



A Guide to Office Printing Equipment

by Todd Cooper & Anna Theis with foreword by Mike Orr



FOREWORD

Negotiating a contract with local office printing equipment companies can be daunting. Often times, finding a copy machine that meets your needs involves multiple people in your church; from your administrator who may utilize the machine most, to the pastor/priest, to the treasurer/accountant, and to other staff members. What questions should be asked? What capabilities do you need? How do you best evaluate service providers?

Put it in another context: who is the best airline company? Well, it depends, right? There are so many factors that influence how an individual would qualify the “best” airline: loyalty programs, points, comfort, website usability, change fees, luggage fees, hub city proximity, cost, free snacks, check-in process, and more. Depending on what factors you qualify as most important, the answer may vary. Similarly, there are many factors that go into deciding what office printing equipment is right for your church, and what service provider is best for you.

In this brochure, we explore several important questions you should ask yourself when looking for new equipment or a new service provider. I encourage you to reach out to your denominational regional office (diocese/synod/conference/etc) to ask about trusted providers in your region or area, and to compare contracts and pricing with other churches of similar needs and sizes. Sometimes your denominational regional office might have information that can help you better negotiate pricing and equipment.

I’m grateful for Todd Cooper and Anna Theis from Lewan Technology for providing the helpful information contained in this brochure. They know firsthand the best resources to help you meet the challenges you face in ministry.

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WHY DOES EVALUATION MATTER?

I'm sure you've had copier salesmen coming to your door every other week, trying to sell you a new printer. Some are surely well polished in their presentation, but it would be helpful to have an unbiased guide to the industry and process for acquiring office equipment. These are a few reasons why it is important to carefully select your vendor and equipment:

REASON #1

The cost to acquire and operate office equipment is generally 2-5% of a church's total operating costs. These costs can be associated with the lease payment, parts, service, and supplies. For example, a church that operates on an annual budget of \$300,000 could spend between \$6,000 to \$15,000 each year just on copiers and printers. Since this is a broad range of operating costs, it is important to choose a vendor that best maximizes your dollar.

REASON #2

Your uptime matters. No one wants to wait around for the copier to work or for a technician to come fix it. It is important to consider the quality of your equipment and your service vendor to ensure the highest level of productivity (and less frustration on your part!).

REASON #3

Competition always benefits the customers. A competitive situation can seem overwhelming at first but it leaves the power and choice in your hands. Vendors will naturally put their best foot forward when they know there is a possibility of losing to a competitor.

REASON #4

Experience and expertise matters. It is important to consider a vendor who understands how churches operate and their most important needs. A vendor who is familiar with your 'world' can lean on other experiences to provide the best suggestions possible for your environment.

UNDERSTANDING COPIERS & PRINTERS

A general understanding of copiers and printers will allow you to select the best device for your needs and budget. Here are 6 facts about copying and printing technology:

FACT #1

The larger the device, the lower the cost to operate. Larger equipment works more efficiently and toner, supplies, and parts cost less. Make sure to evaluate BOTH the cost of the equipment and the cost of operation. Operation costs are often hidden when a proposal is first presented.

FACT #2

Maintenance and supplies are charged on a per-print basis. Leased equipment is required by the leasing company to have an attached maintenance plan. These service plans are charged to the customer based on their usage. Each black & white print will generally cost \$0.005 - \$0.009 and each color print typically costs \$0.04 - \$0.08.

FACT #3

A 'print' can be different based on what device you have. In general, the vast majority of office technology will account each printed side of a Legal (8 ½ x 14) or smaller piece of paper as one 'print' or 'impression'. For paper larger than Legal, the device will count each side as two. This would mean that a double sided 11x17 printed document would register as 4 impressions. Some vendors offer 'light production' and 'production' equipment that operate more efficiently and therefore register all sized paper as one print per side.

FACT #4

Match your print volume to your device. The importance of understanding Fact #2 and #3 will help you to determine the size of device that is right for your environment. The money you would save on maintenance/supplies for a larger device might cost justify the higher equipment cost.

FACT #5

Copiers die too (surprise, surprise). The lifespan for copiers and printers is very similar to cars. The total usage, just like how many miles you drive, is the biggest factor in determining lifespan, along with how hard it has been run, how well it was maintained, and the overall age of the technology. Avoid leasing used equipment from vendors unless you can verify it is in great shape, has relatively low usage, and will not be in your environment for longer than 36 months.

FACT #6

Oh, the things your printer can do... Take into consideration the capabilities of copiers and printers before writing off an idea or outsourcing a print job. There is affordable office technology that can print the high quality, professional material you need. In addition to this, there is the capability to print booklets, golf ball sleeves, door hangers, window clings and even prints on different types of material such as magnets. The ability to print these types of products, in-house, can provide hundreds or even thousands in cost savings.

