



FINAL REPORT

City of Santa Monica
PRINT SHOP EFFICIENCY STUDY

July 31, 2019

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I. EXECUTIVE SUMMARY

A. BACKGROUND, SCOPE, AND METHODOLOGY

The City of Santa Monica (the City) operates an in-house Print Shop located in the Support Services Division (the Division) within the Office of the City Clerk. The Print Shop performs a variety of services including printing, copying, binding, stuffing envelopes, proofing, and others. Most jobs are completed within 24–48 hours of customer requests and adhere to the City’s sustainability requirements, such as using recycled paper, non-toxic supplies, and energy-saving equipment. City departments are required to submit all print requests through the Print Shop, which determines if the job needs to be completed by an external vendor.

This study was conducted to determine opportunities for improvement in Print Shop operations and took place between September 2018 and January 2019, with additional cost effectiveness analysis done in June and July 2019. To identify opportunities for improvement, we interviewed Support Services staff, reviewed key documents, conducted a customer service survey (Appendix A), surveyed peer print shops for benchmarking purposes (Appendix B), and assessed prices of local vendors (Appendix C). Following analysis of this information, a draft report was reviewed with the City Clerk and Support Services supervisor to validate facts and confirm the practicality of recommendations.

B. SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Observations and recommendations were grouped into two themes: customer service and operations.

OBSERVATIONS AND RECOMMENDATIONS		
CUSTOMER SERVICE		
1	Observation	Approximately half of city customers lack familiarity with the full suite of Print Shop products and services.
	Recommendation	Develop a digital service catalogue and marketing strategy to educate customers.
2	Observation	The web-to-print system has limited functionality, impacting both customer and operator user experiences.
	Recommendation	Identify a web-to-print system that meets customer and operator needs to support efficient and effective print shop operations.
3	Observation	Customers do not have sufficient guidance on print shop requirements for common requests.
	Recommendation	Develop design policies that include specifications and templates.
4	Observation	The Print Shop does not regularly seek customer feedback to improve operations.



OBSERVATIONS AND RECOMMENDATIONS	
	<p>Recommendation Conduct regular customer satisfaction surveys and develop plans to proactively address customer feedback.</p>
OPERATIONS	
5	<p>Observation The Print Shop conducts limited short- and long-term planning and lacks an external performance reporting framework.</p>
	<p>Recommendation</p> <p>A. Develop a multi-year operating plan to define the Print Shop's service philosophy, priorities, upcoming projects, and performance measures.</p> <p>B. Develop a performance reporting framework that includes output and outcome-based measures to educate city management and customers on progress toward goals.</p>
6	<p>Observation Print Shop operational consistency and quality is dependent on long-term employees.</p>
	<p>Recommendation Continue cross-training with mailroom employees and develop policies and procedures to capture employee knowledge.</p>
7	<p>Observation The Print Shop has relocated twice in the past ten years, at a high price. A future move is anticipated in approximately two years.</p>
	<p>Recommendation Evaluate the cost of potential future moves, taking space and functional requirements into account.</p>
8	<p>Observation Although city departments are required to obtain Print Shop approval before outsourcing print jobs, there is no existing process to control or monitor vendor utilization.</p>
	<p>Recommendation Develop master service agreements with preferred print vendors and facilitate outsourced jobs on behalf of departments.</p>
9	<p>Observation Based on a comparison of fully burdened costs to several local vendors, Print Shop services are currently 2% more expensive than the private sector. In addition, the Print Shop must move within two years, and services would be 27% more expensive than the private sector if the Print Shop will need to pay rent.</p>
	<p>Recommendation</p> <p>A) Issue an RFQ to determine whether market pricing will result in net savings to the City and terms will satisfy the City's sustainability and quality requirements.</p> <p>B) Based on vendor quotes and potential costs associated with moving and rent, determine whether to continue, decommission, or downsize the Print shop to coincide with the City's Corporation Yard renovations.</p>



II. BACKGROUND, SCOPE, AND METHODOLOGY

A. Background

The City operates an in-house Print Shop located in the Support Services Division within the Office of the City Clerk. In fiscal year 2017–2018, the Support Services budget was \$1 million and five FTEs, 2.75 of which are dedicated to providing reprographic services. The Print Shop performs a variety of services including printing, copying, binding, stuffing envelopes, proofing, and others. Most jobs are completed within 24–48 hours of customer requests.

In 2008, the City Manager passed an Administrative Instruction (AI) II-4-5, which instituted sustainability and utilization standards for the City’s printing services. This policy requires the City to use recycled paper, non-toxic supplies, and energy-saving equipment. These requirements result in higher costs for the Print Shop, which are then passed along to customers. Additionally, it requires all requests for printing services to be submitted to the Print Shop, which determines if the job must be completed by an outside vendor.

B. Scope and Methodology

The objective of this study is to determine opportunities for improvement in Print Shop operations. This assessment was conducted between September 2018 and January 2019 and consisted of four phases: 1) startup/management, 2) fact finding, 3) analysis, and 4) reporting. During the fact finding phase, we interviewed Support Services staff, reviewed key documents, conducted a customer satisfaction survey (Appendix A), surveyed peer print shops for benchmarking purposes (Appendix B), and assessed prices of local vendors for comparable services (Appendix C). Additional analysis of potential future costs was conducted in June and July 2019. Following analysis of this information, a draft report was reviewed with the City Clerk and Support Services supervisor to validate facts and confirm the practicality of recommendations.



III. COMMENDATIONS

Based on the insights gathered through interviews and surveys, it is evident that the Print Shop has many commendable attributes. Some examples are provided below.

Customer Service

The Print Shop’s customer service survey reported high levels of customer satisfaction. The table below summarizes the responses of 110 survey participants.

	Extremely satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Extremely dissatisfied
Overall satisfaction	64%	28%	5%	2%	1%
Customer Service	73%	16%	7%	4%	0%
Quality	78%	15%	5%	2%	0%
Variety of services	58%	28%	12%	2%	0%
Price	51%	19%	23%	6%	1%
Timeliness	76%	17%	3%	4%	0%

In addition to these responses, 75% of customers reported that they would be extremely likely to continue using the Print Shop even if they had the option to use a different service provider in the future. Customer comments noted that staff are friendly, helpful, knowledgeable, and willing to go above and beyond to ensure jobs print properly.

Culture

The Support Services division is comprised of a small group of staff that largely operate as a team. Overall, the team culture was described as collaborative, friendly, open, and service-oriented.

Print Service Industry Experience

The Print Shop staff have extensive experience with printing and finishing services and are actively involved in seeking additional opportunities to serve city departments through service innovations.

We would like to thank Print Shop staff and leadership for their participation in this study.



IV. OBSERVATIONS AND RECOMMENDATIONS

Based on the input gathered from interviews, document review, and surveys as well as comparisons to best practices, we prepared observations and recommendations related to customer service and operational improvements. The observations and recommendations for each are detailed below.

A. CUSTOMER SERVICE

Service Catalogue

1.	Observation	Approximately half of city customers lack familiarity with the full suite of Print Shop products and services.
	Recommendation	Develop a digital service catalogue and marketing strategy to educate customers.

The Print Shop advertises its array of services by word of mouth, referring customers to the web-to-print system, producing a printed booklet, and sometimes attending new employee orientation. Despite these strategies, customers reported that they were unaware of the full suite of services offered by the print shop. In an online survey, approximately half (49%) of respondents did not know the print shop offered all of the products and services presented. Additionally, 25% of respondents who had not used the print shop in the last year reported that a contributing factor to their lack of utilization was unawareness of its products and services. These responses suggest that there are opportunities to better define and market print shop services to customers.

Other municipal print shops also noted challenges in marketing service offerings. Two of three peers indicated that peers used the City’s intranet to market their services. Other marketing options included printed brochures, the City’s externally facing website, and verbal announcements.

