



Department of Administration  
Business Operations Division

Tom Barrett  
Mayor

Sharon Robinson  
Director of Administration

Cheryl L. Oliva  
City Purchasing Director

January 21, 2005

Honorable Alderman Michael J. Murphy, Chair  
Finance and Personnel Committee  
Of the Common Council

Dear Alderman Murphy:

The intent of this communication is to provide you with a status report on the ongoing citywide print study being conducted to determine the most cost effective means of producing printed materials throughout the City.

A key element of this study has now been completed and has led us to the next phase of our study. In the early months of 2004, Business Operations Division staff conducted several meetings with key personnel in various Departments to determine their primary printing needs. Information from these meetings was compiled and used to develop a scope of services to accompany the Request for Proposals (RFP) for Printing Services issued in July of 2004. The proposals received by the City in response to the RFP were then thoroughly reviewed by an Evaluation Committee comprised of representatives from seven City departments as indicated on the attached Formal RFP/Recap Recommendation Sheet (See Attachment 1). The Committee's evaluation included on-site visits with demonstrations by the three top-ranking vendors submitting printing proposals.

A management team consisting of representatives of the Department of Administration's Business Operations Division Document Services and Procurement Sections, then conducted further analysis of the RFP Evaluation Committee's findings. As a result of these findings, the team has concluded that phasing out the in-house high speed copying services would not be the most cost effective and efficient printing solution for the City at this time.

Further study is needed to clearly determine two vital factors:

- Though DSS has been able to reduce its costs in 2004 through several initiatives, can DSS bring down its costs even further by increasing the volume of high-speed printing in-house instead of with private sector vendors?
- Can other print shops in the City such as the Milwaukee Police Department's and the Library's be utilized or consolidated for more cost effective printing throughout the City?

Accordingly, during a six-month period between February 15<sup>th</sup> and August 15<sup>th</sup>, Departments are being asked to cooperate in collecting more data on printing done throughout the City by submitting all requests for printed materials to DSS before seeking the services of a private sector vendor. (See Attachment 2). At the end of this six-month period, the data will be analyzed to determine if a phase-out of the in-house printing capabilities of DSS should continue. Concurrent with this six-month period of requiring City Departments to submit requests for printing to DSS, further in depth study will done of other City print shops.

Thank you for your continued support of the Department of Administration Business Operations Division's efforts to control costs of doing City business. If you have any questions or concerns regarding this matter, please feel free to contact me.

Sincerely,

Cheryl L. Oliva  
City Purchasing Director

Attachments (2)

Ref:murphyprint05



**FORMAL RFP/RECAP RECOMMENDATION SHEET**

RFP NUMBER: 0000001462  
 DESCRIPTION: RFP FOR PRIVATE SECTOR HIGH-SPEED PRINTING SERVICES  
 ORDERED BY: DOA-BOD-DOCUMENT SERVICES SECTION  
 PURCHASING AGENT: JANINE WILANT

VENDOR: NONE TOTAL POINTS: See Attached Score Sheet

OLD PRICE: N/A NEW PRICE: None PERCENT CHANGE: N/A

IF NO OLD PRICE, STATE REASON: High-speed printing services provided by DOA-BOD-Document Services Section

IS THIS A BLANKET ORDER? N/A

CONTRACT LENGTH: N/A

CO-OPERATIVE PURCHASE? N/A

IF "NO" STATE REASON: N/A

EBE PROVISION? Non-mandatory, Maximum 20% # OF EBE FIRMS ON BID LIST: 1

NUMBER OF VENDORS SOLICITED: 121 # OF RFP RESPONSES: 8

RECOMMENDATIONS: Upon reviewing the proposals/pricing submitted and conducting site-visits to the top three (3) ranked proposers, it is the consensus of the evaluation committee to reject all proposals.

