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Thursday, May 10, 2007

To: Mayor Tom Potter
Commissioner Sam Adams
Commissioner Randy Leonard
Commissioner Dan Saltzman
Commissioner Erik Sten
Auditor Gary Blackmer

From: Tom Feely; Senior Business Operations Manager

Subject: Focused Review of Printing and Distribution

Please find attached a copy of the Printing and Distribution Focuses Review which was recently completed.

Each year, OMF selects two to three of its service areas to undergo a focused review. These reviews typically compare service delivery with other public and private sector service providers, analyze feedback from employees and customers, provide an assessment of overall customer service satisfaction and provide recommendations for service improvements.

For Printing and Distribution (P&D), the review firm conducted interviews with 15 of its highest volume customers and surveyed more than 170 customers. It also gathered cost and turnaround time data for 11 sample print jobs and compared P&D with eight comparable organizations (five in-house printing services and three private vendors). The study was guided by a panel of customers and printing experts.

The following are key highlights from the final report:

- ◆ More than 90 percent of customer respondents said P&D met their needs well or very well.
- ◆ More than 90 percent of customer respondents said they were satisfied or very satisfied with P&D printing service quality and turnaround time.

- ◆ More than 90 percent of customer respondents said they were satisfied or very satisfied with P&D distribution and mailing professionalism, consistency of deliveries and timing of deliveries.
- ◆ For 10 of the 11 sample print jobs, P&D's prices came in below both the in-house printing services and private vendor average prices.
- ◆ Customers gave copier maintenance services and vended services lower scores in customer satisfaction compared with printing and distribution services.
- ◆ The report said that "P&D benefits from its service reputation" and that government agencies that are not required to use its services continue to rely on P&D.

The review also includes the following eight recommendations:

- ◆ Conduct succession planning effort to identify top candidates to fill current and anticipated vacancies. (This effort is underway.)
- ◆ Include leading industry benchmarks in the presentation of performance measures data. (Data is being collected.)
- ◆ Prepare to guide the City in the transition from microfilm records to electronic document imaging for archiving. (Pilot project with the Auditor's Office is underway.)
- ◆ Continue to gather and respond to customer service feedback, perhaps through the use of additional on-line surveys.
- ◆ Enhance P&D marketing effort to customers to more clearly communicate range of services, pricing options and turnaround times.
- ◆ Improve the oversight of vended work, including regular inspections of vendor products.
- ◆ Continue to work with Purchases and Sustainable Development to improve the City's compliance with sustainable paper policies.
- ◆ Improve the oversight of copier maintenance services, including tracking data on individual machines and encouraging timely replacement.

Our next step will be to prepare a work plan to implement the improvements recommended in the report. We will share that plan with you when it is completed.

I encourage you to review the full report which is attached. Please let me know if you have any questions about the process or the report itself.

Finally, I want to recognize the cooperative efforts of Ron Haddock and the entire P&D staff in support of this review. Although there are identified areas of improvement, the report reflects the good work being done at Printing and Distribution.



CITY OF PORTLAND, OREGON

Printing and Distribution Division Focused Review

April 2007



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Executive Summary

OVERVIEW

The Printing & Distribution Division is the in-plant print shop for the City of Portland and several state and county entities; and it supports citizens in the permit process through its 1900 facility. The Focused Review is part of an ongoing process called Managing for Results, which was adopted by the City Council in 2003 to help keep the City focused on its mission and goals, and to integrate performance information into planning, budgeting, management, and reporting.

In late 2006, the City of Portland contracted with AKT to perform the Focused Review of P&D and achieve the following outcomes:

- Evaluate whether P&D is meeting internal goals and the goals of its customers.
- Recommend corrective action where goals and needs are not being met.
- Develop an implementation plan for suggested improvements.

Specifically, AKT identified five key questions we believe are critical to answer, so that the Mayor and City Council can weigh the benefits and costs of maintaining a city-operated printing operation versus entirely contracting this work out to local vendors.

- Is P&D servicing customers' needs?
- Is P&D competitive with other in-plant shops and/or the private sector?
- Is P&D a best-in-class performer?
- Does P&D proactively save and cut costs while maintaining high quality?
- What are the future challenges and how should P&D prepare itself?

To make an accurate assessment of P&D's performance, AKT conducted one-on-one interviews and surveys of approximately 25 P&D employees and 15 of its highest volume customers based on work orders and fees. AKT also contacted over a dozen comparable organizations and the In-Plant Printing and Mailing Association (IPMA) to help draw comparisons between P&D and its peers, and identify best practices and benchmarks. Finally, AKT surveyed more than 170 P&D customers. The combination of information gathering, collaboration with P&D and City members, and the experience of the consultants with other government organizations formed the basis for the options and possible solutions to pursue to improve P&D.