The Print Shop should develop a marketing strategy and digital service catalogue to promote customer familiarity with its products and services, associated costs, and turnaround times. Ideally, a service catalogue includes:

- A description of the services provided
- Service pricing
- Expected timing of response to requests
- Possible limitations of service delivery, such as prior notice for high-volume jobs
- Circumstances that may require service completion by a vendor
- Procedures to follow for rush jobs
- Procedures for reporting problems
- How performance is monitored and reported
- Consequences for not meeting service obligations



A service inventory is a helpful tool in educating customers about Print Shop capabilities. Ideally, this inventory would be accompanied by ordering guidance and be available on the City’s intranet. Links to the Shop’s web-to-print system should also be included for customer convenience. Availability of this information is particularly important as customers seek more self-service options to address their needs.

In addition to the service inventory, the Print Shop should also embark on a marketing strategy to inform city customers about its products and services. This strategy may include email blasts with links to the service inventory, meetings with staff assistants, opportunities to tour the print shop, and others. The goal of marketing is to ensure customers know where to locate information on print shop services and the process for completing printing and finishing jobs.

Web-to-Print System

2.	Observation	The web-to-print system has limited functionality, impacting both customer and operator user experiences.
	Recommendation	Identify a web-to-print system that meets customer and operator needs to support efficient and effective print shop operations.

The Print Shop’s current web-to-print system, Marcom, is outdated and has limited functionality that negatively impacts both customer and operator experiences. In the online survey, most customers (72%) characterized the web-to-print software as somewhat easy to use, although approximately 13% reported it as somewhat difficult. In written comments, several customers noted that the system is not user friendly, can be confusing, and is not consistent. The system lacks several key functions that would promote optimal customer service, such as the ability for customers to see who has been assigned the job and what stage it is in. Customers also cannot retrieve past orders in the system, which would assist with recurring jobs. On the operator side, the system does not have the ability to assign certain staff to a job, which could result in duplicate work. To address these concerns, Print Shop employees began exploring the possibility of utilizing a new system. In an attempt to use resources cost-effectively, the current Marcom system has not been upgraded while this analysis took place.

To ensure the web-to-print system appropriately addresses customer and operator needs, the Print Shop should identify system requirements and move forward in implementing a new system. Because system requirements should also incorporate customer desires, the Print Shop should conduct a survey of its customers to identify features that would address their needs. Examples of potential customer-oriented features include:

- Approval ease
- Cost estimates
- Digital proofing sign-offs
- Priority assignments
- Ordering ease, including intuitive processes and the ability to store templates
- Ability to track the stage of a job



- Ability to retrieve past orders

Additionally, the Print Shop should identify department management and operator needs that would improve efficiency, effectiveness, and reporting. In order to ensure the system meets users' needs, the Print Shop may consider surveying its more frequent users to gain an understanding of features that they would find useful. Examples of potential features include:

- Ability to assign staff to a job
- Time tracking per job
- Inventory incorporation
- Reporting on meaningful management information such as job type, staff time utilization, turnaround times, etc.

Implementing a system with these desired qualities could result in significant efficiency gains for both this department and other city departments.

Design Policies

3.	Observation	Customers do not have sufficient guidance on print shop requirements for common requests.
	Recommendation	Develop design policies that include specifications and templates.

The Print Shop does not produce guidelines or templates that customers can use to ensure jobs meet city requirements and would print as desired. Some templates and guidelines are available in the web-to-print system, but department employees typically develop content outside the system and therefore are unaware of these guidelines. For example, Print Shop staff report that users often forget to include a return address or city logo on postcards. Additionally, some graphics are not formatted properly to ensure they print correctly and consistently on the Print Shop's equipment. When orders are submitted with the incorrect content, formatting, or file type, it requires additional staff time for both the Print Shop and the customer department. Rather than handling these cases reactively, the Print Shop should develop user-friendly guidelines that specify requirements to help reduce the frequency of reworks.

The Print Shop should develop and publish design policies that provide guidance to customers on the requirements for common job types. At a minimum, policies should include:

- Content requirements: city logo, return address, contact information, etc.
- Formatting requirements: address locations, white space, margins, bleed
- File type requirements: specify what file types should be submitted for different types of jobs, including resolution and color

In addition to these policies, the print shop should consider developing templates for common jobs such as mailings, brochures, and internal booklets. These policies and templates should be included with the service inventory and incorporated with the web-to-print system. By providing the content up front, customers are more likely to leverage pre-made templates and adhere to city standards.



Customer Feedback

4.	Observation	The Print Shop does not regularly seek customer feedback to improve operations.
	Recommendation	Conduct regular customer satisfaction surveys and develop plans to proactively address customer feedback.

The Print Shop currently lacks a process to actively solicit customer feedback. Although customer satisfaction is highly rated, the online survey conducted as a component of this study identified additional opportunities for improvement, such as advertising Print Shop products and services and web-to-print system deficiencies. By soliciting customer feedback on a regular basis, such as annually or biennially, the Print Shop is able to identify potential issues and proactively address customer needs.

Regular customer feedback is an important contributor to ongoing service improvement and customer satisfaction. The Print Shop should develop a customer feedback survey that provides customers the opportunity to note what works for them, what could be improved, and if there are additional services they would like to see offered. Following the survey, the Print Shop should develop an improvement plan that outlines how it plans to address opportunities for improvement and additional service offering suggestions. Both the survey results and improvement plan should be published on the Print Shop website so they are accessible to customers. Effectively communicating results provides the Print Shop with an opportunity to demonstrate progress in serving customers and how it will address feedback. Transparency in the process further improves customer service because customers understand that their concerns are being heard and addressed.

B. OPERATIONS

Planning and Performance Reporting

5.	Observation	The Print Shop conducts limited short- and long-term planning and lacks an external performance reporting framework.
	Recommendation	<p>A. Develop a multi-year operating plan to define the Print Shop's service philosophy, priorities, upcoming projects, and performance measures.</p> <p>B. Develop a performance reporting framework that includes output and outcome-based measures to educate city management and customers on progress toward goals.</p>

Current Print Shop planning incorporates budget preparation and performance measure analysis. Measures such as the number of jobs, equipment functionality, and overall costs are noted during the budget process, but are not widely distributed to other city employees and customers. Additional short- and long-term planning is also not performed on a regular basis or communicated throughout the City.



The Print Shop should develop a multi-year operating plan to define its priorities; drive budgets, including equipment and system upgrades; and guide employee decision-making. The plan should align with the City’s strategic plan and include clear goals, objectives, output and outcome-based performance measures, and significant upcoming projects, such as implementation of a new web-to-print system. The plan should define the print shop’s service philosophy and serve as a communications tool for city management and customers.

Additionally, the Print Shop should develop a performance reporting framework, including targets, that is updated on an annual basis. Performance measures should be included in the operational plan and incorporate both output and outcome-based data, such as:

- Number of work orders completed
- Average turnaround time
- Achievement of targeted turnaround times as defined in the service inventory
- Price comparisons to vendors
- Customer satisfaction

This performance reporting framework should be available on the City’s intranet to educate city management and customers on the Print Shop’s workload, accomplishments, progress towards goals, and show the benefits of its products and services.

Operational Continuity

6.	Observation	Print Shop operational consistency and quality is dependent on long-term employees.
	Recommendation	Continue cross-training with mailroom employees and develop policies and procedures to capture employee knowledge.

The Print Shop is operated by a small team of one supervisor and two reprographic specialists. The two reprographic specialists have been in their positions for 15–20 years and are highly knowledgeable about print services. However, one reprographic specialist is presently retirement eligible and the other will be eligible to retire in five years. The team’s culture is positive, engaging, and collaborative, although these dynamics are at risk because of potential future retirements.

