

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 26, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #38: EFFICIENCY STUDY RELATED TO
COPIERS, COPIER CONTRACTS AND COPY COSTS

This budget memorandum is in response to Mayor Euille's inquiry regarding any efficiency studies related to copiers or copier contracts. This memorandum also responds to Councilman Krupicka's inquiry regarding printing costs, recovered costs and efforts to reduce the number of copies projected to be produced in FY 2010 as shown on page 13-33 of the FY 2010 Proposed budget.

In September 2008, the Department of General Services with the help of the Corbin Company (a company that had previously studied the City's print shop operations as well as a separate, more recent study on the Personnel Services Department) to conduct an analysis and study of the department's existing high speed black and white copier located in the City Hall Mailroom, as well as the two walk-up copiers located on the second and third floors of City Hall. The purpose of this analysis was to determine what types and models of replacement copiers might meet the City's duplicating requirements while also providing lower cost options compared to our existing machines. Some of the criteria used to identify and recommend replacement copiers included copy quality, technical requirements, ease of use, reliability, capacity to meet volume requirements and reference interviews with current users of the proposed new machines.

In October 2008, following interviews with General Services staff; the results of an RFP to six qualified vendors; interviews and discussions with representatives from the selected copier vendors; and review and analyses of print industry publications and associated research, an analysis provided recommendations based on this research as well as on the City's current and anticipated copy and print requirements.

Based on the City's current usage, or number of copies produced annually, as well as on the decision to outsource the majority of the offset print jobs, it was recommended that the existing high-speed, high production class, black and white copier located in the Mailroom (Xerox Docutech 6135) exceeded the City's requirements and a copier of that capacity was no longer needed. It was determined that the City could realize significant savings in lease and maintenance costs by going with a smaller, more efficient high-

speed, black and white copier while still meeting our current and anticipated duplication requirements.

Based on analyses of the responses to the RFP by four of the six qualified vendors, a high-speed, black and white copier was identified that met all of the City's requirements while also allowing the City to realize as much as \$70,000 per year in lease and maintenance cost savings. The smaller copier will achieve some energy efficiency compared the existing high-speed production copier. Power consumption for the new copier is 3.5 kW versus 7.7 kW for the existing machine. The smaller copier will also allow the Mailroom to recover some of the footprint in their space that was lost with the installation of the existing production size high-speed copier allowing for a more efficient operation.

Delivery of the replacement high-speed black and white copier for the Mailroom is expected by the end of March 2009. The two replacement walk-up copiers for City Hall were delivered this month.

In response to Councilman Krupicka's question regarding the increase in printing costs shown on page 13-33 of the FY 2010 Proposed Operating budget, the cost of printing is not going up. The increase of \$17,716 in FY 2010 compared to FY 2009 (\$107,368 in FY 2009 and \$125,084 in FY 2010) is the result of an administrative change in an allocation of a position during the budget development process rather than increases in actual printing costs. This reallocation was done to more accurately reflect the duties of that position in the correct activities.

In response to Councilman Krupicka's question regarding recovered costs, the recovered costs shown on page 13-34 reflect the monies recovered from departments that request high-speed copy jobs from the Mailroom. Expenditures related to high-speed copy jobs, color or black and white, are initially incurred by the Department of General Services. Once the job is complete, the expenditures for that particular high-speed copy job are charged back to the requesting agency resulting in "recovered costs" for General Services. No recovered costs are shown for "Graphics and Printing" because expenditures related to those jobs are charged directly to the requesting department.

In response to Councilman Krupicka's question regarding efforts to reduce the number of copies produced, the 3.1 million copies that are projected to be made in FY 2010 are based on the actual number of copies made in FY 2008. The only ways to reduce the number of copies made in total are to (1) increase the use of electronic methods, such as email and web links for the transmission of forms, newsletters, budget documents, PowerPoint presentations and other documents that would normally be copied and (2) reduce the number of copies/handouts provided at meeting or to the public through mailings or drop offs. Each department pays for its cost of copying which results in a natural financial incentive in these tight financial times to save money by reducing the volume of copying. For instance, OMB has drastically reduced the number of hard copies of the budget documents that it reproduces and distributes to City departments and citizens and relies almost exclusively on the City's website and C D-Roms. General

Services has emphasized copying on two sides of the paper (double-sided), which does not necessarily reduce the number of copied pages but does reduce the amount of paper that is being used. The new walk-up copiers in City Hall now have the capability to scan documents and save them to a file on staff's desktop pc which can then be emailed rather than printed or copied. All departments are being encouraged to use electronic means to transmit documents as much as possible.