



**GENERAL SERVICES AGENCY
PRINT & MAIL
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One
PETE VANDER POEL
District Two
AMY SHUKLIAN
District Three
EDDIE VALERO
District Four
DENNIS TOWNSEND
District Five

AGENDA DATE: January 15, 2019 - **REVISED**

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>

CONTACT PERSON: Maria Benavides PHONE: 205-1124

SUBJECT: Agreement with Wizix Technology Group, Inc., formerly Stanton Office Machine Company, and Lease-Purchase Agreement with US Bank

REQUEST(S):

That the Board of Supervisors:

1. Terminate Agreement No. 27273-A with Stanton Office Machine Company.
2. Approve an Agreement with Wizix Technology Group, Inc., formerly Stanton Office Machine Company, to provide copier maintenance services, in the amount of \$0.0059 per copy, for the period of January 15, 2019 to January 15, 2024.
3. Terminate Agreement No. 27274 with US Bank Equipment Finance.
4. Approve a Lease-Purchase Agreement with US Bank to lease five copiers in the amount of \$7,366 plus applicable taxes per month, for the period of January 15, 2019 to January 15, 2024.
5. Approve the necessary budget adjustment per the attached AUD 308 (4/5ths vote required).
6. Waive the bid process otherwise required by Purchasing Ordinance.
7. Authorize the Chairman to sign the agreements and all documents related to the agreements and financing, subject to review and approval as to form by County Counsel.

SUMMARY:

The Print Shop currently runs approximately 593,000 copies per month using a Micropress System that is specifically programmed to produce several specialized projects such as the daily CalWIN mailings, utility and tax bills, and the annual County budget book. The Micropress System is also utilized for daily department

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printing needs and is the production backbone of the Print Shop.

Since 2000, the County has partnered with All Net of California, Inc. DBA Stanton Office Machine Company (Stanton) for the lease-purchase, maintenance and replacement of production printer machines for the County Micropress System operated by the Print Shop. As detailed below, the County has replaced the printers in this system every three to four years as older machines become unable to accommodate the volume of copy, print and scan work completed by the County Print Shop.

- June 2000 – the County entered into Agreement 20188 with Stanton to lease three copiers, a Micropress System, and maintenance for 5 years.
- June 2004 – the County amended Agreement 20188 with Stanton to upgrade two copiers for an additional three years.
- August 2008 - the County entered into Agreement 23719 with Stanton to purchase and maintain the Micropress System with the latest software and four production printer machines.
- September 2012 - the County entered into Agreements 25706 and 25707 with Stanton and US Bank for the maintenance and lease of two new printers.
- October 2013 - the County entered into Agreements 26296 and 26300 with Stanton and US Bank for the maintenance and lease of two additional printers.
- August 2015 - the County terminated maintenance and lease Agreements 25706, 25707, 26296, and 26300, and entered into Agreements 27273 and 27274 with Stanton and US Bank to lease-purchase and maintain four black and white production copiers for a period of five years.

Recently, Stanton changed its name to Wizix Technology Group, Inc. To remain consistent, this agenda item will continue to refer to the company as Stanton. However, the proposed agreement with Stanton will reflect the name Wizix Technology Group, Inc.

The existing copiers of the Micropress System have performed well and met County expectations for the last three years. However, the Print Shop has determined that they are increasingly unable to accommodate the volume of work required of them. The copiers are experiencing an increase in down-time and are requiring more maintenance, which causes delays with time-sensitive print jobs.

The proposed lease-purchase and maintenance agreements would replace the existing copiers with four Lanier Pro 8220s Copier/Printer/Scanner Units and one Lanier Pro C5200s Color Production Copier/Printer/Scanner Unit. US Bank and Stanton have agreed to terminate the existing lease-purchase and maintenance agreements without penalty to allow the County to enter into the proposed agreements.

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It is requested that the Board waive the bid requirement otherwise required by Purchasing Ordinance, to contract the specifically proposed equipment and associated maintenance service of the proposed Micropress System. Since 2000, Stanton, has provided the County high quality maintenance service on copiers within the Micropress System. The vendor not only has expert knowledge in the maintenance of Lanier-brand copiers, but has invested in developing specialized knowledge within its technical team to troubleshoot and compatibly operate the machines with the Micropress System and CalWin Software, unique to County operations. Contracting with another vendor could result to additional transition and setup expenses, and will likely require the County to contract separately for trained Cal-Win Software technician and Micropress System technicians.

The deviations from the County contract protocol for the lease-purchase agreement with US Bank are:

1. This agreement cannot be cancelled or terminated during the initial term.
2. While equipment is in County's possession, County bears the risk of loss and indemnifies Lessor.
3. This agreement contains a judicial Reference Agreement by which the County waives the right to jury trial in any dispute. Disputes will be resolved by a referee, defined by this agreement with US Bank.
4. Under this agreement, the vendor has the right to assign without notice or consent.
5. If the County defaults, the vendor has the option to require County to pay the unpaid balance of the agreement and may recover interest.
6. Litigation can occur in any court in the state.
7. The County will be charged a 10% fee for payments more than 5 days late.
8. The County agrees to pay attorney's fees.

The deviations from the County contract protocol for the agreement with Stanton are:

1. The agreement will automatically renew each year unless cancelled in advance by the County.

The terms of this proposed agreement with Stanton are consistent with those of the existing agreement.

FISCAL IMPACT/FINANCING:

Under the current Agreement No. 27274 with US Bank, the County pays \$7,237.38 (\$6,670.40 plus tax) per month to lease-purchase the Micropress System for a total annual cost of \$86,848.56. The new proposed agreement with US Bank includes a monthly cost to lease-purchase a new Micropress System of \$7,992.54 (\$7,366.40 plus tax) for a total annual cost of \$95,910.48, and includes an additional color copier. Under the current Agreement No. 27273-A with Stanton, the County pays for maintenance of the machines at a rate of \$0.0059 per copy. This rate will remain the same in the new proposed agreement with Stanton.

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The attached AUD 308 will increase Copier Services revenue line 079-079-7500-9421 and expense line 079-079-7500-7117 by \$9,061.92.

Copier services are paid for by the individual departments and external customers based upon their requirements for service. There is no Net County Cost to the General Fund.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's Strategic Plan includes the Organizational Performance Initiative to continuously improve organizational effectiveness and fiscal stability. The recommended Board action helps fulfill this initiative by ensuring continuous organization performance without interruption of service.

ADMINISTRATIVE SIGN-OFF:



Art Arreola
Print & Mail Service Manager

cc: County Administrative Office

Attachment(s)
A - Agreement with Wizix Technology Group, Inc.
B - Lease-Purchase Agreement with US Bank
C - AUD 308

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF AGREEMENT WITH)
WIZIX TECHNOLOGY GROUP, INC.,) Resolution No. _____
FORMERLY KNOWN AS STANTON OFFICE) Agreement No. _____
MACHINES, AND LEASE-PURCHASE)
AGREEMENT WITH US BANK)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

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1. Terminated Agreement No. 27273-A with Stanton Office Machine Company.
2. Approved an Agreement with Wizix Technology Group, Inc., formerly Stanton Office Machine Company, to provide copier maintenance services, in the amount of \$0.0059 per copy, for the period of January 15, 2019 to January 15, 2024.
3. Terminated Agreement No. 27274 with US Bank Equipment Finance.
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