Print Shop services are somewhat technical and require a good understanding of different machines, systems, graphics, file formats, and materials. Because employees have been stable in these positions for a number of years, the Print Shop historically has not relied on documented policies and procedures to conduct its work consistently. However, given the risk of staff retirements in the coming years, the Division should embark on a policy and procedure development process to capture existing employees’ knowledge. Examples of policies and procedures that may be useful include:

- Customer service philosophy and standards
- Specific job guidance, such as proofing and technical knowledge
- Identifying the potential need for an external vendor



Once policies and procedures are created, they should be available in a centralized location, such as an intranet, for employees to easily reference. Well-documented and consistently applied procedures help smooth employee transitions and improve the Print Shop’s ability to serve customers. When procedures involve customers, the Print Shop should require initial and refresher training of super-users within each department to ensure updated processes proceed efficiently and effectively.

Additionally, to support operational continuity, the Print Shop recently began cross-training its mail employees on print services. Cross-training is a best practice and helps to provide intradepartmental support when an employee is unable to complete their assigned tasks because they are out of the office or focused on specific project work. Without cross-training or backup staffing, it is challenging to deliver a consistent level of service throughout the year. Therefore, the Division should continue its cross-training efforts.

Physical Location

7.	Observation	The Print Shop has relocated twice in the past ten years, at a high price. A future move is anticipated in approximately two years.
	Recommendation	Evaluate the cost of potential future moves, taking space and functional requirements into account.

The Print Shop’s equipment requires a large workspace with specific functional requirements, which often requires higher relocation costs. For example, in 2008 the Support Services Division relocated from 612 Colorado Street to 1660 Lincoln Boulevard, which cost approximately \$25,000 in moving costs and \$75,000 in construction costs. Additionally, in 2015 the Support Services Division relocated to a warehouse at the City Yard which required a total of around \$183,000, including \$25,000 in moving costs and \$158,000 in construction costs.

Given upcoming construction and remodeling of city buildings and subsequent relocations, the City should evaluate the costs of future Support Services Division using information on required space and functional requirements. Current physical location requirements include:

- Square footage required to accommodate machine and work spaces
- Access to high-speed internet connections
- Accessible parking and delivery platforms
- Electrical bandwidth, including seven pieces of equipment requiring 240V and one piece of equipment that requires a transformer

The Support Services Division’s physical space requirements should also integrate with its multi-year operational plan (Recommendation #5), in the event that services offerings change over time.



Vendor Utilization

8.	Observation	Although city departments are required to obtain Print Shop approval before outsourcing print jobs, there is no existing process to control or monitor vendor utilization.
	Recommendation	Develop master service agreements with preferred print vendors and facilitate outsourced jobs on behalf of departments.

According to AI II-4-5, city departments are required to submit all printing requests to the Print Shop. However, in certain circumstances, the Print Shop may not be able to accommodate a specific job because of its volume, required turnaround time, or service offering limitations, such as not having the proper equipment to perform specialized jobs. In these cases, the Print Shop determines that the job must be completed by an outside vendor that meets the City’s sustainability requirements. Despite this City policy, the Print Shop currently lacks a process to control and monitor department utilization of printing vendors. Additionally, the mail room sometimes receives returned mail for jobs that were completed by an external party, suggesting that some departments circumvent these requirements.

In order to ensure compliance with the City’s administrative instruction, the Print Shop should develop a process to control and monitor the vending process for print services. The Print Shop should develop master agreements with vendors based on competitive costs, service offerings, ability to meet deadlines, quality, and the City’s sustainability requirements. Using this list, the Print Shop can determine which vendor would be the most cost-effective to use for a job that cannot be completed in-house and facilitate completion of the job on behalf of city departments. Throughout this process, the Print Shop should serve as a conduit to ensure the quality and timeliness of vendor services. If service falls below acceptable levels, the Print Shop should remove the vendor from the preferred list to ensure the greatest benefit to city departments.

By managing the master agreements and vendors, the Print Shop would be providing comprehensive printing services to city departments. To be successful, the Print Shop requires commensurate authority from city management to hold departments accountable for adhering to this process.

C. COST-EFFECTIVENESS ANALYSIS

9.	Observation	Based on a comparison of fully burdened costs to several local vendors, Print Shop services are currently 2% more expensive than the private sector. In addition, the Print Shop must move within two years, and services would be 27% more expensive than the private sector if the Print Shop will need to pay rent.
	Recommendations	<p>A) Issue an RFQ to determine whether market pricing will result in net savings to the City and terms will satisfy the City’s sustainability and quality requirements.</p> <p>B) Based on vendor quotes and potential costs associated with moving and rent, determine whether to continue, decommission, or downsize</p>



the Print shop to coincide with the City’s Corporation Yard renovations.

Staff report that some departments believe the Print Shop is not cost-effective in comparison to outside vendors. To analyze this claim, we compared a sample of Print Shop service costs and turnaround times to quotes from several local vendors. For our comparison, we selected three Santa Monica-based print vendors. In addition to location, we narrowed our selection to only include:

- Vendors who were able to deliver all desired services
- Vendors who could comply with the City’s sustainability guidelines, including using vegetable-based printing inks and printing on paper containing the appropriate percentage of post-consumer recycled content (100% for standard paper, 15% for glossy paper, and 30% for other types of paper)
- Vendors who offered local delivery at no additional cost
- Vendors who offered digital proofs at no additional cost

It is important to note that this comparison only includes a small sample size, and the prices shown for commercial vendors reflect retail costs. If the City contracted out all of its work, it could likely negotiate lower prices than those shown. Additionally, it does not include high-volume jobs like those that would be contracted out under Recommendation 8. The City’s Print Shop prices incorporate the cost of equipment and supplies, but do not include staffing costs that were equal to \$269,711 in FY 2018-19. To determine fully burdened job costs, we calculated an hourly rate per position, including overtime and benefits, based on Fiscal Year 17-18 salary and benefit data. Full vendor cost data is presented in Appendix C. The cost comparison tool has been provided to the City to assist in scenario analysis.

Cost Comparison: Current Model

The cost comparison below assumes the following:

- Supervisor time is allocated equally between jobs
- Per-job Specialist time was estimated by the Support Services Supervisor
- Under this model, the Print Shop would operate as an internal service fund, with each department charged per-job and no costs separately allocated to departments
- The Print Shop is located at City Yards and does not pay rent

JOB	FULLY BURDENED CITY COST (ESTIMATED)	VENDOR AVERAGE COST	VARIANCE	PERCENT VARIANCE
500 Business Cards	\$100.04	\$ 65.00	\$35.04	35%
500 Letterhead	\$113.59	\$ 182.00	\$(68.41)	-60%
1,000 4x6 Postcards	\$198.18	\$ 275.00	\$(76.82)	-39%
1,000 Envelopes	\$171.82	\$ 304.67	\$(132.85)	-77%



JOB	FULLY BURDENED CITY COST (ESTIMATED)	VENDOR AVERAGE COST	VARIANCE	PERCENT VARIANCE
1,000 8.5x11 Flyers	\$278.18	\$ 232.00	\$46.18	17%
1,000 8.5x11 Brochures	\$365.46	\$ 263.67	\$101.79	28%
2,000 Sheet & Envelope in #10 Envelope	\$400.02	\$ 541.33	\$(141.31)	-35%
24x36 Poster	\$102.18	\$ 46.33	\$55.85	55%
24x36 Poster Laminated & Foam Mount	\$127.82	\$ 79.33	\$48.49	38%
48x120 Banner	\$342.52	\$ 169.67	\$172.85	50%

Under the current model, the selected print services cost an average of 2% more than vendor quoted costs, although individual job costs vary significantly. The City's costs were less than external vendors for four of the ten jobs compared. In addition, it is likely that the City could negotiate lower rates with vendors based on volume discounts. During peer benchmarking, no other city surveyed had a policy to use their print services exclusively, and each city used outside vendors for some services. A majority of peer cities outsource the following services:

- Bates numbering
- Business cards
- Coil binding
- Die cutting
- Envelopes
- Letterhead
- Mounting
- Perfect binding
- Perforating
- Posters, banners, boards
- Scoring

Full benchmarking information is presented in Appendix B.

