



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**Date:** June 25, 2016  
**Board Meeting Date:** August 9, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Louise Rogers, Chief, Health System  
Eric Raffin, Chief Information Officer, Health System

**Subject:** Agreement with Office Depot, Inc. for Managed Print Services for the San Mateo County Health System

**RECOMMENDATION:**

Adopt a resolution authorizing an agreement with Office Depot, Inc. to provide a Managed Print Services program for the San Mateo County Health System, for the term of August 9, 2016 through August 8, 2019, with two optional one-year extensions through August 8, 2021, in an amount not to exceed \$900,000.

**BACKGROUND:**

The San Mateo County Health System uses over 1,000 printers with no formal maintenance and supply replenishment program. The Health System's printer to user ratio is high (1 printer to every 3 users), which has resulted in inefficient use of printing resources. Printer repair and supplies are also very costly.

**DISCUSSION:**

The Health System wishes to enter into an agreement with Office Depot, Inc. for the Managed Print Services (MPS) program, which will deliver proactive monitoring and response for supply replenishment and maintenance. The MPS program will ensure that printed material is produced at a high quality, and with greater efficiency than today. The Health System will use printer utilization data to right-size the printer "fleet" and optimize each printer. Supplies will be replenished automatically by Office Depot, Inc. when toner levels are low. The cost of toner, other supplies, and on-site printer maintenance services are fully covered under this agreement. The Health System expects a favorable return on investment within two to three years of starting this agreement.

The Health System is making use of the RFP and award through The Cooperative Purchasing Network, awarded by the Board of Directors of Education Service Center, Region 4.

A waiver request was submitted and approved by the Department Head for contract variations to the Non-Discrimination language and other Requirements section.

The County's Contract Compliance Committee has approved a waiver request to extend the agreement for five years, two years of which are two optional one-year extensions that can be exercised at the discretion of the County.

The resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

ISD has reviewed and approved the IT components of this agreement.

The agreement and resolution have been reviewed and approved by County Counsel as to form.

Approval of this agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by reducing administrative operating costs and maximizing use of existing printing resources, resulting in more funds being available to directly serve San Mateo County residents. It is anticipated that there will be a 13% reduction in annual operating expenses associated with printing services from current spend of \$844,256 to \$736,669.

**PERFORMANCE MEASURE(S):**

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Reduce annual operating expenses associated with printing services	Current estimated annual spend \$844,256	Projected estimated annual spend \$736,669 *

**FISCAL IMPACT:**

The term of the agreement is August 9, 2016 through August 8, 2019, with two optional one-year extensions through August 8, 2021, in an amount not to exceed \$900,000. Of this amount, the SMCSAVES grant proposal will fund \$100,000.

Ongoing costs will be covered by proportional contributions from all Health System divisions, which may include some Net County Cost, depending on the composition of each division's contribution. Funds in the amount of \$150,000 are included in the Health System FY2016-17 Recommended Budget. Similar arrangements will be made in future budget years.