UNDERSTANDING CONTRACTS

Understanding the details of a contract and the process it entails can be very difficult. Take note of the following five important points in regards to contracts:

POINT #1

Be prepared to provide any tax exempt forms you might have as well as have your church's credit checked before any paperwork can be reviewed and signed. If you suspect credit might be an issue, there are other solutions such as purchasing, renting, or exploring other leasing partners with more lenient standards.

POINT #2

Price escalations on equipment and service is not uncommon for this industry. Most vendors will escalate the price of service only on an annual basis, so avoid any who leave room to escalate more than once per year and who



escalate the price of equipment in addition to their service. Escalations should never exceed 15% per year and some vendors have even begun eliminating this clause for churches and non-profit organizations. An elimination of this clause ensures a fixed monthly cost for the entirety of the contract. Take a look at the following example for an escalation clause and make sure to find it in your paperwork, or the lack thereof, prior to signing. (example below)

POINT #3

The 'term' or "automatic renewal" clause within your contract is equally as important to evaluate. In general, contracts are set to renew for an additional 12 month period if the leasing company is not properly notified of termination.

This process of notifying the leasing company requires a "Letter of Intent" sent to them within a designated window of time, usually 60 and 120 days prior to the end of the contract. It is always wise to submit a Letter of Intent, even if you end up back with your same vendor/leasing company so that you have the freedom of deciding what is best for the church up until the end of your lease. Consider searching for a vendor who will agree to a month-to-month renewal clause instead of a 12 month renewal. (example below)

POINT #4

Upgrading equipment early is possible, but keep in mind that any remaining payments will not simply disappear. A vendor who is

13. MAINTENANCE AND SUPPLIES: The charges established by this Agreement include payment for the use of the Equipment, accessories, maintenance by Supplier during normal business hours, inspection, adjustment, parts replacement, drums, cleaning material required for proper operation and toner and developer. Paper and staples must be separately purchased by you. If necessary, the maintenance and supply portion of this Agreement may be assigned by us. We may charge you a monthly supply freight fee to cover our costs of shipping supplies to you. You agree to pay all amounts owing under this Agreement regardless of any claim you have against Supplier relating to the maintenance and supplies, which are being provided to you pursuant to a separate arrangement with Supplier ("Arrangement"). Supplier will be solely responsible for performing all services and providing all supplies under the Arrangement. You agree not to hold Lessor (if different from Supplier) or any assignee of this Agreement responsible for Supplier's obligations under the Arrangement. As a convenience to you, we may provide you with one invoice covering amounts owing under this Agreement and the Arrangement. Each month, you are entitled to produce the minimum number of pages/prints shown on page 1 for each applicable page/print type. Regardless of the number of pages/prints made, you will never pay less than the minimum Payment. You agree to provide periodic meter readings on the Equipment. You agree to pay the applicable overage charge for each metered page/print that exceeds the applicable minimum number of pages/prints. Pages/prints made on equipment marked as not financed under this Agreement will be included in determining your page/print and overage charges. At the end of the first year of this Agreement, and once each successive 12-month period thereafter, the Payment and the overage charges may be increased by a maximum of 15% of the existing payment or charge.

8. END OF TERM: Unless the purchase option is \$1.00, at the end of the initial term, this Agreement shall renew for successive 3-month renewal term(s) under the same terms hereof unless you send us written notice between 90 and 150 days before the end of the initial term or at least 30 days before the end of any renewal term that you want to purchase or return the Equipment, and you timely purchase or return the Equipment. You shall continue making Payments and paying all other amounts due until the Equipment is purchased or returned. As long as you have given us the required written notice, if you do not purchase the Equipment, you will return all of the Equipment to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. YOU ARE SOLELY RESPONSIBLE FOR REMOVING ANY DATA THAT MAY RESIDE IN THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO HARD DRIVES, DISK DRIVES OR ANY OTHER FORM OF MEMORY.

encouraging an early upgrade will either have to roll your remaining balance into the next lease, thus funding negative equity, or you will be required to write a check on your own to pay off the balance. The bad news is that either way you will be required to pay for equipment you no longer benefit from. For this reason, avoid upgrading your device(s) early unless very unique circumstances justify it.

POINT #5

Leasing companies require all devices to have attached service contracts. This is to ensure the equipment is in good shape when they receive it back and is charged per print, as mentioned above. Vendors generally request that a minimum print allowance is agreed upon up front, but this is not required. Seek a vendor who will allow for zero minimums so that you can pay-as-you-go and never have to worry about paying for unused prints during slower months.

EVALUATING SERVICE PROVIDERS

The equipment you end up choosing is only as good as the vendor who supports it. These three considerations are crucial to establishing a successful partnership:

POINT #1

When your device finally does break down, consider how your vendor will respond. Will you have direct and easy access to your representative or customer support? Do they take into consideration the urgency of your issue when placing you in the queue? Is the number for your service and support local, or will you be calling out of state?

POINT #2

Consider who will be working on your equipment, how long they have been working in the industry, and how are they evaluated. Search



for a vendor who will keep the same technician associated with your account so that familiarity with your device and environment is developed. Ask your potential vendor how long their technicians have been working on your type of equipment. Also, seek a vendor that measures their field technicians on more important metrics than simply how fast they can fix a problem. If a problem is fixed and others that are impending are missed, it will not be long before they are back to fix your copier.

