



# CITY OF CLEARLAKE

City Council

## STAFF REPORT

**SUBJECT:** Authorization to Amend Lease Agreement for Fleet Copier Replacement and Upgrade

**MEETING DATE:**

February 5, 2026

**SUBMITTED BY:** Melissa Swanson, Administrative Services Director/City Clerk

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City's current document imaging fleet, specifically the two HP 877z devices, has reached the end of its reliable service life, resulting in frequent downtime and staff disruption. Staff recommends transitioning to a more robust fleet consisting of two **Konica Minolta C451i** units and one **HP E47528f**. This upgrade not only improves operational efficiency but also provides immediate monthly budgetary savings.

### BACKGROUND/DISCUSSION:

Since 2021, the City has had an existing contract with Caltronics for document imaging. The current HP 877z units have become a bottleneck requiring frequent service calls and downtime, which has impacted departmental productivity significantly. The vendor has acknowledged the disruption caused by the equipment and has made an offer to the City to upgrade equipment and reduce costs.

The proposal offers two flexible paths toward full ownership of the equipment. Both options represent a significant reduction from our current monthly spend.

Feature	Option 1 (Recommended)	Option 2
Lease Term	60 Months	48 Months
Monthly Cost	\$1,855	\$2,089
Monthly Savings	\$400	\$167
End of Term	Full Ownership	Full Ownership

By switching to the 60-month plan, the City is saving \$400 every month compared to the current spend. Additionally, this plan will eliminate overages and locks in a higher volume (11,000 B&W/11,500 Color Copies) so the budget stays flat and predictable. Finally, unlike a standard "fair market value" lease

where machines are returned at the end of the lease period, the City will own the machines at the end of the term.

### **Additional Incentives & Savings**

Beyond the monthly lease reduction, the following "Extra Value" items have been negotiated:

- **\$2,500 Rebate:** Provided as a credit for the disruption caused by previous equipment failures.
- **Early Lease Buyout:** The vendor will cover all remaining payments on the current lease and handle the removal of old devices.
- **Fee Waivers:** The \$395 installation and networking fees are waived.
- **Minimal Startup Cost:** Only a one-time \$150 documentation fee is required to initiate the contract.

### **OPTIONS:**

1. Approve Option 1 as recommended.
2. Other direction.

### **FISCAL IMPACT:**

☒ None      ☐ \$ Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No      If yes, amount of appropriation increase: \$

Affected fund(s): ☒ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments: Approval would result in a cost reduction.

### **STRATEGIC PLAN IMPACT:**

- ☐ Goal #1: Economic Development
- ☐ Goal #2: Public Facilities and Infrastructure
- ☐ Goal #3: Celebrate Clearlake
- ☐ Goal #4: Clean
- ☒ Goal #5: Fiscal Sustainability
- ☐ Goal #6: Safe

### **SUGGESTED MOTIONS:**

Move to authorize the City Manager to sign updated lease agreement under Option 1.

☒ **Attachments:**    1) Proposal