



Single and Multi-Function Print Devices

All-of-Government Contract Buyers' Guide

A guide for government agencies

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Acknowledgements & thanks - development of this guide

- Members of the IT Client Advisory Group

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This guide is one in a series of guides that has been developed under the New Zealand Government Procurement Reform Programme. Individual Buyers' Guides have been developed for each All-of-Government contract and for the Government e-Marketplace.

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Introduction

Eligible agencies:

In brief, the agencies eligible to buy from the AoG contracts are:

- Public Service departments
- State Service agencies
- Organisations in the wider State sector

For more detailed information, see the Buyers' Guide to AoG Contracts, under the Government Contracts section at www.procurement.govt.nz

Participating agencies:

... are eligible agencies that have signed up to one or more AoG contracts through a Memorandum of Understanding with the relevant Centre of Expertise: in this instance, at the Department of Internal Affairs.

This guide is designed to provide customers in eligible government agencies with information on the All-of-Government (AoG contract) that has been put in place for single and multi-function print devices.

The contract has been awarded to a panel of five suppliers: Canon NZ Ltd, Fuji Xerox NZ Ltd, Hewlett-Packard New Zealand Ltd, Konica Minolta NZ Ltd, and Ricoh NZ Ltd. Each supplier has been selected to supply the full range of devices and services under this contract.

The contract commenced on 31 August 2010 for an initial term of four years, expiring on 30 August 2014, with a right of renewal for a further 12 months.

This Guide provides eligible agencies with an overview of the:

- Key benefits of buying off this contract
- How agencies will transition to the contract
- What you can buy off the contract, and how
- Roles and responsibilities: buyers, suppliers and the Centres of Expertise

The Guide is written for eligible agencies: additional guides have been created for each of the other AoG contracts. A separate guide has been developed for suppliers.

Significant price reductions – just a part of the value offered through this contract

To establish this contract, the Print Centre of Expertise (CoE) at the Department of Internal Affairs (DIA) worked extensively with suppliers throughout the RFP process. This revealed that the reduction in prices for print devices that have been achieved are significant and compelling - but these are only part of value that can be unlocked.

The contract offers participating agencies several options for acquiring printing services: buying or leasing devices, or paying for the impressions made on a cost per copy basis. The panel suppliers also offer services such as device fleet rationalisation services to ensure that print volumes are channelled to the most economical device. These services will make it possible for agencies to make additional significant savings, over and above the cost reductions resulting from the combined buying power of the State sector.

The contract is structured in three "lots" to cover most requirements for office printing devices and software systems to manage these, and to provide the services to make the most of the savings available.

A strategic approach could double agencies' savings on print services

The CoE encourages agencies to take a strategic approach to their print procurement by working with suppliers to plan the best overall printer fleet to meet their business needs rather than obtaining devices on a case by case basis.

How agencies plan their print services can make a substantial difference to the savings they make through this contract. A strategic approach - which meets business needs, matches devices to the functionality required and then uses the lowest cost suitable device – could double the savings made.

For example moving 500 pages of printing from a laser printer that costs 4 – 6 cents per page to a Multifunction printer that costs 2 cents per page will save \$10 - \$20. Multiply this saving by the number of reams of paper your agency uses per month and estimate the overall savings!

All of the panel suppliers offer a free service to analyse your current print volumes and devices and recommend an appropriate mix of devices to achieve greatest savings whilst meeting your agency's business needs.

The benefits of using this contract

What stays the same?

On a day-to-day basis, using the contract will feel pretty much like business-as-usual for customers in agencies.

- You'll still deal direct with suppliers to manage your print devices and pay for them
- You'll still deal direct with suppliers for day to day matters and reporting (but the management of the contract is taken care of by the Centre of Expertise)
- You'll still have an extensive range of devices and services to choose from (but they will cost less).

What's different (and better?)

- You're spared the time and cost of putting your own contract in place:
 - and there's a team at the Print Centre of Expertise that will manage the contract throughout it's lifetime.
- You'll save money for your organisation, effortlessly:
 - We've used the collective buying power of the whole State sector to negotiate a 'Best Price Contract' - and all customers pay the same, reduced price
 - Additional consultancy services will be available for advice on the lowest cost print solutions (and most are free!)
 - Print efficiencies and optimisation can help you save even more money, on top of price reductions for goods and services.
- You'll have choice and flexibility:
 - All panel members offer three single function devices and three multi-function devices with differing speeds and functionalities; this will cover most of the participating agencies' printing requirements
 - Suppliers will also offer other services such as print device fleet optimisation services to ensure that agencies have an appropriate number and mix of devices

- You will be able to add additional functionalities outside of the contract, such as follow-me print and additional device features to your agency's solution, and incorporate the cost of these into your cost per impression if you choose to do so
 - Environmentally friendly options are available
 - You can buy, lease or pay for your print devices on cost per copy rate.
- You'll help drive better value for money across government:
 - Buy through this contract and add to the significant combined cost savings across the State sector.

