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Printer Rationalisation Program: Final Report on Implementation

1.0 Introduction

In April 2009, XXX commissioned XXX, an Independent Print Consultancy, to investigate and facilitate the most cost-effective ways of managing the Council's printing facility. As a result of the findings, the printer rationalisation program commenced in October 2009, when XXX was contracted to install a fleet of 103 devices in the Civic Centre, The XXX, 88 XX Road and Bridge XXX depot. Previously, approximately 548 devices were being utilised by Departments within the Civic Centre alone, so clearly, there was a need to rationalise, to increase efficiency and make savings (this figure does not include the reduction of faxes.

2.0 Usage

Since September 2007, there has been a total reduction in output on all devices by an average of 25%, which indicates that the project is a success (see Appendix 1).

2.1 However, there has been a failure to positively impact the transfer of mono volumes to the Print Unit, reflecting a static cultural trend. Costs will decrease if Departments are instructed to send specific types of mono printing to the Print Unit. It is important to remember that the Print Unit devices are faster, printing is far superior, and the cost per page is cheaper.

	Quarter 1 April/May/June 2010	**Quarter Jul 02/Aug/Sept 2010**	**Quarter Oct 03/Nov/Dec 2010**	**Quarter Jan 04/Feb/March 2011**	**Contracted for each quarter**
Mono 1p/page	3,258,981	3,394,848	3,398,900	3,834,710	4,019,830
Colour 3p/page	286,533	513,588	535,458	637,356	512,352

Figure 1: Volumes of documents copied/printed for the 2010/2011 financial year.

There is very high usage on the HP 8050 devices, i.e. the most significant devices at the pavilion print hubs, which print size A3 and colour. In the last quarter, there was an average output of 137,643. Figure 1 illustrates the printed page volumes across the fleet in the previous financial year.

2.3 In March 2011, usage trends were taken into consideration. Consequently, some devices were relocated from locations with low usage to areas with high usage. This has provided users with more options and relieved the pressure on the device's printing volumes above the manufacturer's recommendation.

2.4 The roll-out of the contract took longer than expected; hence it was extended and has only just started, as of (date).

3.0 The Print Unit

3.1 At present, 'The Print Unit' operates as a 'Trading Account', which means, each time a job is produced, it is priced up by 'Piece Work' – by taking into account the following:

- Salaries
- Running costs of the unit
- All materials used in the job

3.2 At the end of each financial year, these services must have zero bottom line.

Operating the print room in this fashion makes each print job uncompetitive and expensive compared to the outside market. It is very time-consuming, not only for the Print Unit but also for the Finance Shared Services, who currently process the monthly recharges to Client Departments, not to mention the volume of paperwork generated by these works and the costs associated with the paperwork.

3.3 The proposal is to change how 'The Print Unit' charges out by introducing year-end recharges. Departments can ask the print room to take action on all works related to photocopying and printing. No cost code will be required on request of the work. However, the Print Unit will keep a daily log of each department's usage for that period.

3.4 Print Unit stats have been analysed for the last 3 years, and an average has been calculated for each department as detailed below:

	Percentage	**Estimated charge**
Environment	21.69%	£99,800
CSLL	29.77%	£136,900
CED	5.65%	£26,000
Corporate Services	17.41%	£80,100
Finance	2.44%	£11,200
H&CS	23.04%	£106,000

If agreed, the estimated charges will be posted to departments as a year-end recharge, apart from jobs funded by Capital expenditure, which will still need to be costed via the piece work method.

3.5 This new way of working will release Print Unit staff from laborious administration tasks to be able to concentrate on printing and photocopying and implement the Danwood targets of producing mono and colour copying within the Print Unit. It will hopefully reduce the amount of work currently being contracted to outside printers, rather than in-house services. Officers must be dissuaded from using external printers and use the in-house services instead. Printing must be sent to the Print Unit, an integral part of the Printer Rationalisation programme. If this is not done, it will adversely affect the overall figures for the programme.

To make maximum savings, end users should be informed that referring their printing to the Print Unit is mandatory (with some exceptions). This directive has to come from above for it to be taken seriously by all staff.

