Convenience Copiers

The University of Richmond, an independent private institution of higher education founded in 1830, is located in Richmond, Virginia. The institution is a Master's College and University I according to the Carnegie Classification. Over 92% of its 2,900 undergraduates live on-campus and attend one of three undergraduate schools: Richmond School of Arts & Sciences, Robins School of Business, and Jepson School of Leadership Studies. Additionally, Richmond School of Law has 460 full time students and the Richmond School of Continuing Studies and graduate schools have approximately 1,000 part-time students. Total FTE for the University of Richmond is about 3,800 students. William E. Cooper, Ph.D. is President and Herbert C. Peterson is the Vice President for Business & Finance. Jennifer M. Sauer is the Associate Vice President & Controller.

The University's convenience copier system for the entire campus is run by the Printing Office under the Auxiliary Services umbrella. Fifty convenience copiers are located all over campus. Historically the University has purchased the copiers and used them until they could no longer be maintained under a maintenance agreement. Then new copiers would be purchased to replace the old ones. The copier system generates funds from two sources: (1) inter-departmental charges to University academic and administrative departments (a flat rate of 4.3 cents per copy) and (2) per copy charges (8-10 cents per copy) to students. These funds are used to pay for paper, toner, maintenance contracts, and a non-mandatory transfer of funds to plant funds designated to purchase replacement convenience copiers.

Paper, toner, and maintenance contracts are variable costs associated with convenience copying. The cost of the copier is a fixed cost.

The University of Richmond negotiated with its largest supplier of convenience copiers on two fronts: variable costs and fixed costs. What the University wanted on variable costs was a fixed per copy cost rate, as low as possible, and to keep that rate for as long as possible. This rate must cover the cost of maintenance, toner, and the cost of the machine. On the fixed costs front the University wanted to stop purchasing copiers.

The yearlong negotiation resulted in getting a fixed variable per copy cost of $0.02 that covers everything but the cost of paper. The minimum number of copies guaranteed on an annual basis was 5.34 million copies. The net annual savings was $88,000. That amount equaled the reduction in non-mandatory transfers to fund the purchase of new convenience copiers. Finally, the University received 17 new copiers to replace 16 old copiers with no capitalized investment.

As a result of this initiative the University of Richmond will have $440,000 over the five-year life of the agreement to use in the pursuit of programs that will enhance academic excellence as called for in the strategic plan.