



ANTONIO R. VILLARAIGOSA  
*Mayor*

Commission  
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BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS  
*General Manager*

January 16, 2013

The Honorable City Council  
City of Los Angeles  
Room 395, City Hall  
Los Angeles, California 90012

Honorable Members:

Subject: Authorizes Contract No. 949 (Amendment No. 2) with Ricoh Americas Corporation

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 19519, adopted by the Board of Water and Power Commissioners (Board) on January 11, 2013, approved as to form and legality by the City Attorney, which authorizes Contract No. 949 (Amendment No. 2) for services, delivery, installation, and maintenance of photocopiers on a bare rental basis with Ricoh Americas Corporation. The amendment will increase the third optional period by \$923,602. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

Barbara E. Moschos  
Board Secretary

BEM:oja

Enclosures: LADWP Resolution  
Board Letter  
CAO Report

**Water and Power Conservation ... a way of life**

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700  
Telephone: (213) 367-4211 Cable address: DEWAPOLA



c/enc: Mayor Antonio Villaraigosa  
Councilmember Jose Huizar, Chair, Energy and the Environment Committee  
Gerry F. Miller, Chief Legislative Analyst  
Miguel A. Santana, City Administrative Officer  
Rafael Prieto, Legislative Analyst, CLA  
William R. Koenig, Chief Administrative Analyst  
Winifred Yancy

WHEREAS, Ricoh Americas Corporation (Ricoh) was awarded Contract No. 949, a cooperative purchase to City of Los Angeles (City) Department of General Services Division Contract 59062 (formerly Contract No. 58795), for services, delivery, installation, and maintenance of photocopiers on a bare rental basis; and

WHEREAS, LADWP's Systems Support Division recommends Amendment No. 2 (Amendment) to Contract No. 949 with Ricoh to increase the third optional period by \$923,602.00 to \$1,058,302.00; and

WHEREAS, this contract is totaling 72 months with Ricoh and this contract exceeds the time period set by ordinance. Therefore, City Council approval is required in accordance with City Charter Section 373; and


WHEREAS, that pursuant to City Charter Section 1022, the Board finds that it is more feasible to have the work performed by outside services, because LADWP and the City do not have the equipment nor the expertise to perform the work proposed in the contract.

NOW, THEREFORE, BE IT FURTHER RESOLVED that Amendment No. 2 to Contract No. 949 is approved as to form and legality by the City Attorney and on file with the Secretary of the Board.


BE IT FURTHER RESOLVED that the Chief Accounting Employee is hereby authorized and directed to draw demands upon the Water and Power Revenue Funds in accordance with the terms of this amendment awarded pursuant to Contract No. 949 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said amendment for and on behalf of LADWP, after approval by the City of Los Angeles City Council pursuant to City Charter Section 373.

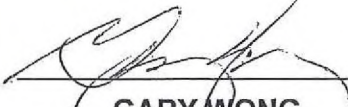
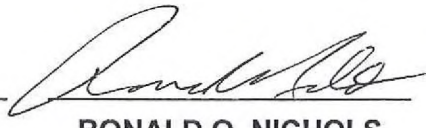
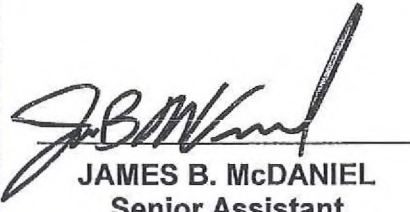
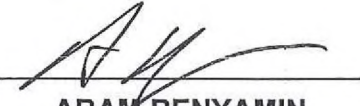
I HEREBY CERTIFY that the foregoing is a full, true and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held JAN 11 2013