It may be cost effective to contract with vendors to perform some of the services that are significantly less costly, and downsize the Print Shop accordingly. The City should inventory all Print Shop services and issue an RFQ to determine vendor costs. Entering into agreements with one or more vendors for backup or selected work could be more cost effective, and will allow for better control and monitoring of department utilization of printing vendors, as noted in Observation 8.

Cost Comparison: Future Considerations

As noted previously, the Print Shop, does not have space allocated in the City Services Building or the renovated City Yards. As of July 2019, a City-owned location that meets the Print Shop's space



JOB	FULLY BURDENED CITY COST (ESTIMATED)	VENDOR AVERAGE COST	VARIANCE	PERCENT VARIANCE
500 Business Cards	\$175.32	\$ 65.00	\$110.32	63%
500 Letterhead	\$188.87	\$ 182.00	\$6.87	4%
1,000 4x6 Postcards	\$273.46	\$ 275.00	\$(1.54)	-1%
1,000 Envelopes	\$247.10	\$ 304.67	\$(57.57)	-23%
1,000 8.5x11 Flyers	\$353.46	\$ 232.00	\$121.46	34%
1,000 8.5x11 Brochures	\$440.74	\$ 263.67	\$177.07	40%
2,000 Sheet & Envelope in #10 Envelope	\$475.30	\$ 541.33	\$(66.03)	-14%
24x36 Poster	\$177.46	\$ 46.33	\$131.13	74%
24x36 Poster Laminated & Foam Mount	\$203.10	\$ 79.33	\$123.77	61%
48x120 Banner	\$417.80	\$ 169.67	\$248.13	59%

Under this model, the selected print services would cost an average of 27% more than vendor quoted costs. The City's costs were less than external vendors for three of the ten jobs compared. As noted above, it is likely that the City could negotiate lower rates with vendors based on volume discounts.

Once vendor responses to the RFQ are received, the City should gather relevant information on moving costs, potential rent costs, and vendor costs. This will enable the City to assess the ongoing cost effectiveness of operating the Print Shop, and determine whether to continue, decommission, or downsize the Print Shop.

Additional Considerations

Beyond the price comparison, there are additional policy and process considerations that would impact any decision to retain or outsource the Print Shop.

- **Hours:** While specific hours vary by vendor, most vendors are open Monday through Friday between 8:00am–6:00pm. This schedule does not align with the City's operating hours of 7:30am–5:30pm. As such, the City should ensure provisions are included in any contract for last minute rush jobs.
- **Proofing:** All analyzed vendors offer digital proofs for review at no additional cost. However, more specific proofing processes are often required (like printed proofs or multiple rounds of proofing) it is unclear how vendors would handle such requests. Currently, the Print Shop staff are easily able to accommodate these kinds of requests.



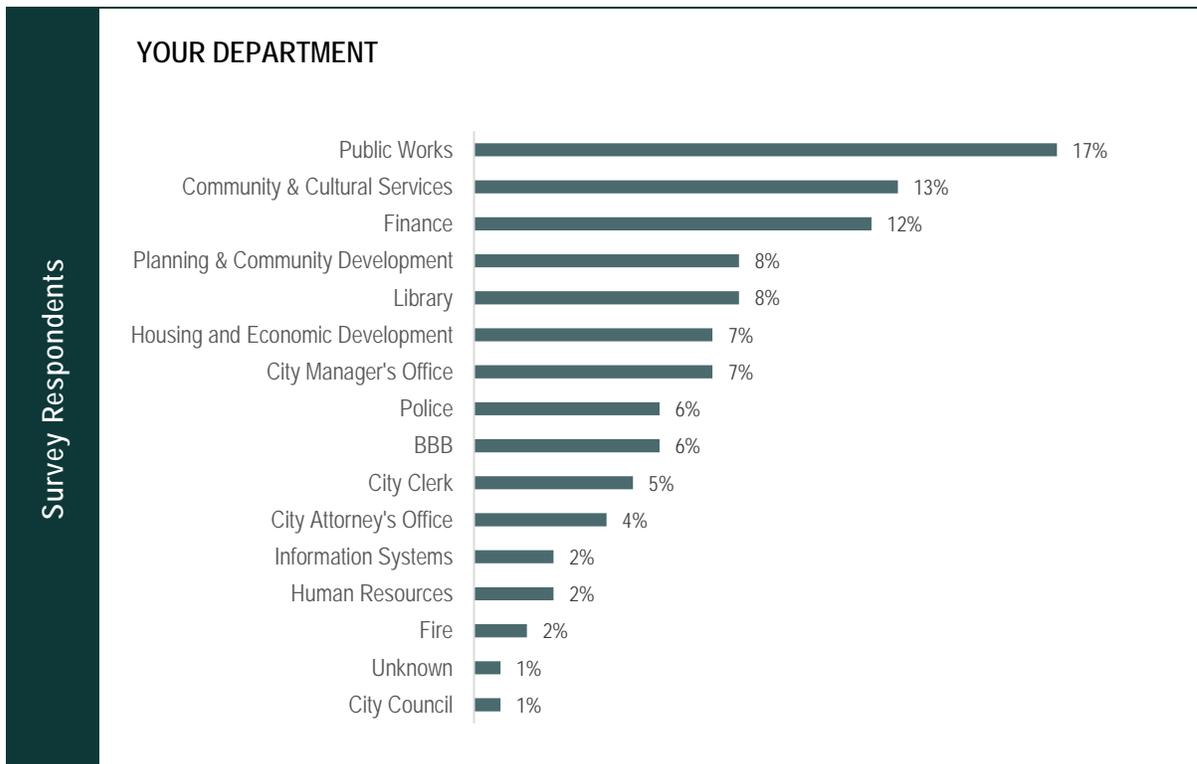
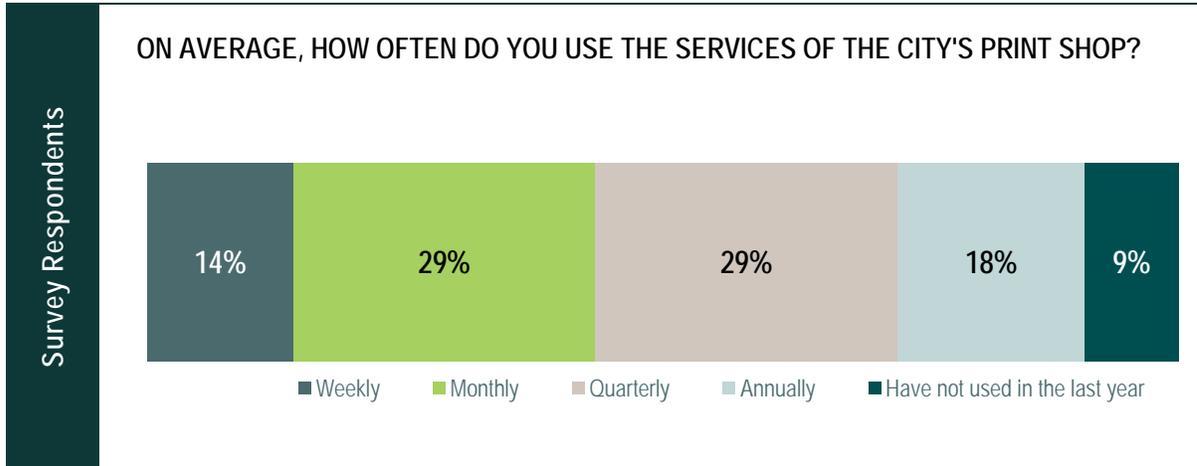
- **Quality Control:** The Print Shop provides a level of quality assurance by reviewing all materials before printing. This is a critical role to ensure that all City materials are correct, appropriate for the City's brand, and free from error. If outsourced, external vendors would not offer this service as part of standard printing.
- **Digital Trends:** Like other organizations, the City is adapting to technological change. An administrative instruction issued in December 2018 notes, "The City intends to make as many processes as possible available electronically and reduce the amount of paper records and forms that are printed and stored."³ Over time, the demands on the Print Shop, both in volumes and types of jobs, will change as digital records increase. The City should monitor utilization and ensure the Print Shop is being used cost effectively.
- **One-Time Costs:** In approximately two years, the Print Shop will move, requiring some moving and construction costs. As noted previously, these one-time costs were \$183,000 in 2015, and likely to be higher in 2020 or later.

