

FDA STAFF MANUAL GUIDES, VOLUME III - GENERAL ADMINISTRATION

ADMINISTRATIVE SERVICES

ACQUISITION OF COPYING EQUIPMENT

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1. PURPOSE

The purpose of this Guide is to delegate authority to FDA Headquarters and field activities to approve the selection of low-volume copying equipment and to prescribe procedures to be followed.

2. RESPONSIBILITIES

Agency offices with procurement authority may procure copying equipment directly from authorized vendors with the exception of high speed copiers (copiers which copy at speeds greater than 100 copies per minute). All other offices should submit their copier request to the Agency procurement office.

The Chief, Administrative Services Branch (ASB), HFA-210, Division of Administrative Management, Office of Facilities and Administrative Management, is responsible for reviewing, approving, and obtaining necessary clearances for all requests for procurement of high speed copiers and providing guidance, policy, and procedures for copier management.

Each FDA component (i.e. Center, OC program office, ORA district office) should designate a person(s) to serve as the "copier coordinator" for that respective organization. The duties of that person include:

1. Coordinating the preparation and submission of the Annual Copying Equipment Activity Report.
2. Informing copy equipment supervisors, key operators, and users, of applicable copying management requirements and procedures, and providing instructions and usage guidelines as needed.

3. DETERMINING AND EVALUATING REQUIREMENTS FOR SELECTING EQUIPMENT

When contemplating acquisition of copiers, the selecting official should acknowledge the wide variety of equipment that is available and not limit consideration to a few vendors who happen to be better known. A careful examination of what is available on the market in relation to the given requirements will ensure selection of efficient and cost-effective equipment.

1. Features and accessories like document feeders, reduction, automatic two-sided copying, sorters, etc., should be acquired only if necessary for actual work requirements. The same applies to faster machine speed. Speed differences only become significant when the equipment is used for multiple copies. When making a single copy or a few copies, the "first copy" speed and the operator's ability to manipulate originals are more significant than a machine's running speed. Adequate existing equipment should not be replaced solely to acquire a faster machine unless it can be proven that such faster speed will result in a tangible cost savings.
2. Determine the volume to be produced each month. For offices that anticipate monthly volumes to be 13,000 copies or less a month, refer to paragraph 7 of this Guide. All equipment has minimum volume restrictions in order to be cost effective, and maximum volume capabilities. In the case of maximum volume capabilities most times there will be excessive downtime if copies are reproduced in excess of the copier's capability.
3. View demonstrations on appropriate equipment with a "show me" attitude. Use your own test material for copiers whenever possible.
4. Make certain that maintenance service is available and that it is economical, prompt, and efficient. This is an especially important consideration for field activities which may not have ready access to all vendor's service facilities.
5. Talk to other users of similar equipment in your area. This will provide information on the efficiency of operation and the reliability of the equipment in question.

6. Determine acceptable level of copy quality. Estimate the percentage of copies that will be made for internal use and the percentage that will be sent to the general public. Copies need only be of sufficient quality to suit the purpose for which they are intended.

4. ACQUISITION: RENTAL, LEASE, OR PURCHASE

There are three means of acquiring copiers -- rental, lease, or purchase.

1. **Rental:** Rental is an agreement with a vendor to pay a fixed monthly cost or a basic cost plus added meter charges which include replacement parts, service and maintenance. Normally, rental is advantageous and cost-effective only when involving short-term acquisitions (e.g., temporary requirements; trial periods to determine if equipment will meet needs; until purchase funds become available) and certain long-term situations where purchasing the equipment will not "pay-back" (defined in paragraph c. below) within a reasonable time period. Existing rental equipment should be annually evaluated to determine the feasibility of converting to purchase using this format.
2. **Lease:** Generally, leasing involves a multi-year arrangement which includes paying a fixed monthly cost for the term of the lease. At the end of the lease period, the equipment is either owned by the lessee or may then be purchased for whatever "buy-out" amount was agreed to under the terms of the lease. Some leasing arrangements do not include maintenance which could present problems when arranging this separately. Leasing is especially viable in situations where purchase of the equipment is clearly advantageous but purchase funds are not budgeted for that purpose. However, always study and weigh the cost savings and other obtainable advantages of leasing against any negative factors before entering into a lease arrangement of any type.
3. **Purchase:** Outright purchase and early conversion to purchase of existing rental/leased equipment offer the best means for achieving substantial cost savings. The technology now employed in most newer makes and models of copying equipment has reached a level of stability where premature obsolescence is unlikely. Reliable equipment which has been fully tested and will "pay-back" in less than 36 months should be purchased unless there are good reasons for not purchasing.

The term "pay-back" for purposes of this Guide is defined as "the length of time (in months) it will take for the purchase price plus cumulative maintenance contract costs to equal the cumulative rental

cost". At the end of this period the equipment is considered paid for. To calculate the payback period, divide the total purchase price by the monthly rental cost minus the monthly maintenance cost. For example:

$$\frac{\text{Purchase price}}{\text{monthly rental} - \text{monthly maintenance}} = \text{pay-back period}$$

When the pay-back period and other key factors clearly indicate that the equipment should be purchased but purchase funds are not budgeted and are not otherwise available, a lease arrangement should be considered. Usually the per-month cost under a 3 year or longer lease will be lower than the comparable monthly rental cost.

