



Contra
Costa
County

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: May 12, 2020

Subject: Five-year Lease with Xerox Corporation

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Public Works Director, or designee, to do all of the following:

A. To execute a lease agreement, a lease addendum, and a maintenance agreement with Xerox Corporation, and to purchase supplies from Xerox corporation, all in an aggregate amount not to exceed \$1,700,000, in connection with the lease and maintenance of a Xerox Baltoro Inkjet Press, and the maintenance of third-party hardware used in connection with the Inkjet Press, during a 60-month term commencing upon the acceptance of the equipment installation at Print and Mail Services.

B. To execute the statement of work that specifies the work Xerox Corporation will perform to deliver and install the Xerox Baltoro Inkjet Press when requested by the Public Works Director, or designee.

C. To execute a customer acceptance document after Xerox delivers and installs the Xerox Baltoro Inkjet Press in accordance with the acceptance criteria and to the satisfaction of the Public Works

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **05/12/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: May 12, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Joe Yee (925)
313-2104

cc:

RECOMMENDATION(S): (CONT'D)

Director, or designee.

D. To make purchases of supplies directly from Xerox Corporation under the lease terms, and to take other actions under the lease terms.

FISCAL IMPACT:

The County's total payments to Xerox will be up to \$1.7 million during the 60-month lease term, for costs to lease and maintain the Xerox Baltoro Inkjet Press, purchase supplies for the inkjet press, and maintain the inkjet press and third-party equipment Print & Mail Services uses in connection with the inkjet press. These costs will be recovered from interdepartmental charges. There will be a zero net County cost.

BACKGROUND:

The Xerox Baltoro Inkjet Press will be a replacement for several of Print and Mail Services' current toner based leased equipment and offset technology presses. The Xerox Baltoro Inkjet Press is a 300 page per minute digital color printer. Inkjet printing technology has a much lower per print cost than the leased equipment currently in use. In some cases, we will be able to lower our printing charges to our County department customers.

The Baltoro press will be leased from Xerox under the terms of a nationwide lease agreement that allows the County to take advantage of preferred pricing. The Public Works Director will enter into the lease and lease addendum, and the 60-month lease term will begin effective upon acceptance of the equipment by the County following Xerox's installation. The statement of work describes the work Xerox will perform for the County, including installation and set-up work. After that work is complete, the Public Works Director, or designee, will accept the installation, which will cause the term of the lease and maintenance agreement (discussed below) to commence. It is anticipated that delivery and acceptance will occur by July 31, 2020. The lease terms are included in the attached lease documents. The lease can be cancelled if there is a non-appropriation event.

The County's estimated lease and maintenance payments and supply orders under the lease are estimated to be approximately \$1.6 million. This board order includes additional funds in the event additional supplies are required. Under the lease, Xerox will lease the inkjet press equipment and maintain the equipment. Xerox also will sell the County ink and supplies under the lease terms.

The maintenance agreement requires Xerox to maintain non-Xerox-branded equipment that Print & Mail Services will acquire and use in connection with the Xerox equipment. Print & Mail Services will acquire that third-party equipment under a separate purchase order from the third-party vendor. Under the maintenance agreement, the County will pay approximately \$63,000 for Xerox to maintain that third-party equipment over the 60-month term of the agreement. The term of the agreement begins when the lease

becomes effective (i.e., upon delivery and acceptance of the Baltoro Inkjet press). The maintenance agreement can be terminated if there is a non-appropriation event.

CONSEQUENCE OF NEGATIVE ACTION:

If the lease is not approved, Print and Mail will have to maintain its present leases and the higher per print cost.

ATTACHMENTS

Xerox-CCC Lease Agreement

Xerox-CCC Lease Addendum

Xerox Master TCPN Lease Terms

Xerox Supply Pricing Exhibit

Xerox Statement of Work

Xerox Acceptance Criteria

CCC-Xerox 3P Maintenance Agreement