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM AND LEGALITY  
CARMEN A. TRUTANICH, CITY ATTORNEY

DEC 13 2012  
BY   
\_\_\_\_\_  
DIRK BROERSMA  
DEPUTY CITY ATTORNEY

**LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER**

<b>TO: BOARD OF WATER AND POWER COMMISSIONERS</b>	<b>DATE:</b> December 11, 2012
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   <b>GARY WONG</b>                      Assistant General                      Manager – Systems                      Support Division                 </div> <div style="text-align: center;">   <b>RONALD O. NICHOLS</b>                      General Manager                 </div> </div>  <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">   <b>JAMES B. McDANIEL</b>                      Senior Assistant                      General Manager –                      Water System                 </div> <div style="text-align: center;">   <b>ARAM BENYAMIN</b>                      Senior Assistant                      General Manager –                      Power System                 </div> </div>	<p><b>SUBJECT:</b></p> <p align="center"><b>Amendment No. 2 to Contract No. 949</b></p> <p align="center"><b>Services, Delivery, Installation, and Maintenance of Photocopiers On a Bare Rental Basis</b></p> <p align="center"><b>Recommended for Amendment To: Ricoh Americas Corporation Los Angeles, California</b></p>
<p><b>FOR COMMISSION OFFICE USE:</b></p> <p align="center">RESOLUTION NO. _____</p>	
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 373

- New Contract
- Replacement Contract
- Amendment to Existing Contract

**PURPOSE**

Amendment No. 2 is necessary to continue to provide services, delivery, installation, and maintenance of photocopiers on a bare rental basis without causing disruption to internal and customer business operations. LADWP has 400 copiers in 90 work locations throughout its service area. In addition to photocopying, copiers serve as printers for personal computers as LADWP has consolidated these functions into a single device. Processing of this proposed amendment is the second step of a two-step process to continue service and to allow time and funding to award a replacement photocopier rental contract. Each bidder who responded to the replacement specification took exceptions to the Terms and Conditions. LADWP met with the bidders and decided to reject all bids and revise and re-advertise the specification. The Legal Department is currently engaged in an effort to negotiate LADWP Terms and Conditions to address the number of exceptions being taken by bidders.

Amendment No. 1 was approved by the Board on September 18, 2012, as an interim measure, to provide funding of \$134,700.00 to Contract No. 949 and to add a third

optional period for an additional 12 months while Amendment No. 2 was being processed. Amendment 2 will increase the third optional period contract amount by \$923,602.00 to \$1,058,302.00. Approval by City Council is required in accordance with City Charter Section 373.

The attached Resolution recommends approval of Amendment No. 2 to Contract No. 949 with Ricoh Americas Corporation (Rico) a cooperative purchase contract based on City Contract No. 59062 (formerly Contract No. 58795), for services, delivery, installation, and maintenance of photocopiers on a bare rental basis.

**COST AND DURATION**

	<u>Current Maximum Expenditure</u>	<u>Amendment No. 1</u>	<u>Requested Amendment No. 2</u>	<u>Amended Maximum Expenditure</u>
Original Period 3 Years	\$3,286,502.00			\$3,286,502.00
Optional Period 1	1,095,501.00			1,095,501.00
Optional Period 2	1,095,501.00			1,095,501.00
Optional Period 3	<u>134,700.00*</u>	<u>\$134,700.00*</u>	<u>\$923,602.00</u>	<u>1,058,302.00</u>
Contract Total	\$5,612,204.00	\$134,700.00	\$923,602.00	\$6,535,806.00

\*The current maximum expenditure includes the funding of \$134,700.00 which was processed under Amendment No. 1.

No additional time is required.

LADWP's contract expires on September 30, 2013.

**BACKGROUND**

This contract is currently in its third optional period which expires September 30, 2013 and Amendment No. 2 provides the funding necessary in order to continue to provide services, delivery, installation, and maintenance of photocopiers on a bare rental basis until the award of a replacement Specification. This contract supports daily material business functions dependent on discount reproductions for all LADWP Systems.

The replacement Specification No. 377 to Contract No. 949, was advertised on May 31, 2012 with a due date of July 10, 2012. The intent of Specification No. 377 was to solicit bids for the rental of photocopiers for a term of 36 months with the flexibility of providing additional machines for new installations or upgrades and returning machines

no longer required. This flexibility existed and was used in contracts over the past 20 years.