4.0 Reliability

4.1 Uptime: this is the % time the device was available during the quarter. Since the SLA target is 97%, figure 2 below indicates that the average uptime across the fleet for the last financial year was 98.8%, so we are satisfied with the reliability of the machines.

SERVICE LEVELS	Jan - Mar 2011	Oct-Dec 2010	Jul – Sep 2010	Apr – June 2010
Average uptime across the fleet	99%	98.5%	98.8%	99.2%

Figure 2

4.2 Since the beginning of the year, the Facilities Management team have implemented new procedures to ensure the devices operate more effectively. They are the first point of call when users experience problems with printing or scanning and, in most cases, manage to diffuse the issues. An enhanced software system (Intelleprint) is currently being installed, reducing the time Facilities staff spend carrying out tasks such as ordering toner and logging service calls, allowing them to spend more time on their day-to-day core activities. The new system will provide a complete solution for strategic and operational control over print output devices, ensuring that the print infrastructure meets current and ongoing business needs. It will also provide the means to retrieve accurate data on user accounts for cross-charging across Departments. This is essential for the successful implementation of the program.

5.0 Service Matrix

Recently, the Infrastructure Design and Support Technical Document was approved, clarifying the split responsibilities for managing the printers between Danwood, Facilities Management and ICT. Consequently, problems experienced by the end users will be promptly delegated to the correct helpdesk, preventing downtime and improving efficiencies.

6.0 Scanning facility

Numerous multi-function devices (MFDs) that can be used for printing, copying, and scanning were installed.

Due to the Data Protection Act and confidentiality (particularly in CS & LL), there has been a delay in all users having access to the scanning facility on the printers, as a business case is required to be submitted to ICT for the resource to be enabled on individual PC's.

7.0 Response levels from Danwood

7.1 Figure 3 indicates that Danwood responds well within the average contracted response times.

	Average response times by the engineers			
SLA - 04:00 hrs response time for the fleet	3:51	3:22	2:30	2:08
SLA - 02:00 hrs response time for Print Unit	1:58	1:38	2:43	1:26

Figure 3

8.0 Costs and Savings

8.1 The quarter-on-quarter costs vs. the Insatsu Chosa findings were the only pointers by which we could judge whether savings were being made and whether contracted volumes remained static from October 2009 to March 2011 (see Appendix 2).

From 01/04/2011, we received the average 'actual usage stats' during implementation and were contracted to actual volumes.

The contracted savings from October 2009 to July 2014 were estimated to be £400,000. However, the savings will be approximately £546,272 for this period. This figure could be more significant if more printing is sent to the Print Unit. Note that the savings made on bulk purchases of paper, ink cartridges and spare parts are over and above this and cannot be calculated. However, each Division benefits from this.

8.2 Refer to Appendix 3 for monthly costs, which have been reduced by an average of 22% since the contract's inception.

Appendix 1

MONTHLY VOLUMES

			Insatsu Chosa		Insatsu Chosa			Actual Reads			
-			Sep-07	%	Apr-09	%	Variance Sep 07	Apr-11	%	Variance Apr 09	Variance Sep 07
Civic Centre	Mono		1,246,077	73	959,488	72	-23%	858,553	72	-11%	-28%
	Colour		126,081	80	120,745	71	-5%	140,666	72	17%	12%
	Total		1,372,158	74	1,080,233	72	-21%	999,219	72	-7%	-27%
Print Unit	Mono		378,097	22	321,945	24	-15%	283,374	24	-12%	-25%
	Colour		14,292	9	29,375	17	106%	40,207	21	38%	186%
	Total		392,389	21	351,320	23	-11%	323,581	23	8%	-18%
Civic/PU	Mono		1,624,174	95	1,281,433	96	-11%	1,141,927	95	-11%	-30%
	Colour		140,373	89	150,120	88	7%	180,873	93	21%	29%
	Total		1,764,547	95	1,431,553	95	-19%	1,322,800	95	-8%	-25%
88 Lampton	Mono		13,530	1	34,621	2	161%	25,049	2	-29%	92%
	Colour		5,575	3	8,986	5	63%	4,200	1	-53%	-33%
	Total		19,105	1	43,607	3	126%	29,249	1	-33%	53%
Bridge Road	Mono		53,538	4	22,556	2	-58%	33,334	3	50%	-38%
	Colour		12,123	8	11,345	7	-8%	9,080	1	-18%	-25%
	Total		65,661	4	33,901	2	-49%	42,414	1	24%	-36%
Total	Mono		1,691,242	100	1,338,610	100	-21%	1,200,310	100	-10%	-29%
	Colour		158,071	100	170,451	100	8%	194,153	100	14%	23%
	Total		1,849,313	100	1,509,061	100	-18%	1,394,463	100	-8%	-25%