³ Administrative Instruction No. II-4-18, Digital Signatures, Electronic Approvals and City Manager Signature Delegation



APPENDIX A: CUSTOMER SERVICE SURVEY RESULTS

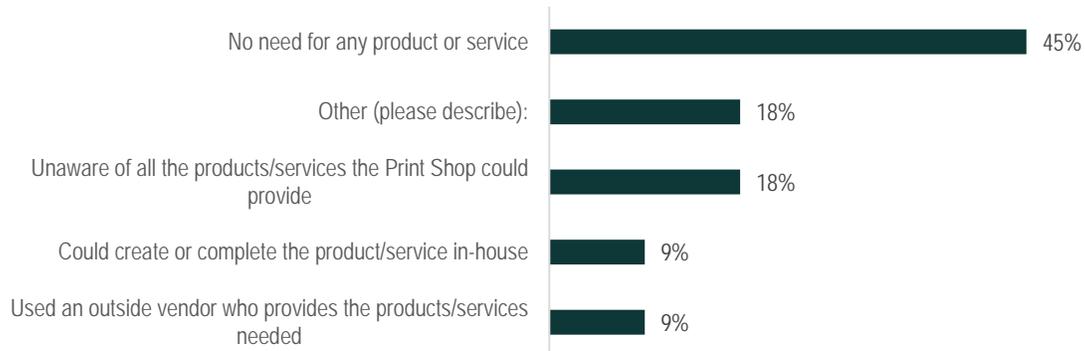
RESPONDENT PROFILE



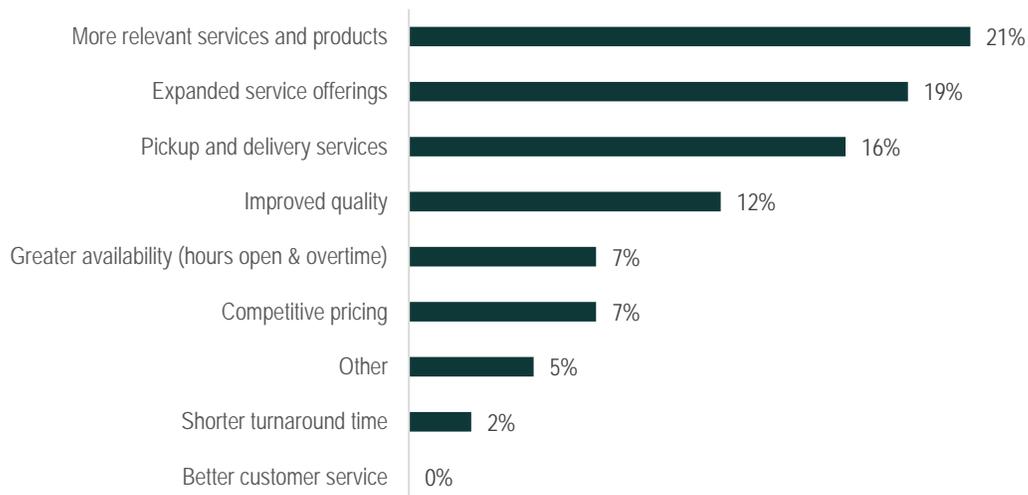


CUSTOMERS WHO HAVE **NOT** USED IN PAST YEAR

WHY HAVEN'T YOU USED THE CITY'S PRINT SHOP IN THE PAST YEAR?



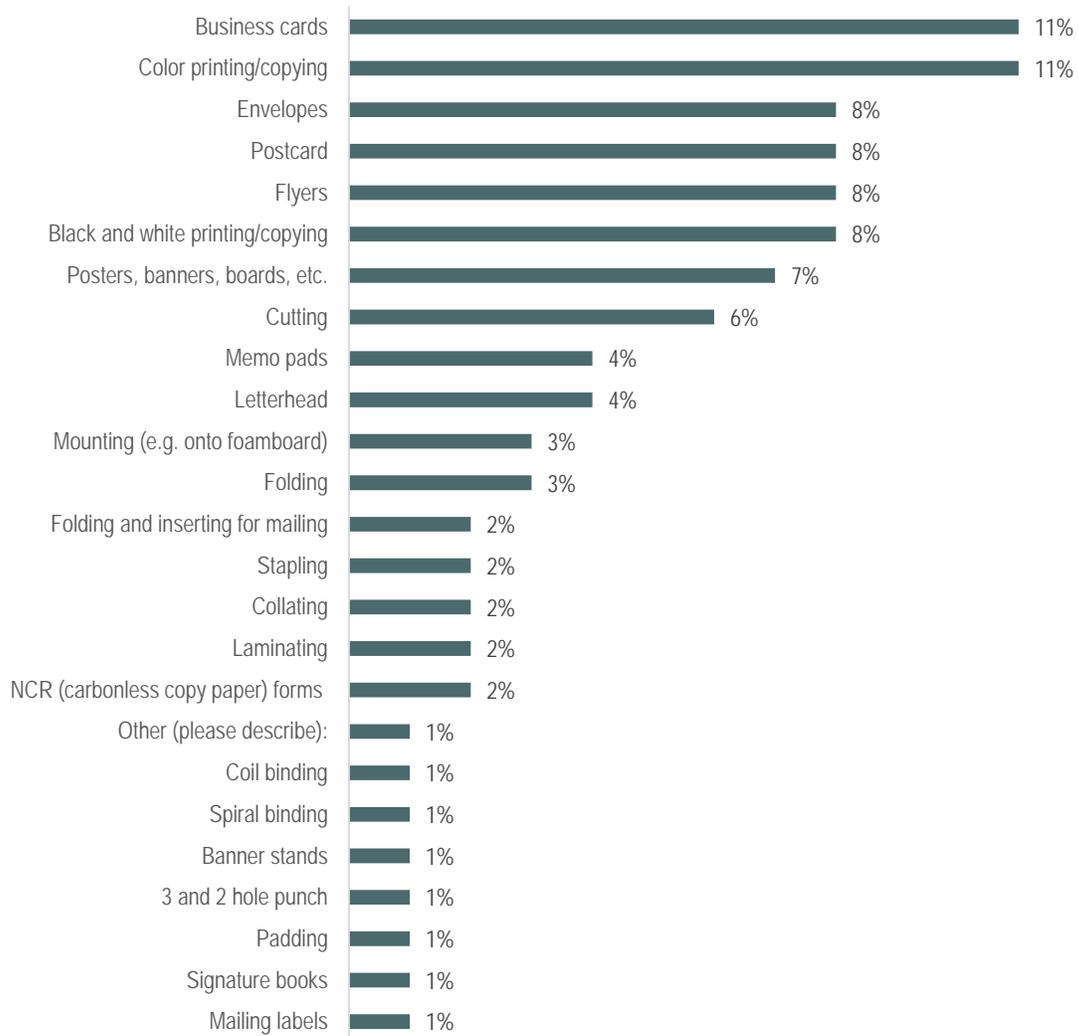
WHAT ARE THE TOP THREE FACTORS THAT WOULD INFLUENCE YOU TO USE THE PRINT SHOP IN THE FUTURE?





CUSTOMERS WHO HAVE USED IN PAST YEAR

WHAT ARE SOME OF THE PRODUCTS AND SERVICES OF THE PRINT SHOP THAT YOU HAVE USED IN THE PAST YEAR?