Over the period from 8/26/04 through 12/16/2004, the seven-member evaluation committee met on six occasions that includes one day spent conducting on-site visits to the top three ranked proposers, to review and discuss the proposals and pricing submitted. The evaluation committee compared current services, turn-around time and pricing provided by DOA-DSS against the top three-ranked proposers: Econographix, Fed Ex Kinko's and First Edge Solutions. Concerns raised by the high-speed printing evaluation committee included:

1. The timeliness of picking up job orders and the delivery of completed jobs to a central location in the City Hall complex as well as outlying City field offices. The three top-ranked proposers stated morning and afternoon schedules could be developed. City departments could also drop off their job orders to the proposers site that could be delivered by the vendor or picked up by the department. Having City departments walk 2-3 blocks to Fed Ex Kinko's or drive to First Edge Solutions (3<sup>rd</sup> Ward) or Econographix (101<sup>st</sup> & Greenfield Ave area) raised additional questions by the committee:
  - a. Most departments don't have staff available to run errands.
  - b. What if an employee is involved in an accident? Is the City liable?
  - c. What is the City gaining if departments are dropping off and picking up their high-speed copy jobs?
2. The recommended submission of job orders by most proposers was in pdf format (via Adobe software) via the Internet or e-mail. Not all City personnel have access to the Internet or e-mail. Proposers suggested meeting with each departments IT section/personnel to discuss hardware/software requirements. Each departments IT section/personnel would be the liaison to troubleshoot job order transmission problems. Currently, some City departments do not have or share IT personnel with another City department. This would put a strain on the City's IT staffing. The evaluation committee felt the proposers should troubleshoot transmission problems.

3. Revising a job order after it has been submitted. The proposers again recommended submitting changes via electronic means. This is not always possible. Court exhibits, receipts, drawings and artwork may be involved that cannot be transmitted electronically. Also, with the exception of Econographix, determining what area or location is handling the job order could affect the finished job order. Fed Ex Kinko's would use their Commercial Production Center located at 179<sup>th</sup> and Bluemound Rd to process the majority of job orders submitted by the City. Using the Fed Ex Kinko's downtown site (Water and Wisconsin Aves) or their East Side location (Farwell and Brady area) for backup. First Edge Solutions has capabilities of programming multiple jobs into their equipment. The job could already be programmed and would have to be found, revised and re-entered, or the revised/additional pages would be run separately and inserted with the rest of the job order. How would a City department know what location is handling their copy job or what stage it is in?
4. Site Visits/Sample Jobs—Two (2) printing tests were distributed to each proposer upon the evaluation committee's arrival at the 10/13/04 site-visits. Committee members agreed the instructions on the work orders were explicit. All three vendors ran the sample jobs on Docutech printers.
  - a. Hard copy job—DPW Bid Packet—run double-sided all but pages 1, 28 & 29, last page to be copied on blue paper, staple all pages except first page, which should be paper clipped to top of each packet.
    1. Only First Edge Solutions completed this job correctly.
    2. Econographix ran this job twice and failed both times.
    3. Fed Ex Kinko's and Econographix both failed to run the last page on blue paper, ran all pages double-sided and stapled all pages together.
  - b. Electronically transmitted job—Query/Crystal V8.8 Manual—WORD file transmitted via e-mail. Run double-sided, lavender cover stock front and back, hot-tape binding. Problems were encountered at all three proposer's locations.
    1. At First Edge Solutions, the transmitted WORD file crashed their computer system. While First Edge worked on getting the system up and running, the site visit tour was extended until they finished running the manual.
    2. Econographix printed the manual single-sided and stapled the pages in one corner. It was not hot-taped. Since the committee had one more site visit, Econographix was told to mail or drop off the manuals. The job was received one-week later by DOA-Procurement Services. The committee questioned whether Econographix read any of the instructions.
    3. At Fed Ex Kinko's, the electronic test file was transmitted to them five (5) times. Two of the evaluation committee members assisted the Fed Ex Kinko's IT staff with the transmission by recommending changing the file extension before attempting to open the document into Kinko's system. Fed Ex Kinko's had additional IT staff available for this site visit, yet City personnel was called upon to assist with the job order.
5. Pricing Submitted—Proposers had eight (8) categories with various sub-sections to complete for high-speed copying related services. The majority (66%) of the City's high-speed copy jobs fell under Group 1—White and colored paper, letter, 3-hole punched and legal sized, single and double-sided. For most line items, the proposers per copy rates were lower than the copy rates currently charged by DOA-DSS. However 72% of Group 1 copy jobs require finishing work (stapling, binding, numbering, plastic combs, shrink wrapping, etc.). Proposed finishing rates average 54% (Econographix), 80% (Fed Ex Kinko's) and 60% (First Edge Solutions) higher than DOA-DSS rates. Upon combining the average copy rate with the average finishing rate for Group 1, Econographix rates are 17%, Fed Ex Kinko's rates are 49%, and First Edge Solutions rates are 101% higher than DOA-DSS rates.
6. The variance in finishing rates was discussed at the site visits with the proposers. Some of the finishing work would have to be sent out to be done (EX: perforating, scoring, bindery, die cut) and the cost would be passed on to the City. Whether a service charge would be added, that could be negotiated.

