

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>AUTHORITY</b>		
<b>DATE:</b>	<b>29<sup>TH</sup> JUNE 2017</b>	<b>REPORT NO:</b>	<b>CFO/043/17</b>
<b>PRESENTING OFFICER</b>	<b>DEPUTY CHIEF FIRE OFFICER</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>PAUL MURPHY</b>	<b>REPORT AUTHOR:</b>	<b>ED FRANKLIN</b>
<b>OFFICERS CONSULTED:</b>	<b>BERNIE KENNY SHARON MATTHEWS STEWART MARTIN MIKE REA</b>		
<b>TITLE OF REPORT:</b>	<b>MULT-FUNCTION DEVICE CONTRATCT RENEWAL 2017</b>		

<b>APPENDICES:</b>	<b>APPENDIX A:</b>	<b>PRINT AUDIT AND CONSULTATION</b>
	<b>APPENDIX B</b>	<b>KONICA MINOLTA'S MFD'S ARE ACCESSIBLE TO EVERYONE</b>
	<b>APPENDIX C</b>	<b>KONICA MINOLTA PUTS UNIVERSAL ACCESSIBILITY AT THE FOREFRONT BLOG</b>

### **Purpose of Report**

1. To request that Members approve the renewal of the Multi-Functional Device (MFD) Contract.

### **Recommendation**

2. That Members;
  - a. Approve the award of a 5 year contract to Konica Minolta for provision and support of MFDs used by the Authority.
  - b. Approve the rental of the software PaperCut for the life of the contract including install costs.

### **Introduction and Background**

3. In its 2017-2022 Asset Management Plan the Authority approved the policy of using shared Multi-Function Devices (MFD), having one MFD per Function to replace printers.
4. Since the initial contract was initiated with Konica Minolta for provision and support of MFDs in July 2012, this printer rationalisation has contributed to budget savings.

5. A processes and procedures have changed. One example is the requirement to scan Expense Receipts. This has been facilitated within the existing contract and has avoided the need for desktop scanners on Community Fire Stations.
6. To continue rationalisation and to have access to MFDs such as printers and photocopiers with the provision of consumables and support by the MFD manufacturer Merseyside Fire and Rescue Authority (MFRA) will need to renew its MFD Contract which expires 29<sup>th</sup> July 2017.

### Mini Competition

7. A mini competition was published under Crown Commercial Services Framework RM3781 Lot 2; The Provision of MFDs and Print Management Software and Services, with 8 possible suppliers who could have replied to the Request for Quote.
8. After consultation with users, the number of MFD's in the organisation will be reduced from 96 devices to 66, and it is on this basis the Request for Quote (RFQ) was issued.
9. The 3 Suppliers who responded were:
  - Konica Minolta Business Solutions (UK) Ltd
  - KYOCERA Document Solutions (UK) Limited
  - Vision (Office Automation) Limited
10. When considering costs for MFDs there are distinct categories:
  - Lease (Rental Cost) for each MFD.

This is the per annum cost to rent the device over the life of the contract.
  - The Click Charge for each MFD

This is the estimated costs for printing on the MFD. A click can be defined as a rotation of the printing cylinder. For example if we printed 50 pages one sided, the printer would pay a set fee based on 50 impressions or "clicks." If these 50 pages were printed two sided as a "duplex" job, the printer would be charged for 100 impressions or "clicks"
  - Whether the printing is in black and white or in colour.

Following a Print Audit Review in November 2016 Konica indicated the 'very high colour output' as an area that the Authority could reduce costs, if appropriate controls were put in place.
  - The cost of the paper

11. As an additional costed option, all 3 suppliers suggested the same Print Management Software Solution: PaperCut. This was an option in the tender specification, and did not form part of the evaluation process.
12. Of the 3 suppliers replying to the RFQ, it is recommend to award the contract for MFD provision and support to Konica Minolta. The respective quality and price scores resulting from the evaluation were as follows:

	Quality	Price	Total
Konica	29.62	40.28	69.90
Kyocera	28.48	37.19	65.67
Vision	26.47	37.23	63.71

13. Konica Minolta Lease and Click costs £269k and with the highest score of 69.9 has been chosen over Kyocera and Vision.
14. Additionally Officers seek approval to procure the Print Management Software Solution 'PaperCut'.

### PaperCut

15. Managing a print fleet can be time consuming and an expensive overhead for ICT and finance resources. PaperCut will give MFRA total control of the print fleet, with Officers able to overlay everything from performance monitoring and cost allocation to secure printing and strategic policy enforcement. This will enable the Authority to realise further print cost savings.
16. Cost savings are achieved by tracking employee usage by individual, office or department. PaperCut also provides comprehensive reports on usage costs, budgeting and environmental impacts
17. PaperCut's main features are:
  - Tracking of print and associated costs by individual user, office or department
  - Implement print policy rules: Stop mistakes such as printing a 100-page document instead of a 1 page document
  - Enforce double sided printing
  - Warn users when they are about to print emails in colour
  - Route large jobs to the most cost effective devices
  - Print monitoring reports to analyse and audit printer usage
  - Quick on screen overview
  - Auto-deletion can be configured to a specified time

18. Adopting PaperCut will deliver the following benefits:
- Encourage responsible use of Authority resources
  - Reduce overall printing costs
  - All defaults set to mono and duplex as standard specifically reducing the cost of colour printer and paper
  - Help create an environmentally aware workplace
  - Submit and securely retrieve print job from any device using either name/password, PIN or Access card reader.
19. The cost of Paper Cut is £7k p.a. This cost is expected to be met by further savings and the introduction of print cross charging.
20. ICT in the past has introduced crossing charging to departments and the reporting of individual usage, for example mobile phones; this approach has delivered savings as a result. By implementing a similar process using PaperCut, ICT believe the same thing will happen and further print savings will be made.

