

Date: 19 December 2019

Review of Office Multi-Functioning Device

Executive Summary

To consider and agree the replacement of the existing office Multifunctional Device.

Recommendation to Council (13 January 2020)

That Members agree to the replacement of the existing multifunctional device together with the existing lease agreement.

1. Purpose of Report

1.1 Members are asked to consider the replacement of the existing office multifunctional device (MFD) and current leasing agreement.

2. Background

2.1 The current MFD is a Kyocera Taskalfa3252ci which was purchased under a lease agreement in April 2018. The Kyocera is a combined digital copier, printer and scanner. It can, according to Kyocera, print at a rate of 32 pages per minute in full colour. It also comprises an auto document feeder, auto duplexing (double sided printing) and 4 paper trays.

2.2 This MFD purchase was agreed by the Amenities, Finance and Administration Committee on Monday 26th March 2018, after being deferred in the February meeting. The deferral was to enable a further report containing a recommendation to be made by a council officer. The recommendation of a Toshiba MFD rather than the Kyocera MFD was not agreed by the Committee and the Kyocera was purchased instead.

2.3 The existing lease agreement is with BNP and is for a quarterly amount of £862.03. The existing contract did allow for a set number of black and white pages and colour pages to be printed/copied within the contract price. This figure has already been exceeded and a quarterly charge is now being made for each colour print/copy taken. The invoice for October covering the three month period from July to September 2019 amounted to an additional payment of £517.60. This amount will in future fluctuate depending on the number of copies printed during a three month period.

2.4 The existing contract allowed for;

Black – 131,040 pages to be printed/copied, we have currently printed/copied 4,122 copies. Black and White printing is still currently under the lease agreement.

Colour – 47,192 pages to be printed/copied, we have currently printed/copied 58,776 copies. Colour printing is now being charged at a rate of 4.6p per copy.

- 2.5 Over the course of time the machine has started to work incorrectly for example;
- i) Every scanned job has to be previewed on the MFD before starting the scan;
 - ii) There are always major issues with regard to Rotate sorting;
 - iii) Will not scan directly to e-mail, only to the Server;
 - iv) The machine can need “manual” manipulation of the various setting before allowing a print to take place.
 - v) No blue tooth connection.

All minor “niggles” but add to the time it takes to undertake a print run.

- 2.6 The original lease/contract allowed for a review to be taken after 24 months of the 63 month contract. Insight Systems Limited (Insight), the supplier of the MFD have recently contacted the Office in connection with the MFD and the 24 month review and the points outlined in 2.5 were raised with them.

Insight have now produced a proposal with a newer MFD and also at a cheaper price. See 3 below.

3. Quotations/proposal

- 3.1 The new proposal is that Insight propose to settle all liability to our current agreement with NIL capital outlay from the Council and then to install a new machine as detailed below under a new 63 months agreement with all of our average volumes included for 24 months, at that point they commit to a full account review where they will offer a further upgrade in equipment or cost saving.

- 3.2 The proposal is for the following;

A new Toshiba 3515, digital copier, printer and scanner (i.e. a MFD);
35 pages per minute full colour printing;
An Automatic Document feeder;
Auto Duplexing;
4 x Paper Trays.

The Proposal also includes;

Average per quarter mono print/copying volume of 5,606 and
Average per quarter colour print/copying volume of 9,603.

The total revised expenditure is £1,325.00 per quarter, this compares with a current expenditure (depending on the number of pages printed/copied of £1,400.99, a saving of £75.99 per quarter.

The above proposal also includes full maintenance/service and full supplies of all toner throughout the contract period.

If the above proposal is accepted the quoted saving will/may increase depending on the print/copy count each quarter.

3.3 Insight have also advised that;

- i) The new machine will be defaulted to Mono printing/copying so that the cheaper black ink will be used instead of the coloured ink.
- ii) The above proposal includes a copy cost increase that is due in the new year;
- iii) A payment is due to the leasing company in the first week of February, therefore subject to a decision by mid January this payment would not need to be made.
- iv) Average volumes are calculated from the actual last 12 months actual usage.

3.4 Due to the nature of the proposal and the fact that with this proposal the existing lease payments will cease, with NO cost to the Council it is not possible to offer alternative proposals. If an alternative proposal is sought then the council would have to either honour the existing lease or pay the remaining amount of the lease.

4. Options

4.1 Members may decide to:

- a) Agree with the above recommendation; or
- b) Agree to continue with the existing machine.

5. Financial Implications

5.1 The financial implications of this proposal is that the council will save an amount of at least £75.99 per quarter.

5.2 The cost of the proposal also includes all maintenance/service costs and all toner costs for the duration of the lease.