



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 11/19/2024

ITEM NO: 6

---

**DATE:** November 5, 2024  
**TO:** Mayor and Town Council  
**FROM:** Chris Constantin, Town Manager  
**SUBJECT:** Authorize the Town Manager to Enter into an Agreement with MBS Business Systems (MBS) to Provide Multifunctional Printer Purchases, Replacement, and Maintenance Services for the Town of Los Gatos in an Amount Not to Exceed \$260,540

**RECOMMENDATION:**

Authorize the Town Manager to enter into an agreement with MBS Business Systems (MBS) to provide multifunctional printer purchases, replacement, and maintenance services for the Town of Los Gatos in an amount not to exceed \$260,540.

**BACKGROUND:**

In 2018 the Town entered into a lease and maintenance agreement with MBS for the Town's copiers and printers. This was a five-year agreement, expiring last year. Staff issued a Request for Proposal (RFP) last year for multifunctional printer (MFP) lease, replacement, management, and maintenance services.

Staff determined there was still significant useful life left in many of the fleet of printers and went back out for quotes to the vendors for maintenance only. MBS was the only vendor that provided a quote. The maintenance contract expires November 30, 2024. Moving forward, staff believes we can extend the life of multifunctional printers, and replace units on an as-needed basis, utilizing the cooperative purchasing agreement NASPO Value Point Contract #189762 per Section XVII of the Town Purchasing Policy. Staff met with MBS to finalize the equipment list and discuss terms and conditions. As part of these terms and conditions, staff is requesting authorization to enter into a five-year agreement with MBS for multifunctional printer purchase, replacement, management, and maintenance services.

**PREPARED BY:** Rebecca Colassaco  
Systems Administrator

---

Reviewed by: Town Manager, Assistant Town Manager, Chief Technology Officer, Town Attorney, and Finance Director

---

SUBJECT: Authorize the Town Manager to Enter into a Five-Year Agreement with MBS to Provide Multifunctional Printer Purchases, Replacement, Management, and Maintenance Services

DATE: November 5, 2024

DISCUSSION:

After conducting a thorough review of the current fleet of printers, staff identified units that require replacement based on factors such as usage, performance issues, and equipment end-of-life. This approach, which contrasts with the prior method of replacing all printers at once, aims to extend the life of equipment wherever feasible, ultimately reducing overall printer costs. The plan also focuses on reducing the Town's total cost of ownership across all departments by eliminating unused features and replacing units only when necessary, after careful review with staff. The selected vendor, known for consistently high customer service ratings and excellent references from other municipal government clients, demonstrated a strong understanding of the project scope. Their responsiveness to the need for extending printer life while maintaining equipment under service contracts ensures long-term value. Additionally, the cooperative purchasing agreement will leverage contract pricing, securing the best rates for both equipment and maintenance.

The proposed 5-year plan is designed to maximize the lifespan of all printers within the Town's fleet. The agreement will include monthly maintenance fees for the entire fleet and the cost of replacing printers as needed, through the cooperative purchasing agreement. All printers will be replaced within the next three years. Lease options were also reviewed for comparison, and it was determined that the cost of the equipment for the life of the lease was higher than the outright purchase price. Additionally, the plan includes a monthly allowance of 50,500 black-and-white (B/W) copies and 2,500 color copies. Any copies exceeding this allowance will incur a flat cost per copy. The following is a detailed breakdown of the anticipated costs for each year of the plan, covering both printer replacements and ongoing maintenance fees.

Year 1 (2024-2025)

Printers to replace 13

Total cost for replacements of \$53,112.49

Maintenance fees (entire fleet of printers) \$29,068.40

Year 2 (2025-2026)

Printers to replace 10

Total cost of replacement printers \$40,874.30

Maintenance fees (entire fleet of printers) \$26,302.14

Year 3 (2026-2027)

Printers to replace 13

Total cost of replacement printers \$37,469.47

Maintenance fees (entire fleet of printers) \$24,227.81

PAGE 3 OF 3

SUBJECT: Authorize the Town Manager to Enter into a Five-Year Agreement with MBS to Provide Multifunctional Printer Purchases, Replacement, Management, and Maintenance Services

DATE: November 5, 2024

Year 4 (2027-2028)

Printers to replace NONE

Maintenance fees only \$24,227.81

Year 5 (2028-2029)

Printers to replace NONE

Maintenance fees only \$25,257.03

Total not to exceed \$260,540.

CONCLUSION:

Staff believes that MBS has the expertise & willingness to work on ways to maximize the life of equipment and experience to provide multifunctional printer purchases, replacement, and maintenance services for the Town. In addition, staff anticipates that the new cost structure will result in annual savings compared to the previous agreement by extending the life of printers locking in maintenance fees for 5 years. Staff therefore recommends that the Town Council authorize the Town Manager to enter into an agreement with MBS for these services. Attachment 1 is a draft agreement.

COORDINATION:

The Finance Department, Town Attorney, Information Technology, and Town Manager's Office coordinated this report.

FISCAL IMPACT:

There are sufficient funds available to cover the cost of the new agreement for the remainder of this fiscal year. Future contract years will be incorporated into the Town's proposed Budgets.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Proposed Town MBS Agreement with Exhibit A - MBS Proposal