

## **BRECKLAND COUNCIL**

### **Report of the Director of Corporate Resources to Business Improvement Sub-Committee – 18 January 2011**

#### **Replacement of 3 Photocopiers/Multi Function Devices**

##### **1. Purpose of Report**

- 1.1 To appraise BISC of the approach adopted regarding replacement of Multi Function Devices (MFDs) with more cost effective devices and to seek release of capital to support this.

##### **2. Recommendations**

It is recommended that the Sub-Committee:

- 2.1 Confirm release of capital to support purchase of 2 MFDs.

**Note:** In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

##### **3. Information, Issues and Options**

###### **3.1 Background**

- 3.1.1 Breckland have been adopting a prudent procurement approach as regards replacement of printers, with a programme to reduce reliance on high cost 'local' printers and a move to more cost effective Multi Function devices (MFDs).
- 3.1.2 To move this forward, Breckland had made an investment some 5 years ago in 6 MFDs for the Dereham Office, which have a lifespan of around £1m copies or 4 years.
- 3.1.3 A key Finance MFD was replaced last year, (due to higher volumes of prints/higher call outs) – however further MFDs have now reached a level where the maintenance and running costs are now prohibitive when compared to newer devices.
- 3.1.4 The high volume printers with high failures are as follows, an MFD in Capita Symonds (a well used printer – costs recovered through Service SLA with Breckland) and Asset/Economic Development/FM/ICT MFD, which is reused MFD from finance – also well over its allowance/life span for print volumes.
- 3.1.5 To deliver this, the ICT Team have acquired a number of quotes to replace the devices, with initial estimates indicating a potential savings expected to be in excess of £600 per month for the MFD devices, based on Breckland procuring a new device with a 3 year maintenance contract (which is inclusive of toners).

3.1.6 A high level cost saving model is shown below for information (based on 1 Multi function device – with toner costs included in cost per page maintenance.)

	Avg copies	CURRENT		PROPOSED	
		Cost per page	Total	Cost per page	Total
Avg colour copies	4828	£0.1032	£498.25	£0.039	£188.29
Avg bw copies	19738	£0.0201	£396.73	£0.0039	£76.98
		Toner cost - monthly	£85.50	Capital write down equiv £3295/36)	£92.00
		Current monthly charge	£980.48	Proposed monthly charge	£357.27

[Note: this is based on a outright purchase of £3,295 - The alternative would be a lease charge of £105 per month]

As shown, this will give the council a saving (based on current usage) of c£600 per month or a saving of over £7k per year.

3.1.7 It should also be noted that there is a separate activity planned regarding reducing/limiting print volumes across the Authority though a programme of education and physical limitations on print capabilities for MFD users – which should help reduce costs further.

### 3.2 Issues

3.2.1 The printer uses the same drivers, has the same ‘footprint’ as the existing devices, and offers similar facilities as the existing device, but at a cheaper price, therefore, there are limited issues with this proposal.

### 3.3 Options

3.3.1 The main option is to do nothing. This would provide the same service at the same cost but with an increasing maintenance overhead, and potential service disruption due to hardware failure.

3.3.2 A further option would be to remove but not replace faulty devices, thereby removing some costs of printing. However, the current MFD devices have been located to support c30+ users per device, therefore the outcome of removal of an existing MFD would be to overload one of the remaining devices (therefore hastening wear and tear), but with overall print costs transferring (and not reducing), and the added time/productivity expense of staff crossing the building to collect prints. Likely overall impact would therefore be negligible.

3.3.3 A further option would be to divert all prints to a high volume printer in Reprographics. Again, net effect would be negligible as costs would transfer to another cost centre, with the added impact of potentially delaying/impacting on time critical high volume print runs from Comms/Member Services.

3.3.4 A further option would be to adopt a lease model rather than capital – however, the Authority is very keen to reduce where possible its on going revenue commitments – therefore the recommendation is that the MFDs are funded from the Capital refresh pool (which has money allocated for hardware refresh already.)

### 3.4 Recommendation

3.4.1 It is recommended that the proposal to purchase 2 new devices is adopted – costs to be met from the ICT Strategy/Refresh capita budget.

3.4.2 BISC to recommend release of £6,590 from Capital

### 3.5 Reasons for Recommendation(s)

3.5.1 There is a clear business case for adopting the proposal. Although Breckland will be tied into a 3 year contract, this isn't expected to impede any other printer/scanning proposal/model and will deliver a good return/cost avoidance on investment.

3.5.2 Procurement using capital is also recommended to maximise revenue reductions year on year, thereby supporting the overall aims of the authority.

## 4. Risk and Financial Implications

### 4.1 Risk

4.1.1 There are no significant risks identified

### 4.2 Financial

4.2.1 A proforma B will be required to support this

## 5. Legal Implications

5.1 None

## 6. Other Implications None

a) Equalities: None

b) Section 17, Crime & Disorder Act 1998: None

c) Section 40, Natural Environment & Rural Communities Act 2006: None

d) Human Resources: None

e) Human Rights: none

f) Other: [e.g. Children's Act 2004]: None

## 7. Alignment to Council Priorities

7.1 Your Council – Your Services.

## 8. Ward/Community Affected

8.1 ALL

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Key Decision Status (Executive Decisions only):