

ITEM	1
MANAGER'S REPORT NO.	67
COUNCIL MEETING	1979 10 09

RE: PURCHASE OF I.B.M. "COPIER II" COPYING MACHINES

The following is a report from the Purchasing Agent regarding the rental purchase for I.B.M. "Copier II" Copying Machines.

RECOMMENDATION:

1. THAT the recommendation of the Purchasing Agent be adopted.

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TO: MUNICIPAL MANAGER

DATE: 1979 October 03

FROM: PURCHASING AGENT

RE: I.B.M. "COPIER II" COPYING MACHINES

RECOMMENDATION:

1. THAT the I.B.M. "Copier II" Copying Machines currently in use in the Engineering and Planning Departments be purchased on a rental purchase agreement and charged against the copying machines pool account number 137902.

REPORT

Since 1976 July 1, the Engineering and Planning Departments have rented through the copying machine pool two (2) I.B.M. Copier II's. They were initially placed there because of their superior technology and design for the special needs of these two departments. These included a strip map holder and flat accessible surface for ease in copying large maps, a document feeder and the ability to do transparencies and labels as required. These features coupled with excellent print qualities, high speed operation made this unit the best choice at that time. This choice was proven to be correct in the ensuing years as both departments have been well satisfied with these units.

Recently, I.B.M. lowered the purchase price on these copiers and granted an accrual of 50% of paid out rental monies to a maximum of \$6,022.50 toward the purchase of these units.

We are now at maximum accrual. The rental purchase of the Planning Department Copier II would require 24 monthly payments of \$292.01 per month plus \$240.90 Provincial Sales Tax for a total of \$7,249.14 (including interest). In comparison, our present rental cost is \$306.47 plus 4% = \$318.73 per month or \$7,649.52 over 24 months. Our present maintenance agreement costs us \$169.38 per month and that would not change appreciably.

The rental purchase of the Engineering Department Copier II would require 36 monthly payments of \$208.77 or \$7,479.72 plus \$240.90 Provincial Sales Tax for a total of \$7,720.62 (including interest). In comparison, our present rental cost is \$216.72 plus 4% = \$225.39 per month or \$8,114.04 over 36 months. Our present maintenance agreement costs us \$112.25 per month.

We would like to stress that because of the high volumes the Copier II's are capable of turning out, which are many times greater than the copying demands being made on these units now, their expected useful lifetime is well in excess of the buyout periods mentioned above.

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The rental purchase of the I.B.M. Copier II's would result in a dramatic reduction in operating costs when these units became the property of the Corporation. Copy costs would then drop by 2/3, from 3¢ and 4¢ per copy to 1¢ and 1.3¢ per copy.

We, therefore, ask permission to enter into a rental/purchase agreement with I.B.M. pursuant to Section 247 (3) of the Municipal Act for the purchase of this equipment. The Engineering and Planning Departments concur in this recommendation.

  
K.F. Williams,  
PURCHASING AGENT.

JRH/gbw

c.c. Municipal Clerk  
Municipal Engineer  
Director of Planning