SUMMARY OF FINDINGS AND AREAS FOR IMPROVEMENT

P&D has an excellent reputation for its customer service and provides comparably low-cost services. However, based on feedback from customers, employees, City leaders and organizations similar to P&D, we believe the Division still has room for improvement. The areas for further improvement are listed below and discussed throughout this report in the relevant sections. The conclusion of this report makes specific recommendations for improvement. Overall, we recommend P&D and the Customer Review Panel evaluate the recommendations and immediately enter a strategic planning process for the Division that incorporates the recommendations and determines how improvements will be achieved in the short- and long-term.



Improvement Area #1: Hiring and Employee Turnover

Turnover at P&D has been minimal but when positions are vacated, P&D has a hard time finding qualified employees. The Division follows standard City advertising practices for filling positions, but attracting candidates who qualify under City standards is not providing candidates who possess the skills, abilities and customer service values required by P&D. The challenge of hiring and filling positions is troublesome because approximately one-third of P&D's current workforce will reach retirement within the next 5 years and succession planning will be essential to P&D's ongoing service success. No formal succession plan was identified during the Focused Review.

Improvement Area #2: Performance Measurement and Benchmarks

P&D reports a handful of annual performance measures in its budget. The measures include information on P&D's achievement of target turnaround times and annual reserves, and raw data on the number of work orders completed and the price of copies. While the measures report actual performance, they do not explicitly show whether P&D is competitive with comparable organizations or whether it is performing better than the previous reporting period. Meaningful measurements and benchmarks are difficult to define, but they are essential methods of demonstrating success and targeting areas of improvement. P&D has an opportunity to refine its measurements to better communicate its performance.

Improvement Area #3: Demand for Archive Services and BDS Needs

Archival standards and scanning requirements are expected to shift in the future and P&D may assume citywide responsibility for transitioning documents to digital formats and microfilm for City Bureaus. Currently, P&D is working on a pilot project with the City Auditor's office, and it recently assumed large format reproduction and scanning services for the Bureau of Development Services. If large-volume scan jobs increase as expected, P&D should be prepared to meet the demand by strategically planning in the areas of marketing, staffing, and technology. P&D would naturally assume this role in the City, but only if it is adequately prepared.

Improvement Area #4: Customer Feedback

P&D participates in the annual OMF Customer Service Surveys and solicits customer feedback from time-to-time, but neither survey produces sufficient, routine data that would enable P&D to draw conclusions on customer satisfaction levels. AKT worked with P&D managers to develop an online survey and more than 170 responses were received. Through this survey, we learned P&D has garnered an admirable level of customer satisfaction. The survey also revealed that P&D could improve some aspects and customers even made recommendations for new services based on their changing needs. Frequent, regular customer feedback is an important contributor to ongoing service improvement and customer satisfaction, but P&D does not take advantage of tools to obtain feedback.

Improvement Area #5: Communication and Marketing

P&D offers an array of essential and sometimes complex services. The Division markets its services via the City website, open house events at P&D, and one-on-one meetings with customers, as requested. However, both P&D employees and customers expressed frustration with being unable to communicate and identify the services provided by P&D. In addition, the standard cost and turnaround time for regularly provided services is not readily provided to customers, and in online surveys customers requested this.

Improvement Area #6: Use of Vendors

Vendors are used when P&D is unable to perform a requested service in-house for reasons such as high volume, short turnaround time, lower cost, or jobs where P&D lacks required equipment. Respondents to the customer surveys reported dissatisfaction in some cases with the price and quality of certain vended services. Because some projects must be vended, P&D will need to take additional steps to illustrate the value it provides by controlling and monitoring the vending process. Among the important added-values that P&D can provide is to ensure the quality vended work.

Improvement Area #7: Sustainable Paper Use Policy

City Council has asked OMF to reduce the City's overall printing and copy paper consumption by 15 percent between 2001 and 2008. P&D is jointly responsible with the Bureau of Purchases for monitoring and influencing the attainment of this goal. In addition, P&D was to purchase a minimum of 10 percent of paper products as Alternative Environmentally Preferable Paper by July 2005. P&D and Purchases continue to work together to enforce these policies. P&D should be proactive in identifying new opportunities for implementing sustainable and environmentally preferable processes.