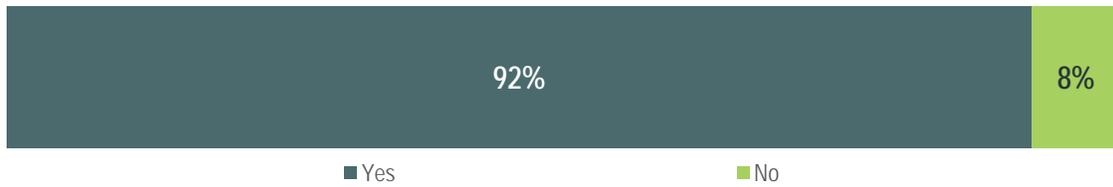


DID YOU KNOW THE PRINT SHOP OFFERED ALL THESE PRODUCTS/SERVICES?





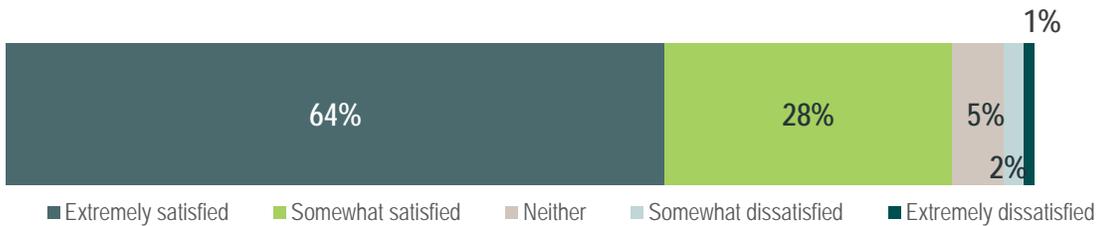
HAVE YOU EVER USED THE WEB TO PRINT SERVICE?



HOW WAS YOUR EXPERIENCE USING WEB TO PRINT?



OVERALL, HOW SATISFIED OR DISSATISFIED ARE YOU WITH THE PRINT SHOP?

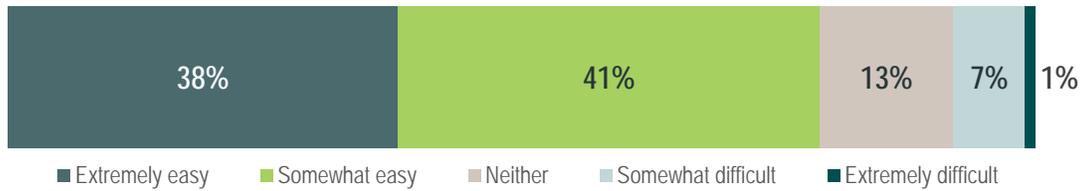


HOW SATISFIED OR DISSATISFIED ARE YOU WITH THE CUSTOMER SERVICE OF THE CITY'S PRINT SHOP?

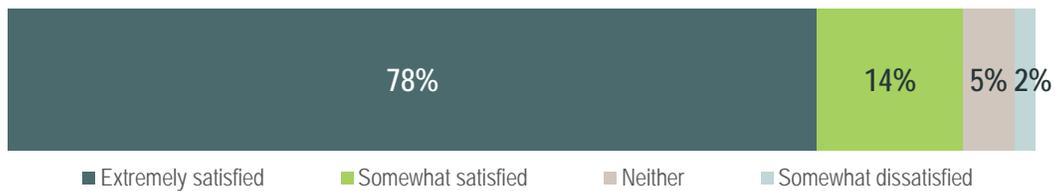




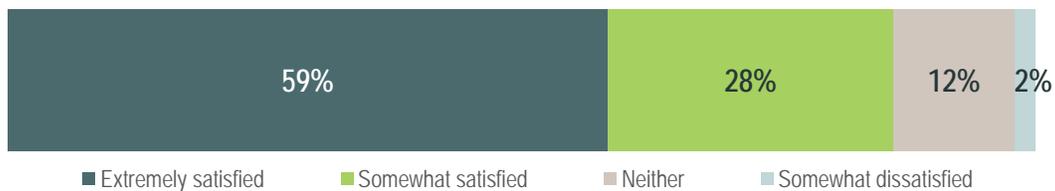
HOW WOULD YOU RATE THE EASE OR DIFFICULTY OF USING THE CITY'S PRINT SHOP?



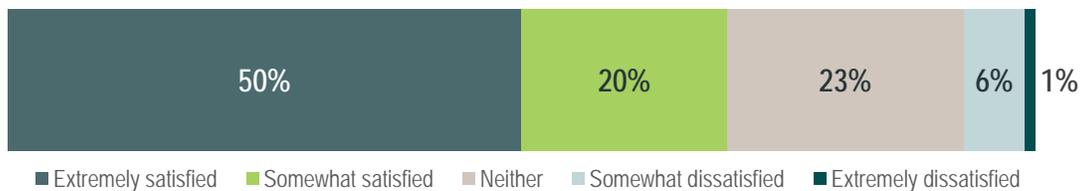
HOW SATISFIED ARE YOU WITH THE QUALITY OF THE PRINT SHOP'S PRODUCTS AND SERVICES?



HOW SATISFIED ARE YOU WITH THE VARIETY OF THE PRINT SHOP'S PRODUCTS AND SERVICES?



HOW SATISFIED ARE YOU WITH THE PRICE OF THE PRINT SHOP'S PRODUCTS AND SERVICES?