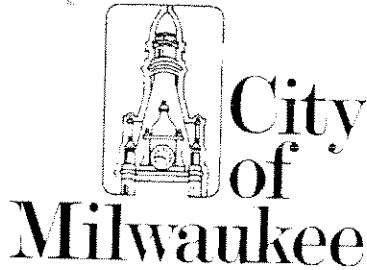
7. **Double-Sided Printing Rates**—Proposers consistently doubled the cost for 2-sided copies. DOA-DSS lowers its rates for double-sided copying because one sheet of paper is used rather than two.
8. **Paper Rates**—Paper prices fluctuate. As a government agency, the City of Milwaukee receives 20 to 30% discounts on paper costs from the current vendor (Unisource). The proposers rates are barely covering the discounted paper rates on some of their quotes. The escalator clause included in RFP 1462 is based on the Consumer Price Index-Urban (CPI-U—Milwaukee Urban) and cannot exceed 4% for each year the vendor service contract is extended.
9. **Disposal of overruns or scrapped jobs**—Econographix and Fed Ex Kinko's practice is to shred and both have on-site means of shredding and disposing job overruns. First Edge Solutions dumps overruns and scrapped jobs without shredding first. This is a problem for staff from various City departments that deal with confidential matters and documents.

The evaluation committee for RFP 1462—Private Sector High-Speed Printing Services recommends the following:

- Continue DOA-DSS Xerox Docutech lease at least until the April, 2006 expiration date. After current Docutech contract expires, replace with a copier that requires less volume to reduce fixed costs of DSS that are recovered through charges to departments.
- If Docutech copier is the only equipment option available for City copy jobs, need to increase volume of jobs to decrease the per copy rate charged to City departments. Set standards defining the type of high-speed copy jobs departments can outsource to the private sector.
- Consider pooling printing resources within City government that have printing capabilities—DOA-Document Services Section, Milwaukee Police Department, Library, and Milwaukee Public Schools; or with other regional government entities at municipal, county or school district levels.
- Provide training to City departments on the procedure to transmit copy jobs to DOA-DSS Xerox Docutech System via the City's intranet.
- Election Commission needs to review and upgrade software used to maintain the election poll lists. The current method uses outdated software and requires access to a Xerox Docutech copier.
- City departments should be required to review their current and routine high-speed copy jobs for possible reduction in quantity needed; can two forms be combined into one form; using basic colored paper instead of Astrobrights, and consider creating department letterhead on-line to reduce costs and waste. If feasible, have Comptroller's office perform a citywide audit on printing practices currently in place in City departments and make recommendations that will result in a cost savings to the departments.
- After completing the alternative measures outlined above, outsource high-speed copy service to the private sector only if the savings to the City is significant.

