

**Consent Agenda Briefing for PWSRCAC Board of Directors – January 2025**

**ACTION ITEM**

**Sponsor:** Hans Odegard and Ashlee Hamilton

**Project number and name or topic:** Five-Year Lease Agreement for Multifunctional Copier/Printer

1. **Description of agenda item:** The Board of Directors is asked to approve a new five-year lease agreement with Konica Minolta for multifunctional copier/printers in the Anchorage and Valdez offices in an approximate amount of \$49,315.00. The current lease and maintenance agreement for these machines will end in early 2025. The duration of the new lease will be 60 months and include a provision for the Council to purchase the machines at the end of the lease term for \$1.

2. **Why is this item important to PWSRCAC:** The multifunctional copier/printer machines are the primary printers, scanners, and copiers in the Anchorage and Valdez offices and are used to assemble committee and Board materials on a regular basis.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
Board	1/21/2010	Authorized executive director to enter into lease agreements for two Konica Minolta copier/printers.
Board	1/22/2015	The Board authorized the Executive Director to enter into lease agreements and maintenance contracts for copier/printers to be located in the Anchorage and Valdez offices after evaluation of responses from the RFP and recommendations from the Finance Committee. The lease terms will not exceed five years and the total cost will not exceed \$100,000.
Board	1/23/2020	Delegation of Authority of New Office Machinery Lease: Authorization for the Executive Director to enter into a new five-year sole-source lease agreement and maintenance contract with Konica Minolta for copiers to be located in the Valdez and Anchorage offices, in an approximate amount of \$66,856.

4. **Summary of policy, issues, support, or opposition:** Konica Minolta has given the option to PWSRCAC to renew our five-year lease in February of 2025, when the current lease expires. This renewal will entail replacing the current machines with newer models. The basic lease payment is \$452/month plus an upgrade buyout of \$6,650 for an approximate total of \$33,770 or \$562.83/month over the five years. In addition, there is a charge for each print/copy made and is based on \$0.0459 each for color copies and \$0.0071 each for black and white copies. The current average quarterly (3 month) volume of the Anchorage machine is 6,000 black and white copies/prints and 5,000 color copies/prints. The current average quarterly volume of the Valdez machine is 6,500 black and white copies/prints and 10,000 color copies/prints. Based on these volumes, the additional cost for copies/prints over five years would be approximately \$15,545.00. The total estimated cost of the lease, including the base charge and the copy count charge, is

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\$49,315.00. This is an average of \$9,863.00 per year. The lease agreement provides for onsite maintenance in Anchorage and Valdez as well as toner and other supplies, excluding paper.

In June of 2024, staff put this lease out to competitive bid. We received proposals from Arctic Office, Alaska Enterprise Solutions, and a written response from our Konica Minolta sales representative. Based on these responses, Konica Minolta has provided an attractive proposal. Konica Minolta has existing machines in Valdez with other customers (City of Valdez, Valdez School District, and Alyeska) and therefore regularly has a technician in Valdez. PWSRCAC has been very satisfied with the equipment and maintenance provided by Konica Minolta since 2010.

5. **Committee Recommendation:** At their in-person meeting in August, the Finance Committee reviewed our renewal options and favors renewing the lease with Konica.

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6. **Relationship to LRP and Budget:** Office machinery is in the approved FY2025 budget in the amount of \$11,760, for the two multifunctional copier/printers.

7. **Action Requested of the Board of Directors:** Authorize a new five-year sole-source lease agreement and maintenance contract with Konica Minolta for multifunctional copier/printers to be located in the Valdez and Anchorage offices, in an approximate amount of \$49,315.00.

8. **Alternatives:** We could have bought out of our lease with Konica Minolta, which would have been cost-prohibitive, and then switched vendors to one of the other proposers. However, the other proposers did not have competitive rates, neither monthly lease rates nor page rates.

9. **Attachments:** None.