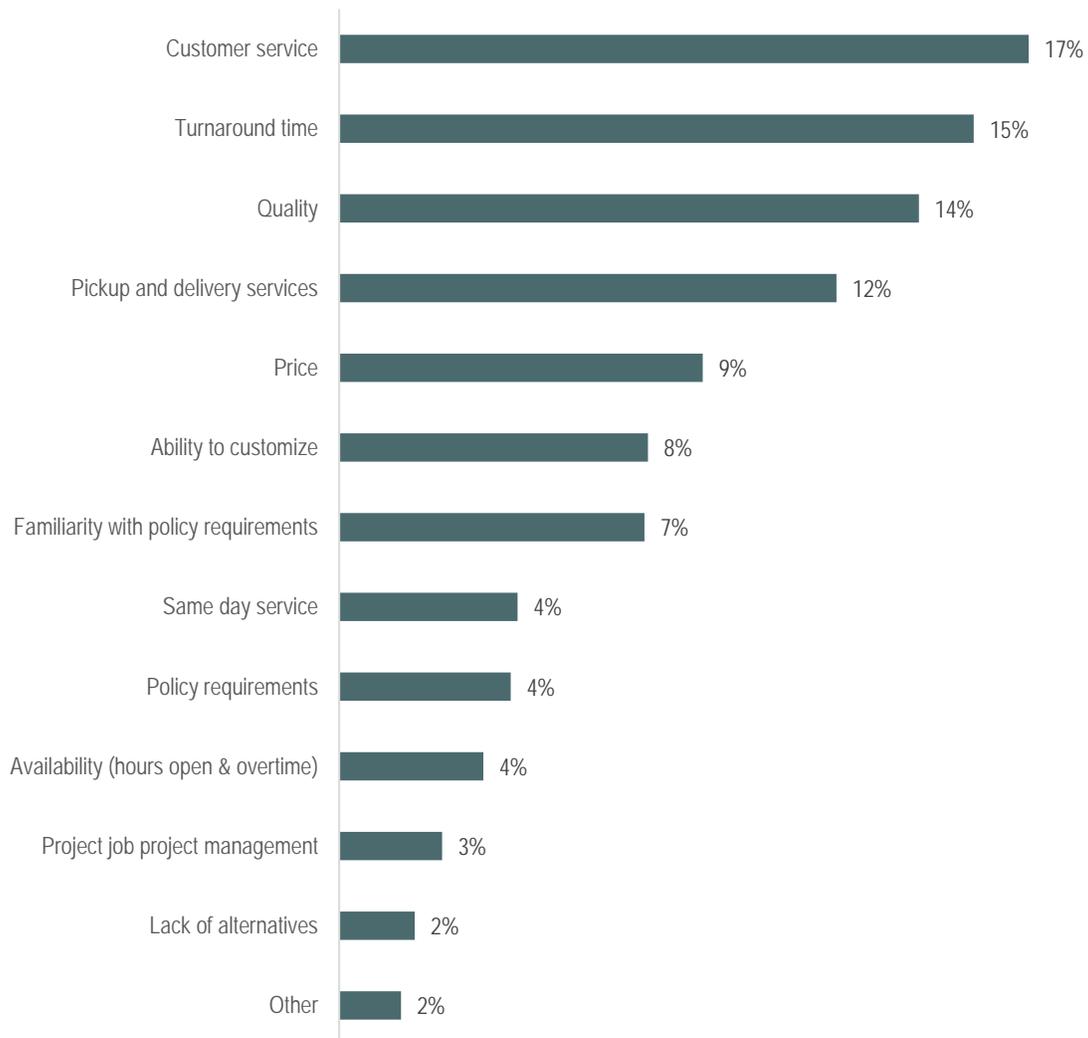




HOW SATISFIED ARE YOU WITH THE TURNAROUND TIME OF THE PRINT SHOP'S PRODUCTS AND SERVICES?



WHAT ARE THE TOP FACTORS THAT ARE MOST INFLUENTIAL IN YOUR DECISION TO USE THE PRINT SHOP?





BASED ON YOUR EXPERIENCE WITH THE PRINT SHOP, HOW LIKELY OR UNLIKELY ARE YOU TO CONTINUE USING THE PRINT SHOP'S IN THE FUTURE IF IT WAS OPTIONAL?





APPENDIX B: PEER BENCHMARKING SURVEY RESULTS

RESPONDENT PROFILES

	SANTA MONICA	BEVERLY HILLS	GLENDALE	SANTA ANA
Print Shop Division/Group	Print Shop	Graphics/Reprographics	Graphics	Central Services
Categories offered	Reprographics Mailing Services	Reprographics Mailing Services	Reprographics Mailing Services Graphic/Art Design	Reprographics Mailing Services
FTEs	5.0	7.77	3	3.15
Contractual Services Expenditures (18-19 Fiscal Year Budgets)	\$485,017	\$530,600	\$193,724	\$425,050
Is there a policy that requires all print jobs go through the Print Shop?	Yes	No	No	No
Hours of operations	M-Th. 7:30 – 5:30 F 8:00 – 5:00	--	M-Th. 7:30 – 5:30 F 8:00 – 5:00	M-Th. 7:30 – 5:30 F 8:00 – 5:00
What content of recycled paper do you use?	100%	30%	30%	None
Are printing services staff available to work overtime?	Yes	Yes	Yes	No
Do you offer pickup service?	Yes	Yes	No	Yes
Do you offer drop-off/delivery service?	Yes	Yes	No	Yes
Do you offer same-day turnaround?	Yes	Yes	Yes	Yes
Do you charge for rush services?	No	No	No	No
Do you offer online printing services? (e.g. submit print job via the web)	Yes	Yes	No	Yes



	SANTA MONICA	BEVERLY HILLS	GLENDALE	SANTA ANA
What system is used to processes online service requests?	Marcom	--	--	Laser Fiche
What kind of services are available online?	In-house printing services	--	--	In-house printing services only

PRINT SHOP SERVICES

	SANTA MONICA	BEVERLY HILLS	GLENDALE	SANTA ANA
Black/white printing/copying	In-House	In-House	In-House	In-House
Black/white printing/copying – turnaround	1-2 Days	2 days	1 day	1 day
Black/white printing/copying – standard fee	\$0.04	--	\$0.02 each	--
Black/white printing/copying – avg. annual volume	1,250,000	--	1,000,000	--
Color printing/copying	In-House	In-House	In-House	In-House
Color printing/copying – turnaround	1-2 Days	2 days	1 day	1 day
Color printing/copying – standard fee (\$)	\$0.07	--	.04 each	--
Color printing/copying – avg. annual volume	1,000,000	--	500,000	--
3 and 2 hole punch	In-House	In-House	In-House	In-House
3 and 2 hole punch – turnaround	1-2 Days	1 day	1 day	1 day
Banner stands	In-House	In-House	Outsourced	Don't Offer
Banner stands – turnaround	2-3 Days	4 days		--
Bates numbering	In-House	Outsourced	Outsourced	Don't Offer
Business cards	In-House	Outsourced	Outsourced	Outsourced



	SANTA MONICA	BEVERLY HILLS	GLENDALE	SANTA ANA
Coil binding	In-House	Outsourced	Outsourced	Outsourced
Collating	In-House	In-House	In-House	In-House
Collating – turnaround	1-2 Days	2 days	2 days	1 day
Custom tabs	In-House	In-House	In-House	In-House
Custom tabs – turnaround	1-2 Days	2 days	3 days	1 day
Cutting	In-House	In-House	In-House	In-House
Cutting – turnaround	1-2 Days	1 day	1 day	1 day
Die-cutting	In-House	Outsourced	Outsourced	Outsourced
Envelopes	In-House	In-House	Outsourced	Outsourced
Envelopes – turnaround	2-3 Days	7 days	--	--
Flyers	In-House	In-House	In-House	In-House
Flyers – turnaround	1-2 Days	1 day	2 days	1 day
Folding	In-House	In-House	In-House	In-House
Folding – turnaround	1-2 Days	1 day	1 day	1 day
Folding / inserting for mailing	In-House	In-House	In-House	In-House
Folding / inserting for mailing – turnaround	2 Days	2 days	2 days	1 day
Laminating	In-House	In-House	Outsourced	In-House
Laminating – turnaround	1-2 Days	3 days	--	1 day
Letterhead	In-House	In-House	Outsourced	Outsourced
Letterhead – turnaround	1-2 Days	1 day	--	--
Mailing labels	In-House	In-House	In-House	Outsourced
Mailing labels – turnaround	1-2 Days	2 days	2 days	
Memo pads	In-House	In-House	In-House	In-House



	SANTA MONICA	BEVERLY HILLS	GLENDALE	SANTA ANA
Memo pads – turnaround	2-3 days	5 days	3 days	1 day
Mounting	In-House	In-House	Outsourced	Outsourced
Mounting – turnaround	2-3 Days	3 days	--	--
NCR forms	In-House	In-House	In-House	In-House
NCR forms – turnaround	2-3 Days	5 days	2 days	1 day
Padding	In-House	In-House	In-House	In-House
Padding – turnaround	2-3 Days	3 days	3 days	1 day
Perfect Binding	In-House	Outsourced	Outsourced	Outsourced
Perforating	In-House	Outsourced	Outsourced	Outsourced
Postcard	In-House	In-House	In-House	In-House
Postcard – turnaround	2-3 Days	3 days	2 days	1 day
Posters, banners, boards	In-House	In-House	Outsourced	Outsourced
Posters, banners, boards – turnaround	2-3 Days	4 days	--	--
Scoring	In-House	Outsourced	Outsourced	Outsourced
Shrink wrapping	In-House	Don't Offer	In-House	In-House
Shrink wrapping – turnaround	1-2 Days	--	1 day	1 day
Signature books	In-House	Don't Offer	In-House	In-House
Signature books – turnaround	1-2 Days	--	2 days	1 day
Spiral binding	In-House	In-House	Outsourced	In-House
Spiral binding – turnaround	1-2 Days	3 days		1 day
Stapling	In-House	In-House	In-House	In-House
Stapling – turnaround	1-2 Days	1 day	1 day	1 day
Velo binding	In-House	Don't Offer	In-House	In-House