#### Project Plan & Roll Out

21. Konica Minolta was the only supplier to provide a full detailed outline project plan and assign a dedicated Project Manager for the installation phase; the project plan will be further developed for sign off after award of contract. On contract Konica Minolta will develop, in close co-operation with MFRA, a comprehensive and agreed final project schedule
22. As Konica Minolta is the incumbent supplier, the installation phase will be a gradual introduction, to ensure minimal disruption to each site, rather than a 'big bang' replacement.

---

#### **Equality and Diversity Implications**

23. Konica Minolta's Multi-Functional Devices are accessible to every user. Refer to:
- Appendix B – Konica Minolta's MFD's are accessible to every user.
  - Appendix C – Konica Minolta puts Universal Accessibility at the Forefront Blog

---

#### **Staff Implications**

24. In August 2016 key users of the current MFD estate were asked to put forward their views on the current fleet of MFD's, including fitness for purpose and any additional requirements/suggestions they had. All the feedback was reviewed

and outputs of this survey shared with Konica prior to them performing the print Management Audit (See Appendix A).

25. An analysis and Value for Money process was undertaken following the Konica Print Audit (see Appendix A) utilising the 2017-2022 Asset Management Plan where the Authority approved the policy of using shared MFDs. It was determined that there was not a requirement for individual desktop printers at Stations and that these would be removed. All Station managers were informed of the decision by email February 2017.
26. Key users will be kept updated with progress once the contract is awarded and dates/times of installations agreed to ensure minimal disruption.
27. Training will be supplied and the training schedule will form part of the project plan.

---

### **Legal Implications**

---

28. The procurement process has been carried out under a compliant Crown Commercial Services framework which ensures the relevant regulations have been adhered to.
29. As the value of the contract exceeds £250,000 the award of this contract will require approval by the Authority.

## Financial Implications & Value for Money

### 30. Five Year Lease Period.

	Existing Spend Project Over 5 Years *	Konica	Kyocera	Vision
Lease Cost Hardware	£292,601.70	£150,994.40	£151,484.20	£176,399.40
Click Costs	£197,022.13	£117,604.44	£117,236.44	£163,974.26
	<b>£489,623.83</b>	<b>£268,598.84</b>	<b>£268,720.64</b>	<b>£340,373.66</b>
Weighted Price Score		40.28	37.19	37.23
Quality Score		29.62	28.48	26.48
		<b>69.90</b>	<b>65.67</b>	<b>63.71</b>
Option PaperCut Costs	£0.00	£34,599.60	£30,276.80	£34,860.00
Total Cost of Ownership	<b>£489,623.83</b>	<b>£303,198.44</b>	<b>£298,997.44</b>	<b>£375,233.66</b>

*\*Projected spend is based on an average of 2015/2016 & 2016/2017 actual spend*

31. The award of the contract to Konica would represent an estimated saving in the region of £221k over the next 5 years. Existing budgets have already been reduced in expectation of savings.
32. The option of taking up the print management solution (Paper Cut) will reduce the estimated savings to £186k, however, once deployed it is expected that Click Costs would be reduced by 20% - 40% plus the additional benefits outlined in the body of this report.

---

**Risk Management, Health & Safety, and Environmental Implications**

---

33. Konica Minolta's confirm they will adhere to all MFRA Health and Safety requirements. All field staff are vetted, instructed and trained to ensure that MFRA's security, safety and confidentiality requirements are met in full by Konica Minolta staff at all times.
34. Konica Minolta's "A World on Loan" recycling programme is designed to protect the environment and provides MFRA with a simple process to return and recycle used Konica Minolta consumables (toner bottles, Cartridges and imaging units), free of charge.
35. MFD's are pre-configured to minimise environmental impact.
36. Konica Minolta fulfil the mandatory sustainability and environmental requirements stated in section 9 of CCS framework RM3781 Schedule 2 including:
  - Use of 100% post - consumer waste recycled paper.
  - Compliance with the Government Buying Standards.
  - Annual Corporate Social Responsibility (CSR) assessments
  - Social Value options
  - Energy Star accreditation
  - RoHs Regulations
  - WEEE Regulations
  - ISO 14001 Environmental Management
  - Support the Government's Agenda to meet the Greening Government Commitments (GGC)
  - Minimise Product impact on the environment
  - Minimise Packaging
  - Collection and disposal of redundant equipment and consumables etc.

---

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

---

37. Reduction in the printing budget to reinvest into front line resources, along with reducing the environmental impact.

---

**BACKGROUND PAPERS**

---

**CFO/111/11** If this report follows on from another, list the previous report(s)

---

**GLOSSARY OF TERMS**

---

<b>CCS</b>	Crown Commercial Services
<b>GGC</b>	Greening Government Committee
<b>ICT</b>	Information Communication & Technology

<b>MFD</b>	Multi-Functional Device
<b>MFRA</b>	Merseyside Fire and Rescue Authority
<b>MFRS</b>	Merseyside Fire and Rescue Service
<b>PIN</b>	Personal Identification Number