

## REPORT TO THE BOARD OF MAYOR & ALDERMEN

**DATE:** May 12, 2025

**FROM:** Valesa Wells, Finance Director

**SUBJECT:** Request for Approval of a Contract for Copier Systems and Services

### **INTRODUCTION:**

The purpose of this agenda item is to obtain Board of Mayor and Aldermen approval of a contract with NovaTech, Inc. for Copier Systems and Services through the Sourcewell Cooperative.

### **BACKGROUND:**

At its January 14, 2019 meeting, the Board of Mayor and Aldermen approved an agreement for copier systems and services with NovaTech, Inc. in accordance with the City of Memphis contract for copier lease for office equipment and services awarded to NovaTech, Inc. per RFQ 38517 specifications. The contract term was for five years with the option to renew for two additional one-year periods.

The Town has traditionally used cooperative contracts for copier systems and services for its copier leases since using a cooperative contract affords the Town the ability to take advantage of volume discounts that the Town would not be able to realize on its own. The current cooperative contract with NovaTech, Inc. has been in place for slightly more than six years.

### **DISCUSSION:**

On February 26, 2025, the Town's Procurement staff received informal notification from the City of Memphis that it would be terminating its contract with NovaTech ahead of schedule and transitioning to a new service provider. The Town was advised it must finalize an agreement with the new vendor by April 12, 2025. This accelerated timeline did not allow Procurement staff sufficient time to conduct a thorough due diligence process.

With the current contract nearing expiration, Procurement staff began exploring cooperative contract options available to the Town. The contracts reviewed included those offered by Shelby County, the State of Tennessee, and Sourcewell (formerly NJPA).

Shelby County's contract was excluded from consideration due to its upcoming expiration on June 30, 2025. The State of Tennessee indicated that new cooperative contracts would not be awarded until late April, creating a coverage gap that rendered this option unviable. After evaluation, the Sourcewell cooperative contract emerged as the most feasible solution. It provided sufficient time for staff to complete the procurement process and ensure the contract terms aligned with the Town's specifications.

Upon review, the Sourcewell agreement was found to meet the Town's current operational needs. Notably, the contract utilizes NovaTech machines—the same equipment used under the existing agreement—allowing for continuity in service and leveraging the Town's positive experience with the vendor's performance to date.

The Sourcewell contract structure includes a fixed monthly rental fee per device, along with a 'per-click'

usage charge. Some departments will incur slightly higher costs due to equipment upgrades, based on the specific lease terms and usage rates. Overall, the Town anticipates an increase in total annual cost of approximately \$7,339.92, or \$611.66 per month, compared to the current contract. A detailed monthly cost comparison is included as Exhibit A.

This new contract continues to provide operational benefits including clearly defined and monitored service levels, a networked copier environment, consolidated billing, and a centralized service desk serving as the primary point of contact for all departmental needs. Additionally, copiers may be removed from service at any time without incurring extra costs to the Town.

Exhibit A, attached to this report, is a spreadsheet that compares the new copier lease fees with both the current City of Memphis contract rates and the Sourcewell contract rates. This comparison focuses on the fixed monthly rental costs.

Exhibit B, also attached to this report, contains NovaTech's cost proposal, including copier locations by department, selected models, and any optional equipment choices.

A copy of the Sourcewell contract, along with NovaTech's full proposal, is on file with the Finance Department in Procurement Services.

#### **BUDGET IMPACT:**

Funds are budgeted each fiscal year in the respective Departments' operating budgets for copier services. If approved, the contracted rates will be reflected in the fiscal year 2026 proposed budget.

#### **ATTACHMENTS:**

[Exhibit A - Monthly Copier Lease Fee Comparison.pdf](#)

[Exhibit B - NovaTech Cost Proposal.pdf](#)

#### **PROPOSED MOTION:**

To approve an agreement for copier systems and services with NovaTech, Inc. in accordance with the Sourcewell Cooperative contract (#112124).

**Board Action:** Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

Vote Total	Hall	Jordan	Robbins	Marshall	Stamps	Fraser
Yes						
No						
Abstain						