A total reduction in page output and costs

Appendix 2

LONDON BOROUGH OF HOUNSLOW - SUMMARY OF CONTRACT COSTS AND SAVINGS

All figures are £ per quarter.

April 09 Insatsu Chosa	Mono Volume	Colour Volume	Cost	
	(pages)	(pages)	(£)	
	4,015,830	511,353	£101,521	
Danwood Contract	**Mono Volume**	**Colour Volume**	**Cost**	**Savings**
	(pages)	**(pages)**	**(£)**	**(£)**
Oct 09 Contract Start	4,019,830	512,352	57,179	44,342
Jan-10	4,019,830	512,352	57,340	44,181
Apr-10	4,019,830	512,352	61,159	40,362
Jul-10	4,019,830	512,352	65,597	35,924
Oct-10	4,019,830	512,352	67,430	34,091
Jan-11	4,019,830	512,352	67,671	33,850
Apr-11	3,600,931	582,460	79,127	22,394
Jul-11	3,600,931	582,460	79,127	22,394
Oct-11	3,600,931	582,460	79,127	22,394
Jan-12	3,600,931	582,460	79,127	22,394
Apr-12	3,600,931	582,460	79,127	22,394
Jul-12	3,600,931	582,460	79,127	22,394
Oct-12	3,600,931	582,460	79,127	22,394
Jan-13	3,600,931	582,460	79,127	22,394
Apr-13	3,600,931	582,460	79,127	22,394
Jul-13	3,600,931	582,460	79,127	22,394
Oct-13	3,600,931	582,460	79,127	22,394
Jan-14	3,600,931	582,460	79,127	22,394
Apr-14	3,600,931	582,460	79,127	22,394
Jul-14	3,600,931	582,460	79,127	22,394
			Total Contract Savings	**£546,272**

Appendix 3

MONTHLY COSTS

Insatsu Chosa Sep-07	%	Insatsu Chosa Apr-09	%	Variance Sep 07	Actual Costs Apr-11	%	Variance Apr 09	Variance Sep 07
£21,039	88	£17,594	82	-16%	£13,067	72	-26%	-38%
£6,671	75	£7,186	70	8%	£5,613	72	-22%	-16%
£27,710	82	£24,780	78	-11%	£18,680	71	-25%	-33%
£2,486	10	£2,312	11	-7%	£4,398	24	90%	78%
£1,233	14	£1,897	19	54%	£1,604	21	-15%	30%
£3,719	11	£4,209	13	13%	£6,002	23	43%	61%
£23,525	94	£19,906	93	-15%	£17,465	95	-12%	-26%
£7,904	89	£9,083	89	15%	£7,397	95	-9%	-6%
£31,429	93	£28,989	92	-8%	£24,862	94	-14%	-21%
£619	2	£861	4	39%	£389	2	-55%	-37%
£307	3	£497	5	5%	£168	2	-66%	-45%
£926	3	£1,358	4	47%	£557	2	-59%	-43%
£795	3	£690	3	13%	£775	4	12%	-3%
£690	8	£617	6	-11%	£362	5	-41%	-48%
£1,485	4	£1,307	4	-12%	£1,137	4	-13%	-23%
£24,939	100	£21,457	100	-14%	£18,629	100	-14%	-25%
£8,901	100	£10,197	100	15%	£7,747	100	-24%	-13%
£33,840	100	£31,654	100	-6%	£26,376	100	-17%	-22%