



DATE: June 4, 2026
TO: Angela Calvillo, Clerk of the Board
FROM: Sailaja Kurella, Director of Office of Contract Administration (OCA) and City Purchaser
SUBJECT: Resolution to approve amendment to PeopleSoft Contract ID GRP0000023 (TC96105A) with Canon U.S.A., Inc.

Enclosed is the resolution authorizing the Office of Contract Administration ("OCA") to amend PeopleSoft Contract ID GRP0000023 (OCA Term Contract 96105) with Canon U.S.A., Inc. ("Canon"), increasing the contract not-to-exceed (NTE) amount from \$9,000,000 to \$15,300,000, with no change to the contract term end date of December 15, 2030.

Contract Overview

Contract ID GRP0000023 with Canon was executed on April 1, 2024, with an initial term ending December 15, 2025. On July 1, 2025, the Office of Contract Administration (OCA) executed a Novation Agreement to assign the contract from Canon Solutions America, Inc. to Canon U.S.A, Inc. On November 26, 2025, OCA executed the First Amendment to the contract to extend the term through to December 15, 2030. The contract currently has a NTE of \$9,000,000. This contract with Canon is one of three under the City's flagship CopySmart program, through which City departments can lease, rent, and/or purchase multi-function devices, i.e. copier machines. The City's primary usage of the CopySmart contracts is for the multi-year leasing of copier machines.

Purchasing Authority

San Francisco Administrative Code Section 21.16(b) authorizes OCA to select a contractor pursuant to the results of a competitive solicitation conducted by another government entity when the use of such would be in the City's best interests. OCA entered into contracts with three contractors, including Canon, pursuant to the results of formal RFP #00811-FEB2020 conducted by the University of California/OMNIA ("UC RFP") for the lease, rental, and purchase of copier devices. In brief, the UC RFP was issued on April 21, 2020 and received seven (7) proposals. All seven were evaluated under criteria including pricing, quality of offerings, and technological capability and support such as for maintenance. Of the seven proposals, Canon ranked number 3. Canon's score on the RFP's pricing component exceeded the next highest-scored awardee by over 11%.

OCA could have limited its selection to the top-ranked proposer, however, the City's CopySmart program has historically featured three contracts for multiple reasons, including:

- 1) Diversity of selection: The specific print/copy/scan needs of one department, such as the Department of Public Health, may differ substantially from those of another, such as Treasurer & Tax Collector's Office. Allowing for different manufacturer lines helps to ensure that CopySmart can meet the diverse operational needs of City departments.
- 2) Competition: Multiple contractors vying for the City's business helps to ensure that contractors are



motivated to meet City printer/copier/scanner needs. OCA strongly encourages City departments to contact multiple CopySmart contractors to seek the most suitable and best-priced offerings available to them.

Contract Pricing

The City’s contract with Canon provides City departments with access to a diversity of offerings, ranging from standard office copiers to high-speed production units. The City receives catalog discounts based on product categories, and these discounts range from 1% to 60% off of Canon’s published list pricing. Depending on length of a lease, City can also receive further discounts on monthly lease pricing and per-copy rates. The pricing is consistent with those offered under Canon’s University of California/OMNIA contract.

Contract Usage

OCA set the initial NTE for Canon’s contract at \$9,000,000, which was identical to the initial NTEs for OCA’s two other CopySmart contracts with Ricoh and Xerox. While all three CopySmart contracts have been in place for just over two years, OCA tracks the total dollar amounts “committed,” which takes into account not only past expenditures and current fiscal year encumbrances, but also the total future amount that the City anticipates spending over the life of each active 3-, 4-, and 5-year copier lease. This way, OCA is able to ensure that the City remains under the contract NTEs; and when necessary, we seek Board of Supervisors’ approval as we are now. Table 1 below provides a summary of all three CopySmart contracts and the total dollar amounts committed to existing copier leases under each. The amount committed under the Canon contract is approaching the current contract NTE of \$9,000,000. Table 2 provides additional context with a breakdown of the five largest department users of the Canon contract, by total dollar amount committed.