Careful consideration is advisable before purchasing copying equipment. Equipment may be leased to own except for the lowest priced machines, which in some cases are on GSA Contract for purchase only. Generally, it is desirable to amortize purchased equipment within 3 years so that benefits can be realized for an additional few years. The amortization period can be calculated as follows:

1. Subtract the monthly maintenance contract cost from the monthly lease cost.
2. Divide the remainder into the purchase price of the copying machine. The result is the number of months it will take for the purchase price to equal the amount which would be spent for lease. At the end of this time, the machine can be considered paid for and copy costs would thereafter be limited to the cost of supplies and maintenance (see attachment A).

5. SUBMISSION OF REQUESTS

- A. Requests for approval to rent, lease or purchase copying equipment which produce copies at a rate less than 101 copies per minute, must be submitted on HHS-393, Purchase/Service/Stock Requisition, directly to the Agency's procurement office.
- B. Requests for high speed copiers must be submitted to the Chief, ASB, (HFA-210), in memorandum form and should be accompanied by a completed Form HHS-393, Purchase/Service/Stock Requisition.
- C. All requests for procurement of copiers must include the following information:

1. Make and model of equipment, proposed manner of acquisition (rent, lease, or purchase) and approximate cost. If rental, give monthly rent and cost of supplies; if leased, give monthly lease and maintenance cost; if purchased, also give purchase cost, trade-in allowance if applicable, and cost of maintenance contract.
2. Detailed justification of need and intended use. Include coverage of special requirements for special features or attachments, as applicable.
3. Monthly volume of work to be produced and expected changes (increases/decreases) during the next 24 months. How this work is now being accomplished, and cost of current method.
4. Alternative means of producing or obtaining this work and why they are unacceptable. Identify existing equipment of the type requested which is presently in the area where requested equipment will be located.
5. At least three competitive machines should be viewed and compared. If the least costly of those is not selected, give the reasons for rejection. This comparison is not required when requesting equipment that is on GSA "single-source" award contracts (see paragraph 7).
6. If present equipment is being traded-in, provide the make, model, serial number, and FDA barcode number.
7. Prepare and attach a Form PHS-6343, Summary of Copying Equipment Rent/Purchase Analysis (attachment A), providing complete cost information, including supplies, for the requested equipment and for the other two machines evaluated.

6. REPORTING REQUIREMENTS

At the end of each fiscal year, all Headquarters and field activities must submit an Annual Copying Equipment Activity Report to the Chief, Administrative Services Branch (ASB), HFA-210, by the first work day following October 15 of each year. The report must include a listing of all copying/duplicating equipment with the average monthly volume produced, any repair costs spent on each machine, and the FDA property number of all owned equipment. This information is submitted to PHS in the form of the Annual Copying Equipment Activity Report (Reports Approval Symbol 001-HAU1-AN).

7. GSA "SINGLE-SOURCE" AWARD CONTRACT

GSA annually negotiates and awards a series of "single-source" contracts for use when purchasing "low-volume" copiers. Exclusive consideration must be given to the "single source" model that best matches copying requirements in locations where full-service maintenance for that model is available.

8. USER EDUCATION

User education is the most effective way to control copying equipment waste, abuse, downtime, etc. Therefore, appropriate usage guidelines should be provided to users. They should include:

1. A limit on the number of copies allowable depending upon the capacity of the equipment. This is usually the break-off point where a user will be required to take the work elsewhere (e.g., larger machine, copy center, printing plant).
2. Only materials which are necessary for official Government business are to be copied and the number of copies is kept to the minimum that is required.
3. Copies are not to be made of legal obligations or securities of the U.S. Government or of any other restricted documents.
4. Copies are not to be made of copyrighted materials without written permission from the copyright holder except as otherwise authorized in the Copyright Law.

9. COPIER EQUIPMENT MAINTENANCE

All copying equipment will require certain care and maintenance service by the user organization. These services are in addition to those provided by vendors under terms of warranties, contracts, and agreements. To ensure the best possible results, a "key operator" should be designated to perform such services among which should be the following:

1. Caring for the equipment as specified in the operator's manual and as otherwise instructed by the vendor (e.g., replenishment of toner, developer, paper, and other supplies, correction of paper jams and minor malfunctions, etc.).
2. Maintaining accurate records of the equipment's production, supplies, maintenance costs, etc., as appropriate for reporting on the Annual Copying Equipment Activity Report.

3. Serving as the key liaison with the vendor. Arranging for service calls and for training on the operation and maintenance of the equipment.
4. For equipment involved in meter rental or maintenance plans, ensuring that meters are read at the close of each month and that meter cards are promptly submitted to the vendor.