The evaluation committee was comprised of representatives from seven City departments: City Attorney's Office, City Clerk's Office, Department of Neighborhood Services, DOA-Budget, DOA-Document Services Section, DOA-Procurement Services, and the DPW-Administration.

PURCHASING AGENT: 1/14/2005	CITY PURCHASING DIRECTOR:
<i>Jamie Kilast</i>	<i>Greg B. Davis</i> 1/14/05



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TO: All City Departments

FROM: Cheryl L. Oliva, City Purchasing Director *Cheryl*

SUBJECT: Changes in Procedures for Printing Services

DATE: January 21, 2005

Thank you for your loyal patronage of the Document Services Section (DSS) in 2004. There are several important changes taking place in our operations in DSS in 2005 as outlined below.

### Citywide Printing Needs

Beginning February 15, 2005, ALL City departments are required to submit requests for all printed materials that cannot be generated within their offices to Document Services in Room B-2 of the Frank P. Zeidler Municipal Building. BEFORE seeking the services of an outside vendor. If for any reason Document Services cannot adequately fulfill the printing request, the requesting department will be provided with documentation within a maximum of 6 hours of receipt of the request, as to the reason/s why the request cannot be fulfilled. The Department will then be directed to seek the services of a certified Procard vendor for that particular printing project. Standard Work Orders issued by Document Services should be used to submit all printing requests. We are requesting that departments provide us with a follow-up email indicating the amount of money charged for the services by the outside vendor. Documentation will be essential to the ongoing comprehensive study of the City's printing needs in 2005 that will focus on data collected between February 15, 2005 and August 15, 2005.

While we recognize that this process may inconvenience departments, channeling the City's printing requests through the Document Services Section of the Business Operations Division for a six-month period will provide a means by which City printing needs can be appropriately analyzed, while utilizing the cost efficiencies of the City's existing resources.

The only departments exempt from this mandate in 2005 are the Milwaukee Police Department and the Central Library System, as both departments currently maintain their own printing facilities.

### Exceptions to Printing Mandate

#### *Document Services is not equipped to:*

- Print business cards for City Departments.
- Provide high-speed color-copying services.
- Produce glossy-covered offset printed materials.
- Die-cut materials, such as door-hangers.
- Mass produce GBC – bound printed books. (Booklets/manuals up to 120 pages can be hot-taped as they are printed; orders of 50 or more books exceeding a volume of 120 pages will require the services of an outside printing vendor.)
- Laminate materials.
- Stamp a union bug.
- Produce 11x17 glossy posters.
- Provide graphic design services.

### Brokering Services for Printing to be Discontinued as of 02/15/2005

- Document Services will no longer provide brokering services for printed materials it cannot produce.
- If Document Services is aware that a specific vendor previously printed certain materials for a City department, we will provide contact and other information to the requesting department regarding the history of the work prepared by the outside vendor.
- Instructions for ordering business cards will be made available on our webpage.
- An alphabetical listing of printing vendors may be found on the Procurement webpage.
- Vendors that provide printing services may also be found by searching under the commodities and services link to Procard vendors on the Procurement webpage.

### New Service to be Offered in 2005

- Document Services will be providing City departments with the ability to mass-produce materials on CD-ROM. Watch for details of this new service over the next few months.
- Document Services will continue to maintain and expand digital records on the Centralized Imaging System – E-Vault.

We sincerely appreciate and thank you for your cooperation in these matters. Please distribute this letter to all appropriate personnel.

The Document Services Section of the Business Operations Division looks forward to serving your printing, records management and mailing needs in 2005! We are excited about the means with which we will be able to offer cost-saving efficiencies to City departments with our centralized services. If you have any questions, comments or concerns, please email Jackie Block, Document Services Manager, at [jblock@milwaukee.gov](mailto:jblock@milwaukee.gov).