

**BOARD OF SUPERVISORS  
FINANCE/GOVERNMENT OPERATIONS AND ECONOMIC DEVELOPMENT  
COMMITTEE  
ACTION ITEM**

**SUBJECT:** **CONTRACT AWARD/Xerox Multi-Functional Devices and Print Management Services**

**ELECTION DISTRICT:** Countywide

**CRITICAL ACTION DATE:** February 11, 2016

**STAFF CONTACTS:** Wendy Wickens, Information Technology  
Tim Dudek, Information Technology  
Sandra Lineberry, Finance and Procurement

**PURPOSE:** To award a contract for lease, maintenance and print management services for Xerox Multi-Functional Devices.

**RECOMMENDATION:** Staff recommends the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend to the full Board of Supervisors (Board) that the Purchasing Agent be authorized to award a contract for Xerox Multi-Functional Devices and Print Management Services to Xerox Corporation in the estimated amount of \$1,069,643.

---

**BACKGROUND:** Loudoun County Government currently uses 340 Xerox brand multi-functional devices (MFDs), for copy, scan, print, and fax functionality. This equipment is used extensively to scan documents for email and electronic storage of images using the County's imaging system. The MFDs are located throughout most County facilities and departments. The contract for these MFDs is administered by the Department of Information Technology. The costs of these devices are charged to each County department using a Central Services Fund and are on a five-year replacement cycle. This contract award encompasses the total annual operational costs of the Xerox equipment including lease, installation, removal, maintenance, supplies (excluding paper), managed print services and operational support.

The County began leasing copiers in FY 1991. This provides flexibility to meet customer needs; keeps the County's copier fleet current with technology and functionality, and eliminates large, one-time costs and depreciation losses. Since July 1, 2011, the County began using the The Cooperative Purchasing Network (TCPN) cooperative procurement contract, as it provides the best pricing to meet the County's needs. On June 17, 2015, the Board of Supervisors authorized the Purchasing Agent to award a contract for the lease and maintenance of Xerox Multi-

Functional Devices to Xerox Corporation in the estimated amount of \$1,027,496 utilizing TCPN contract. This contract provided for equipment leasing only.

Staff was made aware of and evaluated an additional TCPN contract vehicle for leased Xerox equipment, which included Managed Print Services (MPS).. It was determined that utilizing the MPS solution from Xerox would provide better cost control, asset management and continuous improvement to Loudoun County. This contract continues the lease of 340 Xerox MFDs while providing additional services. These services include the replacement of 150 older units, a monthly color pool allowance in addition to a black and white pool allowance, and Managed Print Services which provides for supplies/consumables ordering management, proactive monitoring & break/fix service and a dedicated Xerox Help Desk for Loudoun County. Xerox will also provide Loudoun County with one consolidated and customized invoice each month with itemized detail for each unit which will enable internal chargebacks. These services will decrease costs and response time and increase MFD availability and staff efficiency. This contract covers the period from March 1, 2016 through February 28, 2017 with a one year renewal option.

**ISSUES:** Staff has evaluated both leasing and ownership options for MFDs over the years. Leasing is an important option to consider. It relieves the County of the disposal responsibilities and allows for periodic equipment upgrades when new technology is introduced. Leasing eliminates the large, upfront costs when procuring devices. It also provides the flexibility to meet customer needs in a changing market. Owning creates large, one-time costs and depreciation losses. Useful life of equipment could be at risk of technological obsolescence in the near future. Failure to maintain the MFDs would have a very serious impact upon county-wide government operations.

**FISCAL IMPACT:** Since the new contract will cover the period from March 1, 2016 through February 28, 2017, it will include both FY 2016 and FY 2017 expenditures. The estimated remaining FY 2016 (March 1 through June 30, 2016) lease, maintenance, and operational costs for existing, replacement, and new equipment provided through this contract are approximately \$271,441. Funding for these devices is allocated by the FY 2016 Central Services Fund which is provided through chargebacks to the appropriate County departments, grants and project appropriated funds.

The estimated FY 2017 lease, maintenance, and operational costs for existing, replacement, and new equipment provided through contract expiration of February 28, 2017, are approximately \$798,202. Funding for these devices is proposed in the FY 2017 Central Services Fund which is provided through chargebacks to the appropriate County departments, grants and project appropriated funds.

**ALTERNATIVES:**

1. Recommend to the full Board of Supervisors that the Purchasing Agent be authorized to award a contract for Xerox Multi-Functional Devices and Print Management Services to Xerox Corporation in the estimated amount of \$1,069,643.

OR

2. Do not recommend the contract award, however, this alternative is not recommended for the reasons stated above.

**DRAFT MOTIONS:**

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the full Board of Supervisors that the Purchasing Agent be authorized to award a contract for Xerox Multi-Functional Devices and Print Management Services to Xerox Corporation in the estimated amount of \$1,069,643.

OR

2. I move an alternate motion.