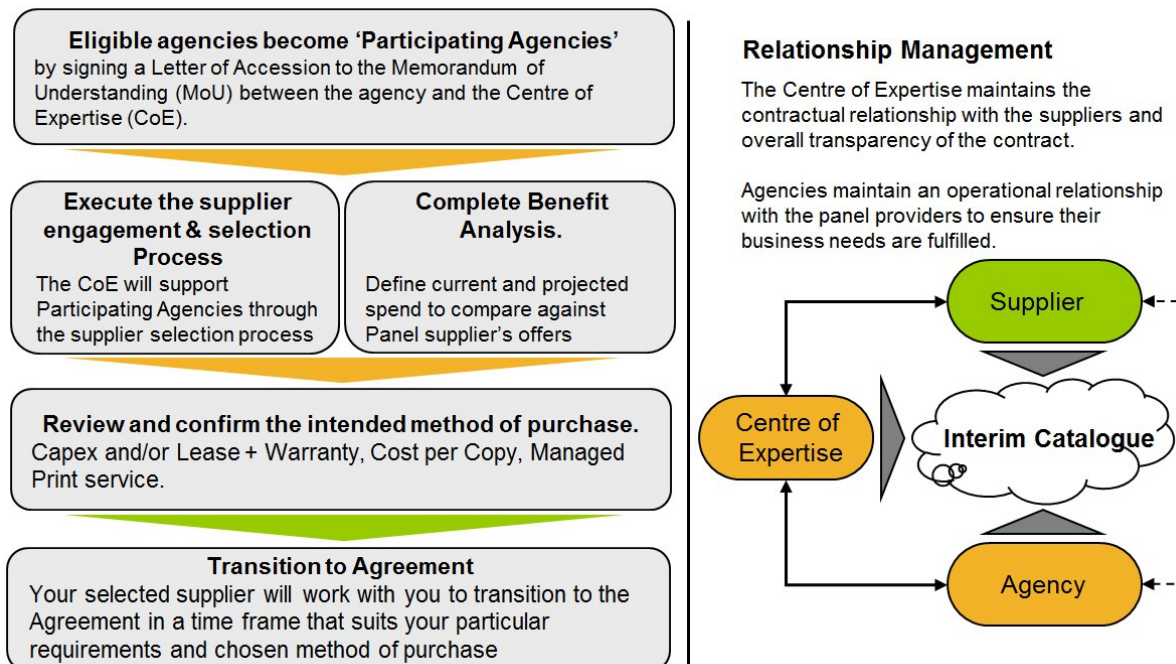
How to transition onto the contract

Engagement with the supplier panel

The diagram outlines the process for engaging with the supplier panel. It allows for each agency to receive a brief initial proposal and presentation from each supplier based on the information provided by you in the agency profile. Your agency will then be able to engage with the suppliers to discuss the possible benefits of the proposals it wishes to explore further.

The CoE has developed a spreadsheet tool that will help agencies to calculate the existing cost of print and compare the potential savings available from the print solutions proposed by different panel suppliers. Note: the spreadsheet model will only highlight the maximum cost per copy rates for a managed print service by each panel member. It will not provide a complete or definitive comparison of the Suppliers' offers under this agreement. Additionally, suppliers have offered further options under this agreement which can only be valued on a case by case basis.

This transparent process gives each supplier an opportunity to outline their services and will enable your agency to make an informed decision.



Roles & responsibilities

What is expected of your agency:

- Chief Executives nominate a 'business owner' for print services and have their delegated authority sign a letter of accession to the memorandum of understanding (MOU) to access the contract
- Provide the CoE with some initial information about your agency's print environment
- Consider your unique business needs and analyse all of the options available
- Follow your own governance and approval processes to choose a supplier (from the panel)
- Select a method of purchase and supplier that works best for your agency
- Let the CoE team know if you have any concerns.

