
**General Government Appropriations
Committee**

HB 2969

Brief Description: Promoting efficiencies in the services provided by the office of the public printer.

Sponsors: Representative Hudgins.

Brief Summary of Bill

- Requires large state agencies to use managed print services through the public printer and to consult with the Department of Printing to more efficiently and cost-effectively use envelopes.
- Prohibits the Department of Printing from charging a markup on jobs that are farmed out to private vendors.
- Requires the Department of Printing to report to the Legislature on: (1) progress in implementing managed print services and standardizing envelopes; and (2) an updated strategic plan.

Hearing Date: 1/28/10

Staff: Sara del Moral (786-7118).

Background:

Print management.

State agencies have two options for meeting office printing needs: (1) print management; or (2) leasing and/or purchasing office print devices. The Department of Printing (Department) brokers print management contracts with private vendors, while the Department of General Administration (GA) brokers private vendor contracts relating to the lease or purchase of office print equipment.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

There are important differences between print management contracts and contracts to lease or purchase. Under contracts to lease or purchase, agencies must pay for all maintenance and supplies, in addition to the costs associated with a lease or purchase.

In contrast, under a print management contract, the agency pays a set monthly fee for service from a private vendor. The monthly fee is associated with a monthly minimum number of copies an agency expects to make. The agency does not pay for costs associated with supplies (other than paper), installation, maintenance, or replacement. Print management contracts are typically associated with fewer copy devices than GA contracts, default duplex printing, and software that helps users choose more economical print options.

Envelope Standardization.

To meet the needs of state agencies, the Department manufactures 75 types of envelopes. According to the Department, the great number of envelope types reduces efficiency and increases costs. The Department could lower its costs and generate savings for state agencies if agencies ordered fewer envelope types.

For example, a colored envelope costs more than a white envelope. If all envelopes ordered by state agencies were white, overall costs would be lower per envelope. In such a case, fewer envelope types would reduce total envelope costs for agencies.

Five Percent Markup.

In cases where the Department finds that a print job may be done more economically by a private vendor, it may farm the job out. In such cases, the Department may charge a 5 percent markup to the client agency for the print job.

Charge for Print Jobs.

Current law requires the Department to charge the actual cost for print jobs. However, prices may not exceed the prices listed in the Franklin Pricing Guide, published by the Porte Publishing Company.

Summary of Bill:

Print Management.

With certain exceptions, state agencies with more than 1,000 Full-Time Equivalent (FTE) staff must work with the Department to implement print management. The Department must provide a program of managed print services to such agencies. The Office of Financial Management (OFM) may exempt an agency from this requirement.

Envelope Standardization.

All state agencies with more than 1,000 FTE staff must consult with the Department to more efficiently and cost-effectively use envelopes. The Department must consult with OFM and state agencies to more efficiently manage envelope use by standardizing envelopes to the extent feasible.

Five Percent Markup.

The Department may not add a markup to any print job that it subcontracts to a private vendor.

Charge for Print Jobs.

The Department may not charge a price exceeding that listed in the Franklin Pricing Guide, regardless of the guide's publisher.

Report to the Legislature.

By December 1, 2010, the Department must report to the Legislature on:

- progress made implementing print management at state agencies; and
- progress made standardizing envelopes ordered by state agencies; and

by December 1, 2010, the Department must also provide an updated strategic plan that describes:

- changes to its business model to make its operations and services more enterprise-focused, within the parameters of its mission; and
- more transparent pricing practices.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.