Four bid responses were received, all of which took exceptions to the Terms and Conditions. After holding conference calls with all the bidders to negotiate the exceptions taken with the bid submittals, it also became clear to LADWP that all bidders had the intent of providing a non-cancellable lease term agreement. LADWP's intent was to contract as a month-to-month rental for the 36-month period with the flexibility of adding and returning machines at any given time but was not conveyed clearly in the specifications. Therefore, LADWP rejected all bids, is in the process of reissuing the specification, and will re-advertise by the first quarter of 2013. Rebidding of the specification will not be completed in time prior to the contract funds being expended, so the request for Amendment No. 2 is required.

Elimination of copier fleet would seriously disrupt both internal and customer business operations. It is not feasible to outsource copying requirements as this would require frequent commuting to and from various service centers. Work productivity and efficiency would suffer a serious drop as would customer service at field offices. To ensure continuity of service without causing disruption to internal and customer business operations, LADWP requests approval of Amendment No. 2.

Ricoh has agreed to maintain fixed pricing through the contract period.

Ricoh has performed well under the current contract.

Per City Charter Section 373, Los Angeles City Council approval is required. A City Administrative Officer report is attached.

**METHOD OF SELECTION**

Competitive     Cooperative Purchase     Sole Source     Single Source

**LOCAL BUSINESS PREFERENCE PROGRAM (LBPP)**

The LBPP was not included in this specification as the specification, advertised by the City, was released prior to LBPP implementation. The bidder is not certified as a Local Business Enterprise.

**M/W/OBE SUBCONTRACTING PARTICIPATION**

This is a cooperative purchase with City of Los Angeles Contract No. 59062 which was competitively bid. Ricoh stated approximately one percent of the shipping cost is subcontracted.

**CONTRACT AND VENDOR HISTORY**

Contract and Vendor History					
Contract/ PO No.	Vendor	Term of Contract	Start Date	Ending Date	Contract Amount
Amendment No. 1 949	Ricoh		Third Optional Period 10/1/2012	Third Optional Period 9/30/2013	Third Optional Period \$134,700.00
949	Ricoh	3 Years with Two, One Year Optional Periods	Original Period 11/27/2007 1st Optional Period 10/1/2010 2nd Optional Period 10/1/2011	Original Period 09/30/2010 1st Optional Period 09/30/2011 2nd Optional Period 09/30/2012	Original Period \$3,286,502.00 1st Optional Period \$1,095,501.00 2nd Optional Period \$1,095,501.00

**ENVIRONMENTAL DETERMINATION**

In accordance with the California Environmental Quality Act (CEQA), it has been determined that services, delivery, installation, and maintenance of photocopiers on a bare rental basis is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with reasonable certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**RECOMMENDATION**

It is recommended that your Honorable Board adopt the attached resolution recommending the Los Angeles City Council's approval of Amendment No. 2 to Contract No. 949.

DMT:vb  
 Attachments  
 e-c/att: Ronald O. Nichols  
 Richard M. Brown  
 Aram Benyamin  
 James B. McDaniel  
 Philip Leiber  
 Gary Wong

Gwendolyn W. Williams   
 Faye Strong  
 Joe Reynoso

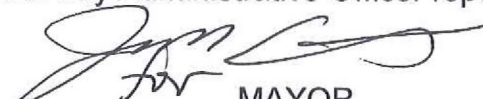
0150-09870-0000

**TRANSMITTAL**

TO Ronald O. Nichols, General Manager Department of Water and Power	DATE <b>DEC 11 2012</b>	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**SECOND AMENDMENT TO CONTRACT NO. 949 BETWEEN THE  
LOS ANGELES DEPARTMENT OF WATER AND POWER AND  
RICOH AMERICAS CORPORATION**

Approved and transmitted for further processing including Council consideration.  
See the City Administrative Officer report attached.