What you can expect from the panel suppliers:

You can expect the panel suppliers to be experts in what they do, and able to advise on the best print solutions. The suppliers are there to be helpful and supportive, and work closely with you to meet your business requirements. The panel members will help your agency to minimise costs; they won't just sell you more devices and services that don't add value.

Suppliers are required then to behave ethically at all times, and always to follow the transition process when eligible agencies are ready to buy from this contract. Of course, you will still need to work with your current supplier to manage day-to-day matters for your current contract until it expires.

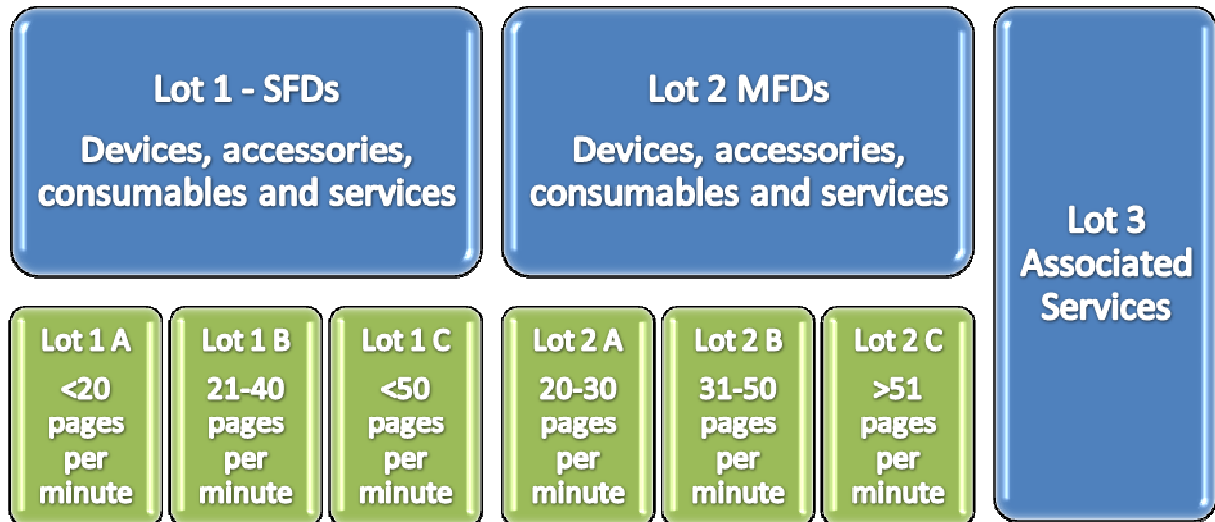
What you can expect from the Print CoE:

The CoE will manage the contract on your behalf, while each agency manages their day-to-day relationship with the supplier. This means:

- The CoE will be available to answer enquires and concerns
- You can escalate disputes to the CoE
- The CoE will monitor suppliers' performance and track record against service levels
- The CoE will proactively work with agencies to encourage a strategic approach to printing and to minimise costs
- Savings across all-of-government will be measured and reported back to Ministers
- The CoE can assist with making choices and getting the best value from this contract.

What you can buy off this contract

This contract covers three lots of printer devices and services which are summarised in the diagram below:



Lot 1 – Single Function Devices (SFDs)

This lot covers single function devices (SFDs or laser printers). Each panel supplier has provided at two devices for each sub-lot that are capable of different speeds and volumes. A wide range of functionalities are covered including colour and mono printing, duplex printing, A3 and A4 printing, optional additional paper tray, and network capability.

Lot 2 – Multi Function Devices (MFDs)

This lot covers multi-function devices (MFDs or photocopiers). Each panel supplier has provided at least devices for each sub-lot that are capable of different speeds and volumes. A range of functionalities have been covered in this lot to ensure agencies' business needs are met. This includes for example, scanning, faxing, finishing functionality such as collating and stapling, bulk trays and card reader capability.

Lot 3 – Associated Services

This lot covers commonly used services to enhance an agency's print solution. The services will only be provided when requested by the agency. The services are:

- Asset tagging
- Delivery
- Onsite installation and configuration
- Product training
- Basic network monitoring tools
- Disposal and/or retirement
- Insurance

Print Device Management Service

In addition to the above services, if an agency opts to purchase under a Print Device Management (PDM) Service, a “print optimisation” study will be done by the agencies chosen supplier, as part of the process of transitioning to the AoG contract. The resulting solution will be proposed by the supplier (the number, type, and location of devices) and will be agreed between the supplier and the agency. This entitles the agency to receive the managed cost per copy rate without committing to printing any set volume of print. For further information on Print Device Management Services please see page 12.

