

# Photocopier Contract Report Jan 2024

## Recommendation

To make a final settlement payment to BNP Paribas for £4,019

To cancel the maintenance contract with Aurora (previously CCS) and take responsibility for purchasing toner in house and arranging servicing / repairs as and when required.

## Background

In July 2019, ATC entered a contract with Corona Corporate Solutions Ltd (CCS) which included a finance agreement with BNP Paribas for the capital expenditure of the photocopier.

There was a lengthy dispute between ATC, CCS & BNP Paribas regarding the validity of the contract during the dispute the finance agreement was terminated by BNP Paribas and from December 2020 the Council agreed to pay BNP Paribas in instalments based on those provided with the termination letter.

In addition to this ATC have continued to pay CCS for the copier costs which include installation and consumables. In mid-2022 CCS changed to Aurora. The copier was installed in July 2019 and no visits have been made by CCS or Aurora since this date to either service or repair the machine. We have deliveries of toner from them when required and provide usage figures which they calculate the copier costs with.

## Overview of Ricoh IM C3500 Expenditure to date

	2019-20	2020-21	2021-22	2022-23	2023-24	Total
<b>BNP Paribas</b>	£1,508.88	£12,164.80	£5,953.20	£6,494.40	£4,870.80	<b>£30,992.08</b>
<b>CCS/Aurora</b>	£350.01	£777.00	£1,214.43	£1,092.70	£887.41	<b>£4321.55</b>

## Balance Remaining – BNP Paribas

BNP Paribas have advised that the o/s balance is £5024.60 however they have advised that they would accept a lump sum settlement figure of £4,019.

Alternatively, the Council can continue paying the remaining 9 x monthly instalments of £541.20 plus a final instalment of £153.80.

Once the balance is paid the copier will belong to the Council.

## Copier Costs, Maintenance & Servicing – CCS / Aurora

Since July 2019 the photocopier has not been serviced, it is unclear from the purchase & maintenance contract exactly what is included.

The current cost of the contract per page are 0.585p for mono copies & 5.125p for colour copies.

The total reading to 23/11/23 (latest bill) was 52620 (mono) & 79593 (colour)

For the quarter usage was 2651 (mono) & 3636 (colour)

To purchase Ricoh toner currently the average cost per page is 0.43p (mono) & 1.21p (colour)

To purchase compatible toner currently the average cost per page is 0.26p (mono) & 0.60p (colour)

	Mono	Colour	Total per quarter	Total per annum
Existing Contract - Aurora	£15.51	£186.35	£201.86	£760.91
RICOH Toner	£11.40	£44.00	£55.40	£187.40

Compatible Toner	£6.89	£21.82	£28.71	£94.17
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The Town Council do not require a photocopier machine of this specification. When the existing photocopier shows signs that it requires repair or replacement, alternative options should be sought based upon the Council's average print volume, requirements & toner costs for the machine.

The existing contract from July 2019 has cost the council in the region of £40,000 (excluding legal fees)

When a repair / replacement is required, the Council may wish to consider an outright purchase such as:

An A3+ multifunctional duplex printer outright including a 5 year warranty with average running costs per page of 0.2p (mono) and 1.0p (colour) <https://www.printerland.co.uk/product/epson-ecotank-et-16650/14868>

Over a 5 year period at 25,000 prints per annum (100% colour) the total photocopier costs (capital purchase + copies) would be £2150.

This is equivalent to £430 per annum / £35.83 per month.

The council may wish to consider setting a budget for photocopier replacement in the next 2 years or use the asset replacement reserve as and when this expenditure is required as due to low use, the machine may continue to have a useful life for longer than the average 5 years, although this cannot be relied upon.

The cost of an outright purchase at the time plus running costs should be considered against the cost of a photocopier lease with a service contract to assess value for money.

**This report was prepared by the Town Clerk / RFO**