  
MAYOR

MAS:RPR:10130055t



REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: December 5, 2012

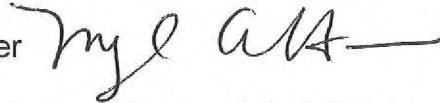
CAO File No.: 0150-09870-0000

Council File No.:

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated October 3, 2012; referred by the Mayor for report on October 15, 2012

Subject: **PROPOSED SECOND AMENDMENT TO CONTRACT NO. 949 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND RICOH AMERICAS CORPORATION**

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### SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the Second Amendment to Contract No. 949 (Agreement) with Ricoh Americas Corporation (Ricoh), a cooperative purchase contract based on City of Los Angeles Contract No. 59062 (formerly Contract No. 58795), for services, delivery, installation, and maintenance of photocopiers on a bare rental basis (rental of machine only). Approval of the proposed Agreement increases the contract expenditure authority by \$923,602, for a total not to exceed amount of \$6,535,806. The term of the existing contract expires on September 30, 2013, and no additional time is requested as the Department anticipates soliciting bids for a replacement contract by the first quarter of 2013. DWP states that the proposed Agreement is necessary to support daily business functions that depend on low-cost document reproduction services. Pursuant to Charter Section 373, for long term contracts, and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," City Council approval is required because the cumulative length of the agreement exceeds three years. The City Attorney has approved the proposed resolution as to form and legality.

The Agreement with Ricoh was first executed in 2007 for services, delivery, installation, and maintenance of photocopiers on a bare rental basis with the expenditure authority not to exceed \$5,477,504 and a five year term including two one-year extension options expiring in September 2012. On May 31, 2012, in anticipation of the contract expiration, DWP advertised Specification No. 377 to solicit bids for the rental of photocopiers. Consistent with the Department's previous contracts relating to photocopier rental services, the advertised specification included Terms and Conditions that provide the Department operational flexibility such as a month-to-month term of 36 months and rental arrangements that permit new installations, upgrades, or the return of machines at the discretion of the Department.

Four bid responses were received and all took exceptions to the Terms and Conditions. DWP

officials held conference call meetings with the four bidders to negotiate the exceptions; however, it was determined by the Department that its intent to maintain operational flexibility was not conveyed clearly in the advertised specification. Therefore, due to ambiguity of the specification, DWP will rejected all bids, revise the specification, and anticipates it will re-advertise for bids in the first quarter of 2013.

As a result of the canceled bids, the Department has determined it necessary to continue the existing Agreement with Ricoh. On September 18, 2012, the DWP Board of Commissioners (Board) approved Amendment No. 1, as an interim measure, that provide an additional one year term and expenditure authority of \$134,700, while the proposed Amendment No. 2 was being processed. Amendment No. 1 was approved in accordance with the contracting limitations provided in Los Angeles Administrative Code 10.5(b)(2) and the City Attorney approved this action. Completion of the anticipated re-bidding effort will not be completed prior to depleting authorized contract expenditures, thus the request for Amendment No. 2 is required.

The Department notified the Office of the City Administrative Officer regarding an inadvertent calculation error in the draft Board Report and Resolution that included the \$134,700 amount which was already authorized in the previous Amendment No. 1. As a result, the requested amount has been reduced by \$134,700 and the revised total amount requested for this Amendment No. 2 is \$923,602. The revised total contract expenditure authority is \$6,535,806. The above-mentioned aspects of the proposed Second Amendment, and this report, are based upon information received from the Department subsequent to the initial request submittal.

## **RECOMMENDATION**

That the Mayor approve the proposed resolution authorizing the execution of the Second Amendment to Contract No. 949 with Ricoh Americas Corporation which increases the expenditure authority by \$923,602, for a total not to exceed amount of \$6,535,806, to receive services, delivery, installation, and maintenance of rental photocopier machines.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed resolution will increase the expenditure authority of the Department by \$923,602 from the Water and Power Revenue Funds. The proposed Agreement complies with the Department's adopted Financial Policies. Approval of the proposed resolution will not impact the City's General Fund.

## **TIME LIMIT FOR COUNCIL ACTION**

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.