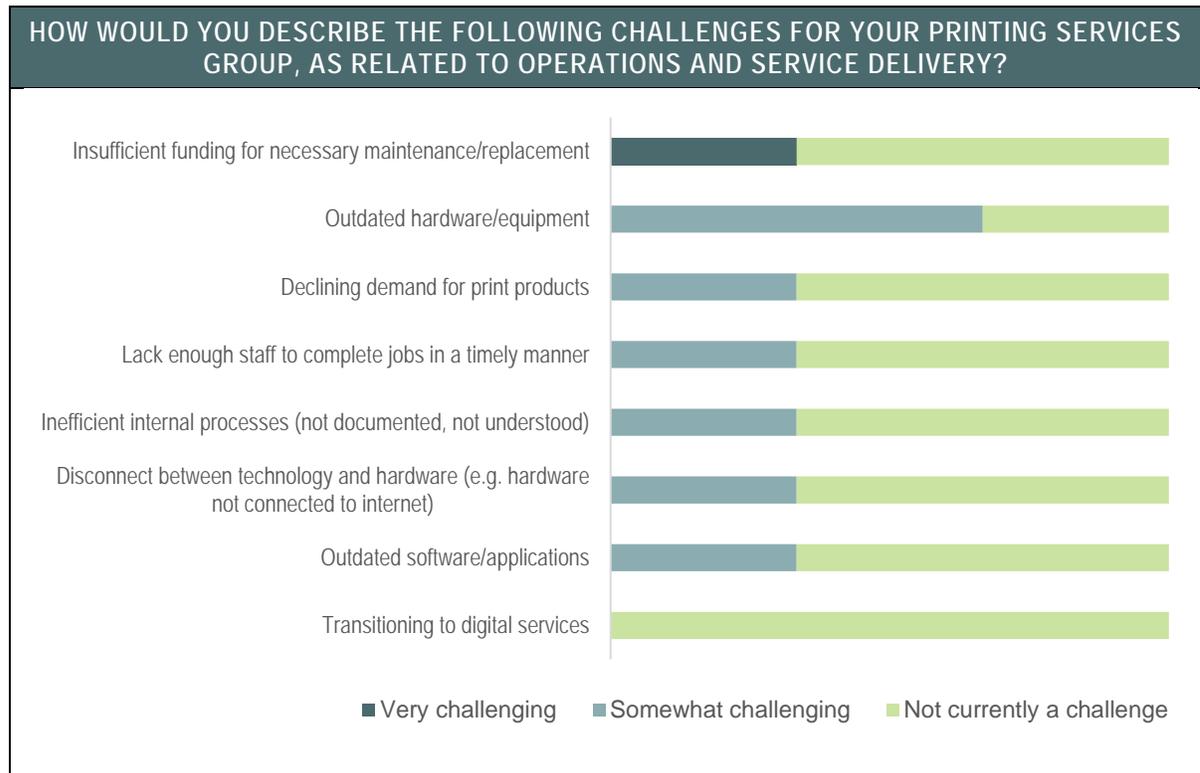
	SANTA MONICA	BEVERLY HILLS	GLENDALE	SANTA ANA
Velo binding – turnaround	1-2 Days	--	2 days	1 day

MARKETING EFFORTS

	SANTA MONICA	BEVERLY HILLS	GLENDALE	SANTA ANA
Emails to city employees	No	No	No	No
Internal intranet (internal)	Yes	Yes	Yes	No
Printed brochures	Yes	No	Yes	No
City website (external)	Yes	Yes	No	No
Verbal announcements (e.g. at meetings)	No	No	Yes	No
Electronic newsletter	No	No	No	No
Printed newsletter	No	No	No	No
None – not marketed		--	--	None - not marketed



CHALLENGES





APPENDIX C: COST-EFFECTIVENESS ANALYSIS

SAMPLE VENDOR COSTS

	VENDOR A	VENDOR B	VENDOR C	VENDOR AVERAGE
500 Business Cards, color one-sided	\$59.00	\$68.00	\$68.00	\$65.00
500 Letterhead with city logo printed in color and personalized to specific department	\$185.00	\$145.00	\$216.00	\$182.00
1,000 4"x6" Post Cards, full bleed, mail merge	\$345.00	\$195.00	\$285.00	\$275.00
1,000 Envelopes with city logo, return address, mail merge	\$389.00	\$245.00	\$280.00	\$304.67
1,000 Flyers 8.5"x11" 28lb paper, double-sided full bleed	\$249.00	\$225.00	\$222.00	\$232.00
1,000 Brochures 8.5"x11" 100lb gloss text, full bleed, trifold	\$295.00	\$245.00	\$251.00	\$263.67
2,000 Single Sheet and #9 return envelope, folded, inserted, and sealed into number #10 envelope	\$685.00	\$145.00	\$794.00	\$541.33
24"x36" Poster printed on photo gloss paper	\$26.00	\$65.00	\$48.00	\$46.33
24"x36" Poster printed on photo gloss paper, mounted onto 3/16" foam board, laminated	\$65.00	\$95.00	\$78.00	\$79.33
48"x120" Banner, with hemmed edges all around and grommets	\$149.00	\$120.00	\$240.00	\$169.67



SAMPLE VENDOR TURNAROUND TIMES (DAYS)

	VENDOR A	VENDOR B	VENDOR C	VENDOR AVERAGE
500 Business Cards, color one-sided	2	3	3	2.7
500 Letterhead with city logo printed in color and personalized to specific department	4	3	5	4.0
1,000 4"x6" Post Cards, full bleed, mail merge	3	3	5	3.7
1,000 Envelopes with city logo, return address, mail merge	4	3	5	4.0
1,000 Flyers 8.5"x11" 28lb paper, double-sided full bleed	4	3	5	4.0
1,000 Brochures 8.5"x11" 100lb gloss text, full bleed, trifold	3	3	5	3.7
2,000 Single Sheet and #9 return envelope, folded, inserted, and sealed into number #10 envelope	4	3	5	4.0
24"x36" Poster printed on photo gloss paper	1	1	1	1.0
24"x36" Poster printed on photo gloss paper, mounted onto 3/16" foam board, laminated	1	3	1	1.7
48"x120" Banner, with hemmed edges all around and grommets	2	3	4	3.0



TURNAROUND TIME COMPARISON

	COST DIFFERENCE (%)	SANTA MONICA TIME	VENDOR AVERAGE TIME	TIME DIFFERENCE (DAYS)
500 Business Cards, color one-sided	-45.38%	2	2.7	-0.7
500 Letterhead with city logo printed in color and personalized to specific department	-73.05%	2	4.0	-2.0
1,000 4"x6" Post Cards, full bleed, mail merge	-56.36%	2	3.7	-1.7
1,000 Envelopes with city logo, return address, mail merge	-73.74%	2	4.0	-2.0
1,000 Flyers 8.5"x11" 28lb paper, double-sided full bleed	-13.79%	2	4.0	-2.0
1,000 Brochures 8.5"x11" 100lb gloss text, full bleed, trifold	-1.39%	2	3.7	-1.7
2,000 Single Sheet and #9 return envelope, folded, inserted, and sealed into number #10 envelope	-55.67%	2	4.0	-2.0
24"x36" Poster printed on photo gloss paper	-48.20%	2	1.0	1.0
24"x36" Poster printed on photo gloss paper, mounted onto 3/16" foam board, laminated	-62.18%	2	1.7	0.3
48"x120" Banner, with hemmed edges all around and grommets	7.56%	2	3.0	-1.0



APPENDIX D: ADDITIONAL PEER PRINT SHOP DATA

PEER CITY	PRINT SHOP?	STAFF	REPORTING DEPARTMENT
Anaheim	No	N/A	N/A
Beverly Hills	Yes	7.77	Information Technology Department
Burbank	Yes	3	Management Services Department (Labor Relations Division)
Culver City	Yes	1	Information Technology Department
El Segundo	No	N/A	N/A
Glendale	Yes	3	Management Services Department
Inglewood	Yes	3	Information Technology Department
Pasadena	Yes	8	Finance Department
Redondo Beach	No	N/A	N/A
Santa Barbara	No	N/A	N/A
Torrance	Yes	6	General Services Department (Central Services Division)

