



CITY OF MENIFEE

SUBJECT: Lease Extension with Canon Financial Services Inc

MEETING DATE: December 7, 2022

TO: Mayor and City Council

PREPARED BY: Michelle Sarkissian, Information Technology Manager

REVIEWED BY: Ron Puccinelli, Chief Information Officer

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve and authorize the City Manager to execute a six-month extension and issue Purchase Order (PO) to the existing Canon Financial Services Inc. (Canon) lease agreement for copiers and printers through June 30, 2023.

DISCUSSION

Due to the significant cost and expected duty cycle of most copier and printer equipment, most entities, private and public, lease copier/printers equipment instead of direct purchasing. By leasing the equipment, the entity benefits from spreading the cost of use as monthly payments, and having the equipment be replaced more regularly as it becomes outdated or stops operating.

Beginning 2018, the City of Meniffee has entered into a multi-year agreement for copier/printer lease services with Canon. The current lease is set to expire on December 31, 2022, and staff is seeking City Council authorization to extend the existing lease for six-months, through June 30, 2023. The terms and conditions of the original lease remain in effect for the duration of the six-month extension.

In preparing to issue a competitive Request for Proposals (RFP) to assess the current equipment in use, and review replacement and upgrading the current copiers and printers, staff has established a project schedule that factors in internal factors, like a thorough evaluation and selection recommendation process, including but not limited, to proposal reviews, interviews, and demonstrations, and external factors such as current supply chain challenges affecting every manufacturer's ability to commit to definitive delivery dates before the current lease expiration date. The City's current copier and printer equipment is still in great working condition with sufficient duty-cycle capacity for the duration of the proposed extension even though the equipment has reached its chronological useful life of five years.

STRATEGIC PLAN OBJECTIVE

Regular City Business

FISCAL IMPACT

The costs of the copier and printer lease are included in the adopted fiscal year 2022/23 budget and no additional appropriation is needed. The full six-month costs are a not-to-exceed amount of \$87,000 within the two accounts and includes the cost per page charges. Account numbers 100-4221-52502 and 100-4911-52502 have sufficient funds available for the not-to-exceed amount of \$43,500 each for the period January 1, 2023, through June 30, 2023.

ATTACHMENTS

1. Canon Financial Services Inc - Purchase Order (PO)