

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Efficiency Panel
<b>Date:</b>	1 November 2010
<b>Title:</b>	Centrally Managed Print Service
<b>Reference:</b>	2074
<b>Report From:</b>	Karen Murray – Director of Property Business and Regulatory Services

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#### 1. Executive summary

1.1 The purpose of the report is to advise the Panel on proposals to implement a Centrally Managed Print Service as part of the wider Facilities Management (FM) service. The proposal will deliver significant savings for the County Council through the adoption of a managed print environment.

1.2 A mini competition to select and install a managed print environment to support flexible and shared office working in Elizabeth II Court was completed last year. The pilot demonstrated that there is an opportunity to re-provision the County Council's print environment under a single externally managed print service, enabling service improvements, efficiency savings and other benefits.

#### 2. Managed print proposals

2.1 It is proposed that the service would cover all sites that have Hantsnet services and also be offered to schools, partners and external customers. It would encompass:

- Single and multi function printers (SFP and MFD)
- Standalone copiers and faxes
- The current 'pull printing pilot' in E2 Court

2.2 These services are currently provided at an annual cost of £3.8m or £19m over five years. It is proposed that existing SFP and MFD contracts are transferred to Canon under a single Managed Print Solution (MPS) effectively

outsourcing the provision and support elements of the service under a single contract based on a single bill. FM would retain control and hosting of the Uniflow management system to drive further efficiencies within the service and the management of other consumables such as paper.

2.3 The new service would be centrally managed with print devices becoming a building resource, managed centrally by FM . The service owners would work with departments to ensure that requirements of individual teams were met (e.g. colour, duplex etc) with final selection based on the most efficient fit for each location. This approach would also apply to printing arrangements for Members. The implementation and associated cash savings would be facilitated by moving to an assumption that output is in black and white, including letterheads. It is accepted that some limited colour printing would remain although only in exceptional cases.

2.4 Conversion to the new service model could be achieved in 12 months as the contract with Canon is already in place. The service would bring together all printers and copiers under a single service model including the following components:

- Hardware lease
- Ink and other consumables (including paper)
- Maintenance kits and consumables
- Hardware Support
- Hardware Maintenance
- Corporate fleet transferred to Canon with fleet management – installation, movement
- Recycling of waste
- Reporting and audit
- 2<sup>nd</sup> and 3<sup>rd</sup> Level support
- E-maintenance
- Contract based on 5 year term
- Hardware costs would be recovered in the first 3.5 years with further savings and reduced costs in the final 1.5 years.
- A minimum annual volume of 40m over first 3.5 years (based on 50% of actual recorded volume to allow for efficiency savings within the model.)
- A reduction in device numbers to 600

### 3. Benefits

3.1 The overall benefits are summarised below:

- Value for money, and efficiency savings over current model
- Reduce internal trading, admin and billing overhead
- A transparent model of costs resulting in improved budgeting and forecasting
- Reduction of waste
- More efficient use of resources
- Amalgamation of location based requirements under larger shared devices will provide high functions to more users (e.g. colour A3)
- Support for Workstyle across the county
- Improved flexibility and compatibility when working with partners, schools and other external bodies.
- Support of location based FM services
- Reduction in IT overhead when testing new devices
- Reduction in resources when upgrading or installing infrastructure or applications.

#### 3.2 Cost savings

A total of £5.7m saving over five years is expected. This is achieved by:

- Rationalisation to 600 devices saving £3.2m over the 5 year period against current Single Function Printers (SFP) and Multi-Function Devices (MFD).
- Incorporating wider savings in paper, power, and support, increases these savings to £5m over 5 years.
- The addition of standalone copiers to this mix would increase savings by an additional £700k over the same period.

Current usage of fax machines is unknown but incorporation into the shared model would extend savings further.

#### 3.3 Savings profile:

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Saving £ ' 000	695	695k	695	1460	2223	5768

### 3.4 Further cost savings

Further opportunities for savings have been identified:

- The introduction of Pull printing has enabled a 15% decrease in printing in the EII redevelopment and Capital House.
- 12% of print jobs are now deleted manually by staff before being output.
- 3% of jobs are automatically deleted having been unused after a 72 hour system timeout.
- A reduction to the target level of 20% would result in further savings of £795k over 5 years.
- The managed print proposal includes 200 eCopy ScanStations (hardware and maintenance) within the proposed costs. This equates to a further saving of 979k over 5 years when compared to the current standalone ScanStation service.

## 4. Finance

- 4.1 The service development is self funding. To gain maximum benefit and ensure savings are achieved it is proposed to centralise appropriate budgets at the outset. Initial work has been undertaken to identify the budgets and this will require validation through the departmental Heads of Finance.
- 4.2 Charging will be minimised and used primarily to provide an incentive to harvesting the further efficiencies that this service model enables. For example reduced printing could be rewarded by an annual rebate and excess use deterred by additional charges. Both would be based on a per page charge.

## 5. Recommendation(s)

- 5.1 (a) That the setting up of the Central Managed Print Service whereby all print, photocopying and fax facilities are managed through the FM/IT service and provisioned as part of a location based service be endorsed.
- (b) That the approach to the centralisation of relevant budgets and the development of a simple charging model to incentivise further savings based on high level departmental usage be endorsed.
- (c) That the proposal to move to an assumption of black and white output be endorsed.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:</b>	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1 Race and equality impact assessments have been considered in the development of the proposals contained in this report. No impact has been identified.

### **2. Impact on Crime and Disorder:**

- 2.1 The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. No impact has been identified.

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No impact identified

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact identified