Improvement Area #8: Convenience Copier Maintenance and Replacement

P&D coordinates the contract with a third-party vendor for the maintenance and repair of nearly 300 convenience copiers located throughout the City, and P&D provides copier supplies. Currently, more than one-half of the machines in use are older than the preferred age of 5 years. Some machines are too old to take advantage of sustainable paper and ink policies, while others require too much maintenance to sufficiently meet customer needs. In the customer survey, many customers expressed dissatisfaction with the response of the third-party vendor and with the policies that guide machine replacement.

Introduction

BACKGROUND

P&D provides reproduction, distribution, and photographic services to City of Portland bureaus and some state and county agencies. In 2006, the Division had a budget of \$6.8 million; it completed 26,845 job orders for a total of 14.8 million copy center sheets of paper and 11.7 million press impressions; processed 5.4 million pieces of outgoing US Mail; and sold over 85 million sheets of paper.

P&D prides itself on quick turnaround, short-run reproduction and binding. The services provided by P&D are designed to meet customer needs in the areas of digital pre-press, scheduled inter-office mail delivery, outgoing U.S. mail preparation and processing, convenience copier/printer management, and traditional and digital reprographics. P&D vends services to commercial suppliers if they cannot be efficiently performed in-house.

P&D serves the following entities:

- All City of Portland bureaus and agencies
- Multnomah County
- State of Oregon - Portland area agencies
- Portland Development Commission
- Portland State University
- Housing Authority of Portland
- Local Neighborhood Associations
- Other local government agencies

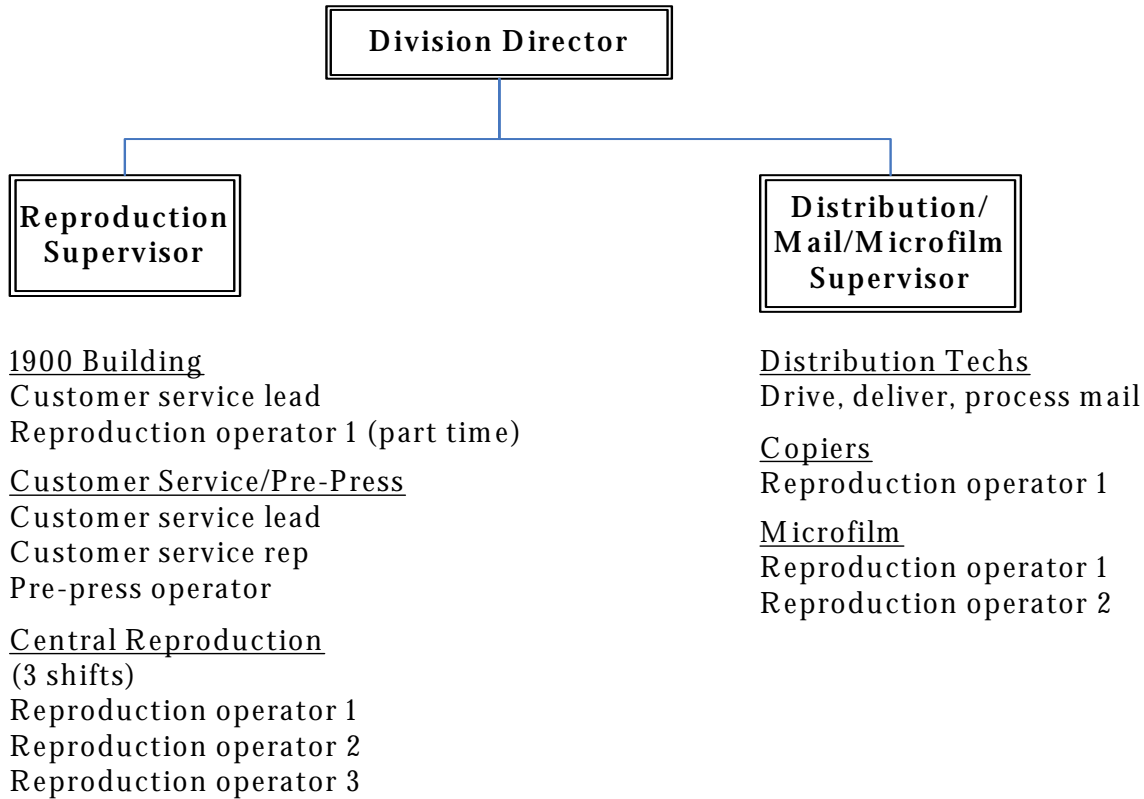
P&D has a number of internal and external goals and mandates:

- Maximize the cost-effective use of technology
- Strengthen stewardship of the City's inter-mail system
- Manage all reproduction, mail, distribution and copy services required by city agencies.
- Ensure bureaus and local government customers receive reproduction and mailing services on time, at a quality level that is appropriate to task, and at a competitive price.
- Reduce paper consumption
- Implement citywide printing standards
- Implement mailing standards and report non-conforming work through the current savings report system

P&D's Print shop operates 24 hours a day from Sunday afternoon until 6 pm on Fridays. To achieve adequate coverage, reproduction and printing have three shifts, with three employees on the day shift; one swing employee working one-half the first shift and one-half the second shift; three employees on the second swing shift and one employee overnight. Distribution operates Monday through Friday from 6:30 am to 6:00 pm and half day on Saturday.



P&D employs 24 full-time and four part-time employees. The following chart depicts P&D's organization structure.



METHODOLOGY

The Focused Review was performed with significant input from P&D employees, OMF leadership, and P&D customers. We conducted a combination of one-on-one interviews and online surveys. We also relied on reports prepared by or for P&D including the 2001-02 through 2007-08 Budget and the fall 2006 BuMP. From this research, AKT developed profile factors used to identify comparable organizations for benchmarking and best practices.

The interview questions used with employees and customers are in Appendix A of this report. The online survey is in Appendix B. The interview questions used with comparable agencies are in Appendix C, and the comparable costs and turn around of typical print jobs are in Appendix D. The results of our interviews and research make up the bulk of this report. Because a primary intent of this report is to provide P&D with information and constructive feedback from customers about the services they would like to see improved, we designed our questions to obtain information about whether P&D is achieving its goals and mandates, and how it can improve.

- Customers Interviewed**
- Portland Police Bureau
 - Bureau of Environmental Services
 - PDOT
 - Portland Water Bureau
 - Office of Management and Finance
 - Revenue Bureau
 - Bureau of Development Services
 - Multnomah County Sheriff's Office
 - Multnomah County Distribution
 - Multnomah County Health
 - Housing Authority of Portland
 - State BOLI
 - State WIC
 - Portland Development Commission



REPORT LAYOUT

The Report of Findings is comprised of two parts: an internal review and an external review.

The *internal review* is intended to evaluate P&D's organization and staffing levels, work environment, work products, workload, work distribution, processes and services. By examining the way P&D works and how it uses resources, it's possible to assess the Division's efficiency, identify areas of improvement and develop strategic plans to address any gaps in service or performance. Such review also provides a strong foundation of information for planning, budgeting, and ongoing management.

The *external review* focuses on interviews with P&D's key customers, other local and regional in-plants, and other commercial vendors to determine the overall effectiveness of services being provided, key customer concerns, or other important issues. Over the long-run, an external review has the benefit of providing baseline data about P&D's performance and reputation for service, and data can be collected with frequency to determine whether P&D is responsive to customer needs and competitive with comparable organizations.

The *recommended improvements* are aimed at urging P&D to take action in a handful of key areas. The findings and recommendations of the Focused Review should be used as the foundation for a strategic planning effort for P&D. AKT recommends that P&D and the Customer Review Panel work to prioritize the list of improvements by their importance and develop a realistic timeline for implementation.

Internal Review

PROCESSES AND SERVICES

The City of Portland's Printing & Distribution Division has three major processes and services:

- 1) **Reproduction:** This process produces the following services for customers:
 - *Copy services* – P&D provides and maintains copy machines and printers for all of the City's bureaus and offices. It provides copy paper and related supplies. P&D also consults with customers and helps them determine the best and most cost-effective copy machines and printers for their operations. P&D adds a per copy surcharge for each device. This is accumulated by machine and used to help Bureaus and Divisions fund replacements.
 - *Duplicating and document binding* – P&D operates an in-house printing and binding plant that serves the City, other government entities, and the State of Oregon. The duplicating and binding plant operates with three shifts. Most photocopy jobs are completed within 24 hours. Some priority jobs are completed on a while-you-wait basis. Other critical documents are pre-printed and available for withdrawal from a secured area. P&D also contracts out some of its work as needed to local private sector print shops. P&D is able to price its duplicating and binding services at levels equal to or less than private sector print shops.
- 2) **Distribution:** Distribution comprises two services – U.S. mail processing and delivery.
 - *U.S. Mail* – P&D operates a centralized mail facility that processes first class and standard mail. It also processes inter-office mail. Staff members consult with the City's bureaus and offices to help them understand postal regulations and decide the most cost-effective way to send mail.
 - *Delivery* – P&D operates a fleet of delivery vehicles that pick up and deliver mail, supplies, and print jobs daily to all City locations.
- 3) **Microfilm:** P&D provides archival quality microfilm services for City bureaus. Major customers include the Bureau of Development Services, the Water Bureau, Transportation, Planning, and the Bureau of Environmental Services. P&D continues to use microfilm for archiving because the State of Oregon does not recognize digital imaging as an approved archival process. A significant amount of the City's microfilming is large format documents. P&D is anticipating changes to its microfilm process in support of the City Auditor's new requirements. A pilot project to scan contracts and other Inter-Governmental Agreements for the City Auditor is expected to conclude in June 2007 and is designed to determine whether P&D can eventually assume the function of scanning for all city Bureaus. The need to strategically prepare for the possibility of providing expanded scanning services as Bureaus gradually move toward the digitizing and filming process is discussed further under [Improvement Area #3](#).