Savings opportunities are maximised when agencies adopt strategies to ensure their print output management. Lot 3 Services will enable you to:

- Match the number and type of print devices to business needs.
- Educate users to minimise the number of documents they print.
- Move print volumes from high cost devices (generally laser printers) to low MFDs.
- Move to an all inclusive CPC model to standardise cost per page printed.

What about additional services or software?

Agencies can still have additional services such as “follow me print” type solutions or advanced print management software. These services will be provided outside of the contract, directly between the supplier and the agency or as part of a print device management service. We have not specifically contracted these services with the panel members because:

- The software licence may be contracted with a third party vendor direct with the individual agency
- Costs depend on the number of devices and/or print servers within the agency
- A separate statement of work may be created by the supplier for these projects.

If your agency already uses these advanced services, or would like to consider them, just let the CoE know when you are ready to transition to the AOG contract. All of the panel suppliers have been evaluated through the RFP process on their ability to deliver a range of additional services. They will be happy to talk more about these services, should you wish to do so.

How you can buy off this contract

There are four different ways to procure your print devices under this contract. Your agency can choose the method that is best suited to your agency's business model and requirements. The options are:

- Capital purchase
- Lease
- Standard cost per copy
- Managed cost per copy

Capital purchase

The capital purchase method allows agencies to buy SFDs and MFDs on an as-needs basis through a purchase order. The device is covered under warranty, and consumables can be purchased as required through the supplier or stationary contract (see other AOG contracts).

Lease

This option allows the hardware (SFDs and MFDs) to be leased over a fixed term. The agency pays a monthly lease fee and the cost of service and consumables are covered by a cost per impression charge.

Standard cost per copy

The option allows all printers to be covered under a set cost per copy rate, and this rate includes the cost of all consumables, service and maintenance, and the lease payments are incorporated in the cost per copy. The CoE has developed a model to calculate the cost per copy for this option to ensure agencies receive the benefits of the rates we have negotiated.

Managed cost per copy

This option is similar to the standard cost per copy described above, except that the maximum cost per copy rate is set in the agreement. To receive this price rate agencies are required to have a supplier undertake a printer optimisation exercise and agree the number and mix of devices to be supplied. This option is best for agencies with a strategic approach to their print solution – the focus is on document outputs and optimisation rather than products.

In this model each agency must commit to a sole supplier for their print solution.

If this option is chosen, an individual document called a statement of work (SOW) will be developed for implementation with your chosen supplier.

So what option is best for your agency?

The capital purchase method is the most basic and traditional method of sourcing printers. As agencies become more proactive about managing their print environment, it is likely they will move to a cost per copy method in order to achieve greater visibility of print costs and volumes. Adopting a managed cost per copy arrangement is usually the most economical method of sourcing a print solution because it enables the supplier to tailor the optimum mix, number and types of devices to satisfy individual business needs. Each agency will have different needs to consider when making this choice – the CoE is happy to assist.

What is a Print Device Management Service?

A Print Device Management (PDM) Service means that your agency receives a tailored print management service from your supplier for all of your print requirements. The service is individualised so that the best solution is provided, based on your business needs.

All of your devices and services are managed by your supplier, and the cost is covered in an all-inclusive cost per copy rate. The supplier works with your agency to determine the best number and types of print devices based on your agency's current print requirements. This approach ensures that you are charged the cheapest cost per copy rate for your printing because the cost is spread over an optimal number of devices.

An initial print optimisation study and right-sizing of devices throughout the life of the contract are both required under a Print Device Management Service.

Benefits

- This option gives you a set maximum rate for a managed cost per copy service
- Your agency does not have to commit to any minimum volume of copies per month.
- This option is best for agencies with a strategic approach to their print solution – the focus is on document outputs and optimisation rather than print devices.
- Service management can be tailored to meet your unique business requirements; this will minimise the effort it takes to manage your print fleet
- All devices, services and requirements are bundled into one set cost per copy rate.

Print Optimisation Study

All of the panel suppliers offer a free service to analyse your current print volumes and devices. They can then recommend an appropriate mix of devices to meet your agency's business needs and achieve the greatest savings.

