in-office printers. As a result, the District's variable consumption costs have decreased and machines in the Administration Building are experiencing very low usage.

To provide uninterrupted printing support services and to reduce costs during the COVID-19 pandemic, staff proposes the following flexible strategy:

- 1) Create a new 60-month reduced-cost schedule for printers at Harbor Police, Maritime and General Services Departments,
- 2) Retain a minimum number of Administration Building printers under the existing schedule which has another year left on it,
- 3) Return the remainder of Administration Building printers that are at the end of their lease.

Taking these steps will allow the District to reduce printer device monthly lease costs while most employees are not working in the Administration Building. Additionally, with standard business practices moving to online and digital formats, it is very likely that the District will not need the same number of office printers once employees return. As such, District Directors have agreed to the removal of several printers from the building until “new normal” is determined. At that time, staff will determine our revised printing requirements in the Administration Building and return to the Board for authorization with a new schedule to complete the full enterprise printer program renewal if necessary.

For the reasons discussed above, and to continue to provide necessary printing support services, staff recommends the Board authorize Amendment No. 3 to the agreement with Xerox Corporation, adding \$386,000 to the existing agreement, and adding the new 60-month schedule for Harbor Police, Maritime, and General Services divisions Departments.

General Counsel’s Comments:

The Office of the General Counsel has reviewed and approved this agenda and the proposed resolution, as presented, as to form and legality.

Environmental Review:

The proposed Board action, including without limitation, a resolution authorizing an amendment to an agreement for printing and document production services, does not constitute a “project” under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it would not have the 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.

The proposed Board action complies with Sections 21 and 81 of the Port Act, which allow for the Board to pass ordinances and resolutions and to use District funds for expenses of conducting the District. 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.

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 sub opportunities, no SBE goal was established for this Agreement.

PREPARED BY:

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Tracey Sandberg
Director, Information Technology

Attachment(s):

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| Attachment A: | Services Master Agreement with Xerox Corporation |
| Attachment B: | Amendment No. 1 to Services Master Agreement with Xerox Corporation |
| Attachment C: | Amendment No. 2 to Services Master Agreement with Xerox Corporation |
| Attachment D: | Amendment No. 3 to Services Master Agreement with Xerox Corporation |
| Attachment E: | Printer Reconciliation - San Diego Port Unified District.pdf |