Table 1. Summary of TC96105 CopySmart Contracts for Copier Leases

(Data as of May 11, 2026)

Contractor	PeopleSoft Contract ID	Contract Start Date	Contract End Date	Contract NTE Amt	Total \$ Committed ¹
Canon	GRP0000023	04/01/2024	12/15/2030	\$9,000,000	\$7,158,642.15
Ricoh	GRP0000013	05/01/2024	12/15/2030	\$9,000,000	\$5,617,760.78
Xerox	GRP0000011	05/24/2024	11/24/2030	\$9,000,000	\$3,997,762.12

¹“Total \$ Committed” refers to total anticipated cost of a copier lease over the lease term.

Table 2. Five Largest City Department Users of Canon Contract, by Total \$ Committed

(Data as of May 11, 2026)

Department	Total \$ Committed in Existing Leases	Spend To-Date
Public Library	\$2,086,061.65	\$485,228.40
City Administrator’s Office	\$1,802,416.99	\$514,731.79
Human Services Agency	\$860,710.71	\$803,233.72



Department	Total \$ Committed in Existing Leases	Spend To-Date
Police Department	\$550,771.22	\$0.00
Public Works	\$308,554.99	\$104,762.62

Not to Exceed Amount Calculations

OCA is seeking Board of Supervisors’ approval to increase the contract NTE of the Canon contract by \$6,300,000 to a new contract NTE amount of \$15,300,000. OCA’s calculation is based on the City’s historic usage of the Canon contract as well as anticipated future lease and usage commitments through to the maximum possible lease end date allowable under the contract. The basis for this amount is detailed in Table 3 below.

Contract ID GRP000023 with Canon	
Start Date: April 1, 2024	
End Date: December 15, 2030	
Total Expenditures to-date	\$2,215,553
Avg Monthly Expenditure since Contract Start Date	\$87,529
Number of Months to Maximum Lease End Date ¹	95
Total Funds Needed through Contract End Date	\$8,289,621
Less Total Funds Committed (for future lease payments and usage)	- \$4,943,089
Less Remaining Contract Amount	- \$1,841,358
Plus Contingency (20%)	+ \$1,657,924
Plus Contingency (for known future Leases) ²	+ \$3,080,000
Total Additional Funds Needed through Maximum Lease End Date	\$6,243,098
<u>Proposed Revised Executed Contract NTE</u> (rounded up to nearest hundred thousand)	<u>\$15,300,000</u>

¹ The latest possible lease end date allowed under the terms of the CopySmart contract is 3/31/2034.

² The Police Department and Public Utilities Commission are anticipated to enter into new leases subject to Board approval.

Conclusion

Should this contract amendment request be denied, it would unnecessarily diminish competition for City business by limiting the copier machine offerings, including pricing considerations, available to City departments. Further, City departments with existing leases, where an extension is eligible, would be prohibited from extending these leases, which would result in unnecessary disruption to City operations. These disruptions require considerable coordination and effort on the part of City staff, such as integrating copier machines into City IT systems, training City staff on proper use, and their installation/removal. Finally, denial of this contract amendment request would shift future copier leases to the City’s other two CopySmart contracts, which would likely then require for OCA to seek Board of Supervisors’ approval to increase their respective contract NTEs in the future.

City and County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sailaja Kurella, Director
Office of Contract Administration/Purchasing

If you have any questions or require additional information, please contact Russ Dubkin on my team at 628-652-1619.

Enclosures:

1. Proposed Resolution – Contract GRP0000023 (Canon U.S.A., Inc.)
2. Proposed Amendment # 2 – Contract GRP0000023 (Canon U.S.A., Inc.)
3. Executed Amendment # 1 – Contract GRP0000023 (Canon U.S.A., Inc.)
4. Executed Novation Agreement – Contract GRP0000023 (Canon U.S.A., Inc.)
5. Executed Original Agreement – Contract GRP0000012 (Canon Solutions America, Inc.)
6. SFETH Form 126f(4) – Contract GRP0000023 (Canon U.S.A., Inc.)