To assist with this service, each participating agency will need to give the supplier reasonable access to their site as well as reasonable access for some staff interviews. This is so that the supplier can get the solution right and assist users through the change process.

In return your agency will receive:

- An updated asset list and floor plan for the current state
- An assessment of end user requirements for each site
- A proposal for a future print solution
- The recommended monthly volumes for each recommended machine

Right-Sizing

Over time your business needs may change. Your panel supplier may reassess your print fleet and services to ensure you continue to get the best value. Any proposed changes will be discussed and agreed between you and your supplier.

Statement of Work

A statement of work (SOW) will outline what has been agreed between your agency and supplier of choice. The statement of work will include at a minimum:

Note: the SOW should describe to a level of detail that ensures no ambiguity, what print devices and services will be within scope and how the overall service is to be supplied.

- Overview of the agreed services.
- Device maintenance.
- Moves, adds and changes.
- Governance
- Definitions
- In scope and out of scope devices
- Consumables management.
- Helpdesk support and interaction.
- Operations team.
- In scope and out of scope locations
- Call procedures
- Change request processes

Contract summary

This contract summary provides a description of key aspects of the contract. For further information on the contract, agency buyers should contact the CoE. Please note that contract details are commercial and in confidence, and that pricing arrangements must not be discussed or disclosed outside the participating agency (see note on confidentiality below).

The Single and Multi-Function Print Devices Contract covers the supply of:

- Single function laser printers and accessories
- Multi-function printers and accessories
- Required Services including:
 - Asset tagging
 - Installation and configuration
 - Product training
 - Basic network monitoring tools
 - Disposal or retirement of devices
 - Insurance
 - Print optimisation and right-sizing
- Optional Services including:
 - Print device management services
 - Valet services
 - Follow-me print technology
 - Complex network monitoring services

Contract period:

Four years from 31 August 2010 with one twelve month extension option

Panel suppliers:

- Canon New Zealand
- Fuji Xerox
- HP New Zealand
- Konica Minolta
- Ricoh

Key contract terms and conditions

Important points to note

The Lot structure we have negotiated with suppliers offers you a wide range of choice and price structures to suit requirements:

- We have different price options and service packages with each supplier
- Pricing methodology is consistent between the panel members, however each of the offers from the suppliers is different
- You are expected to select one supplier for the duration of the contract period
- The CoE encourages agencies to take a strategic approach to their print procurement rather than obtaining devices on a case by case basis
- The panel suppliers will assist you to develop these strategies.

Reporting

All suppliers are able to provide comprehensive and highly detailed reporting on individual devices where the devices are managed by their automated software systems. Sometimes, you may not need or want such reports and you will be able to agree the content and level of detail that will be provided with your chosen supplier.

Service Levels

Each supplier is expected to meet or exceed minimum service levels nationwide. Details about supplier service levels (and their track-record meeting them) are available in the supplier attributes document. Here are some examples of some of the key measures:

- Device up-time – 95%
- Response time - 2 hours (metro) and 4 hours (rural)
- Resolution time – 90% fixed within 3 hours (metro) and 5 hours (rural).

Security Standards

It is recognised that each agency is responsible for complying with government security requirements and have differing approaches meeting these requirements. All suppliers are capable of providing devices and services that will enable agencies to comply with:

- the manual security standards for the government sector <http://www.security.govt.nz/sigs/>; and
- the supplementary New Zealand security in information technology (NZSIT) standards <http://www.gcsb.govt.nz/newsroom/nzsits.html>;
- fully comply with the Security In the Government Sector (SIGS) manual in its performance of the Services; and

Where requested the supplier will:

- operate secure wipe and/or destruction service in accordance with the SIGS Manual;
- ensure that all their personnel accessing a participating agency's site classified information is held have a current security clearance appropriate to the level of classification and display an appropriate form of company identification at all times; and
- when destroying or disposing of hard drives and RAM, erase all data in a manner which ensures that it cannot be reconstructed.

Sustainability

Each device supplied in the print catalogue is required to have current New Zealand Energy Star standards certification. Each supplier is required to maintain EPEAT and Environmental Management System (EMS) certification such as IS 14001 or the Environmental Choice New Zealand Programme.

Also, the panel supplier of your choice will collect packaging and products on request for recycling if practicable or proper disposal.

Invoicing

The supplier will supply one itemised consolidated invoice to your Agency at the end of each month for all products and services accepted during that month.

Agencies are required to make payment in a timely manner, but suppliers are not able to charge interest on overdue amounts.

