

Les Baugh
County Member

Irwin Fust
Special District Alternate

Larry Farr
City Member

Pam Giacomini
County Member Alternate

James Yarbrough
City Member Alternate

Brenda Haynes
Special District Member



Brent Weaver
City Member

Dick Fyten
Public Member

David Kehoe
County Member

Bob Richardson
Public Member Alternate

Stephen Morgan
Special District Member

James M. Underwood
Interim Executive Officer/
General Counsel

December 3, 2015

Commissioners:

Re: COPY MACHINE SERVICES AGREEMENT MODIFICATION (Item # 8a)

Background

Shasta LAFCO staff and the Fiscal Committee have been proactively managing agency finances, and have identified a way to reduce copy machine service agreement expenses. Based on actual copy machine use for the past approximately six months Coastal Business Systems, the agency's copy machine services provider, has agreed to reduce the fixed monthly charge for machine support service consistent with ongoing needs.

Discussion

Based on the attached summary of actual copy machine use for the past approximately six months it has become evident that Shasta LAFCO is paying for black & white and color images far in excess of actual usage. Projected copier use and support service needs for the balance of this fiscal year is not expected to appreciably change. Therefore it is expected that black & white copying needs should remain constant, at less than 50% of current agreement use estimates for the foreseeable future, and color copying is only occasionally required.

In light of the foregoing, and based on discussions with Coastal Business Systems, staff and the Fiscal Committee recommended that the Color Maintenance Base be entirely eliminated from the existing Coastal Business Systems service agreement, for a savings of \$75.00 monthly (\$900.00 per year), and that the black & white images service level be reduced by 50% to 2,500 images for additional savings of approximately \$24.00 monthly. For a combined estimated annual savings of approximately \$1,200. As Shasta LAFCO business activity increases, at or before the next round of MSR/SOI updates, and with projected copy machine usage therefore to increase, the associated copier service agreement can be changed to reflect estimated actual usage costs.

Alternatives

1. The Commission could leave the existing Coastal Business System copy machine services agreement unaltered, but the agency would continue to pay approximately \$1,200 annually in excess of actual service needs.

2. The Commission could direct staff to seek a modified Coastal Business System services agreement that would have reduced copy machine service but retain some color copy capacity without paying overage costs.
3. The Commission could also direct staff to seek a modified Coastal Business System services agreement that would have different reduced copy machine service level for black and white copies.

Conclusion & Recommendations

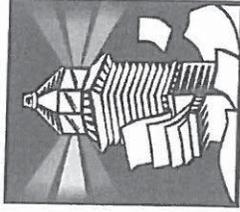
A reduction in Coastal Business Systems copy machine support services is warranted, and it is recommended that the Commission authorize the Interim Executive Officer to negotiate and execute a modified agreement with that services provider reflecting estimated actual needs and reduced resulting costs, consistent with the staff and Fiscal Committee recommendation as above stated.

Sincerely,

Jim Underwood

James M. Underwood,
General Counsel/Interim Executive Officer

Attachment



**COASTAL
BUSINESS
SYSTEMS**
Imagine the Possibilities.

Account Review: Shasta LAFCO

Prepared By: Jessica Stafford

Date: 10/27/2015

Current Source One Agreement

Model	Department/ Location	Lease & Service Payment	Included Monthly Images	Average Monthly Volume	Average Monthly Overage Costs	Average Monthly Payment
Muratec MFX-C3680	Office	\$423.05	5,000 B/W 1,000 Color	1,584 B/W 54 Color	\$0.00	\$423.05

Overage Rates:
\$.009 B/W
\$.07 Color

Overages reconciled Semi-annually

Breakdown of Monthly Payment

Equipment Lease \$300.00
B/W Maintenance Base \$48.15
Color Maintenance Base \$74.90