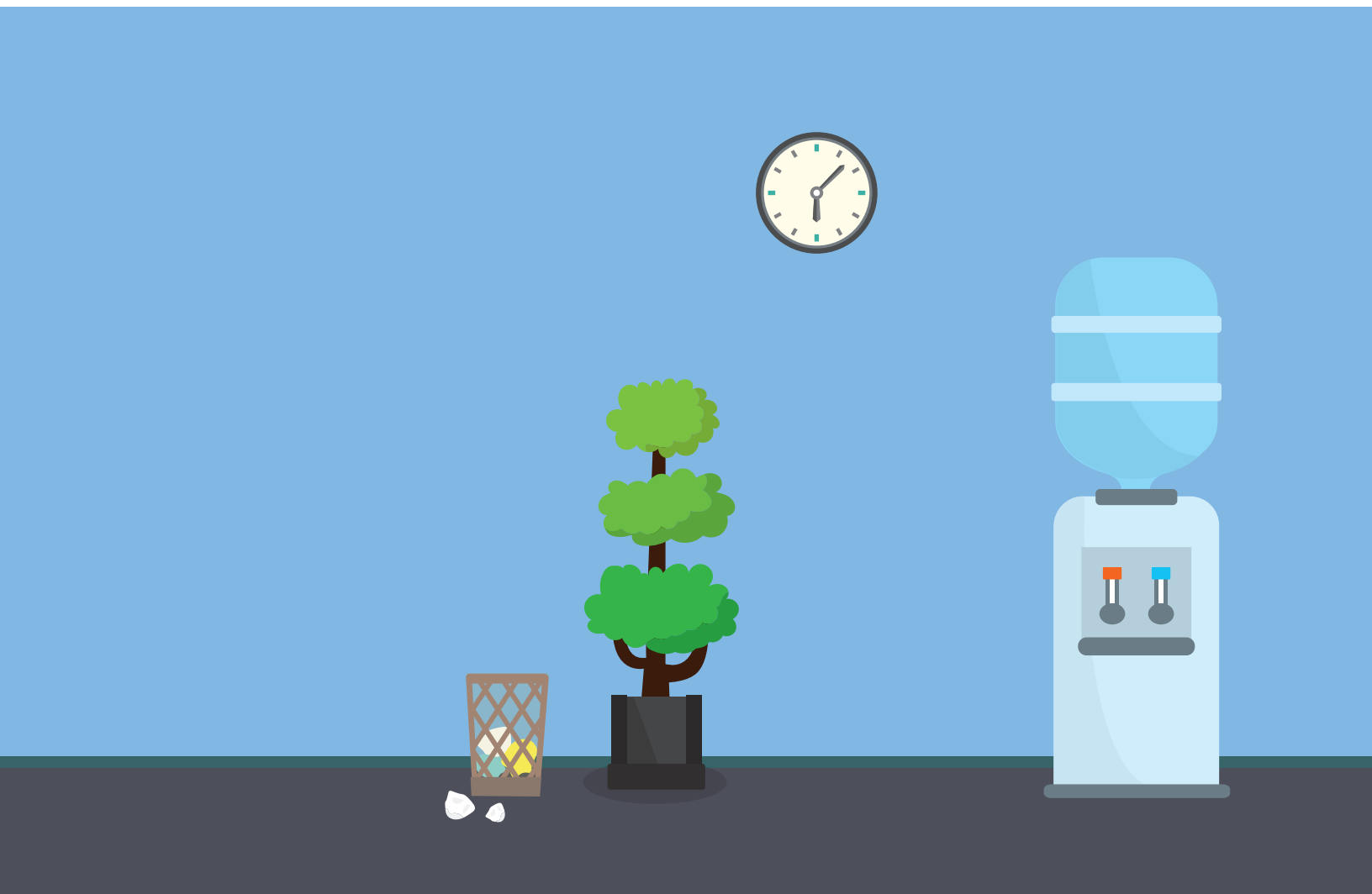
POINT #3

The accuracy and efficiency of your service call can be dependent on where your technician and parts are located. Think about how close your vendor's warehouse is to your church and how large of an inventory they keep in stock. A technician who can respond quickly and well-prepared leads to more uptime for you, and improves your productivity.

CLOSING THOUGHTS

In an industry that has not experienced any significant technological changes for several decades, vendors often make changes to their contracts and services to generate more income. It is important to regularly evaluate your current situation. If any of the above information raises concerns or questions about your current vendor, equipment, or contract, consider taking the necessary steps to choose a better solution.

When seeking unbiased advice on a vendor, equipment, or contract, reach out to your Bishop's Office for resources that can help guide you in purchasing new equipment or changing vendors. Oftentimes, your Bishop's Office will have other current contracts on file that will help you establish comparative metrics with other churches similar to your size and needs.





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