Confidentiality

It is important to protect confidential information. This is information that is commercially sensitive or relates to a party's financial position, customer base, internal management, structure or personnel. Both the supplier and the buyer must safeguard confidential information, and not disclose it to any third party or use it for its own benefit

Supplier Contact Details

Canon New Zealand Ltd

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Telephone	09 487 0073
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Fuji Xerox New Zealand Ltd

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Konica Minolta Business Solution New Zealand Ltd

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Ricoh New Zealand Ltd

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Mobile	021 413 224
Email	craig.loveridge@ricoh.co.nz
Web	www.ricoh.co.nz

Further information

Frequently Asked Questions

There's more to cost savings than lower prices

Achieving cost savings is not just about buying the same products for lower prices.

Thinking about what we buy can also make a significant difference, for example: what we actually need to do our jobs, as opposed the preferred brands we habitually buy.

Through out the life of this contract we will be encouraging changes to buyer behaviour and will gradually rationalise the range of items available.

What types of devices are available under the Single and Multi-Function Print Device Contract Consumables Agreement?

There are three "sizes" of single function devices and three "sizes" of multifunction devices available under the contract. Each size is defined in terms of its copy speed and functionality.

How will we access the print devices catalogue?

As your agency transitions to the contract, you'll have support from the CoE, your selected supplier and the NZ Government e-Marketplace supplier to identify the most appropriate way to access the catalogue.

Can I still use my current supplier?

Under this contract, the suppliers are contracted to supply a comprehensive range of devices and services. All Public service and State services agencies are expected (and State sector organisations, encouraged) to transition to this contract as soon as is practicable from 10 July 2010. This will generally be after your current contracts expire however the CoE will be available to advise about possible benefits of changing suppliers before contract expiry.

How will my agency select a supplier?

Each participating agency will need to select a supplier from the panel as its provider of print devices and/or print device management services for the duration of the contract.

Three to six months before your existing contract expires, we suggest agencies contact the CoE who will send you an agency profile survey to complete.

The CoE can facilitate the agency to request and receive initial proposals and presentations from the supplier panel, enabling you to compare and value options to best meet your agencies' requirements.

You will then choose the supplier or suppliers you wish to have further discussions with. When you have selected a supplier, they will engage with you and produce a Statement of Work that will describe the devices, services, and, timings for the rollout.

Who will approve the selection process and authorise our agency to proceed with the work?

Commitment and approval will be using your agency's normal governance processes. The CoE is to be provided with a copy of the final Statement of Work before work commences and is available to provide advice. However the CoE will not be involved in the approval process within agencies.

How will I measure the benefits of the new contract?

The CoE has developed a spread sheet tool which enables agencies to calculate their existing costs and compare costs if they carry out a direct swap of their existing devices to new devices supplied under a cost per copy model at the new contract rates. The tool will be available to agencies.

Will users see much change in the products they receive?

The new contract offers the core range of devices and services necessary for running an office.

What if the Supplier doesn't have the device I need?

There are provisions in the agreement for agencies that adopt a managed print service to have alternative devices supplied. The cost per copy rate for these devices will be calculated using a formula outlined in the contract.

What if we want to include the cost of additional services in the cost per copy charge?

No problem! The additional services and the price changes for these will be able to be described in the Statement of Work.

What is a best price contract?

A "best price" contract provides a single unit price, per supplier, per item. This means that all users will receive the same price, for items bought under similar circumstances.

Can I negotiate discounts?

No: product and price negotiations can only be conducted by the CoE or its delegates. Participating agencies cannot enter into negotiations with a panel supplier directly.

Related publications, documents & links**Signing up to AoG contracts**

Want to know the current status for your organisation, or more specific information regarding the arrangement?

- Contact the CoeE at DIA coe@dia.govt.nz

Buyers' Guides:

- Guide to All-of-Government Contracts
- Guide to the Government e-Marketplace
- Buyers' Guide, All-of-Government Contracts
- Office Consumables
- Passenger Vehicles
- Laptop & Desktop Computers

Important links:

- www.procurement.govt.nz – the place to go for information on:
 - Other government contracts (AoG, syndicated etc) Government procurement policy, mandatory rules and related guidance
 - Best practice guidance
 - Templates and tools for everyday use
 - Building a professional procurement career: core competencies, training needs analysis, subsidised training and education opportunities
 - The latest developments in the Government Procurement Reform
 - And a whole lot more