ORGANIZATION STRUCTURE, STAFFING LEVELS AND WORKLOAD

P&D's organizational structure is divided into two major sections:

- Reproduction
- Distribution, U.S. Mail, and Microfilm

Reproduction supports the City's need for convenient and quality duplicating, binding and copy services. This Section also serves Multnomah County, the State of Oregon, and other government entities. Reproduction competitively contracts with private sector vendors to provide certain services that it has deemed are most efficiently produced externally. The goal of Reproduction is to provide the most cost-effective services possible while meeting customer deadlines and adhering to City mandates for use of sustainable materials.

Distribution, Mail, and Microfilm centrally processes and delivers the City's inter-office and external mail. This Section delivers print jobs to customers and vendors, and is responsible for the archival and microfilming needs of its City customers. The goals of Distribution, Mail, and Microfilm are to minimize the City's cost for inter-office and U.S. mailing, provide delivery of print jobs and to assure that City records are microfilmed for archiving and records retention.

Overall, P&D strives to balance its *regulatory* roles of controlling City printing, mail, and distribution expenses with its *service* role of providing timely and quality services. It also functions as a *business unit* and as such, generates sufficient revenues to sustain its operations and provide funding for future equipment upgrades and replacements.

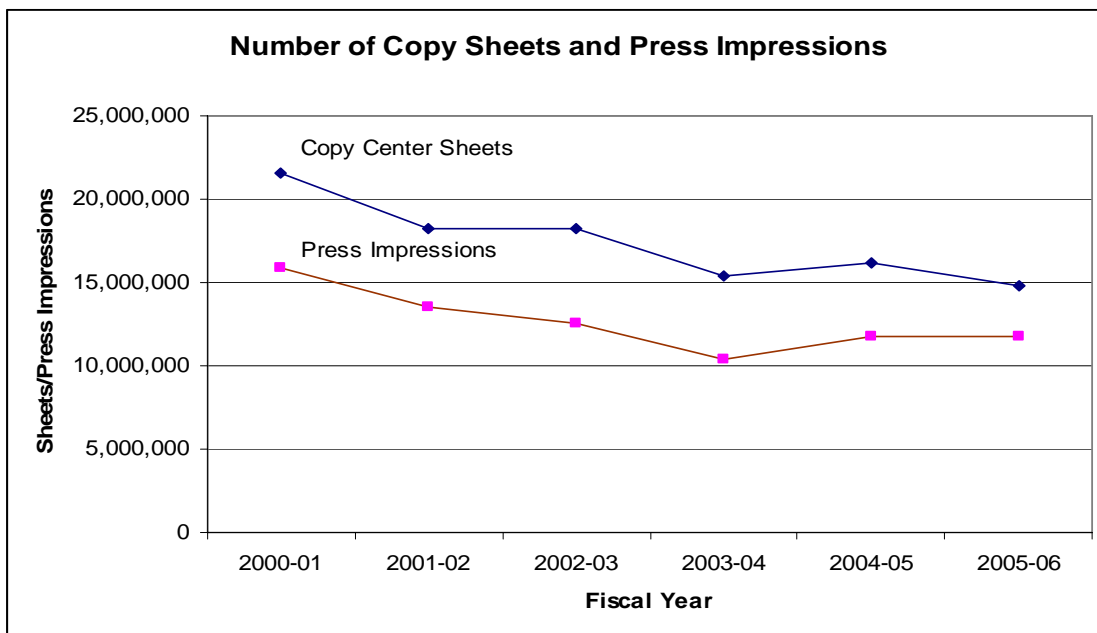
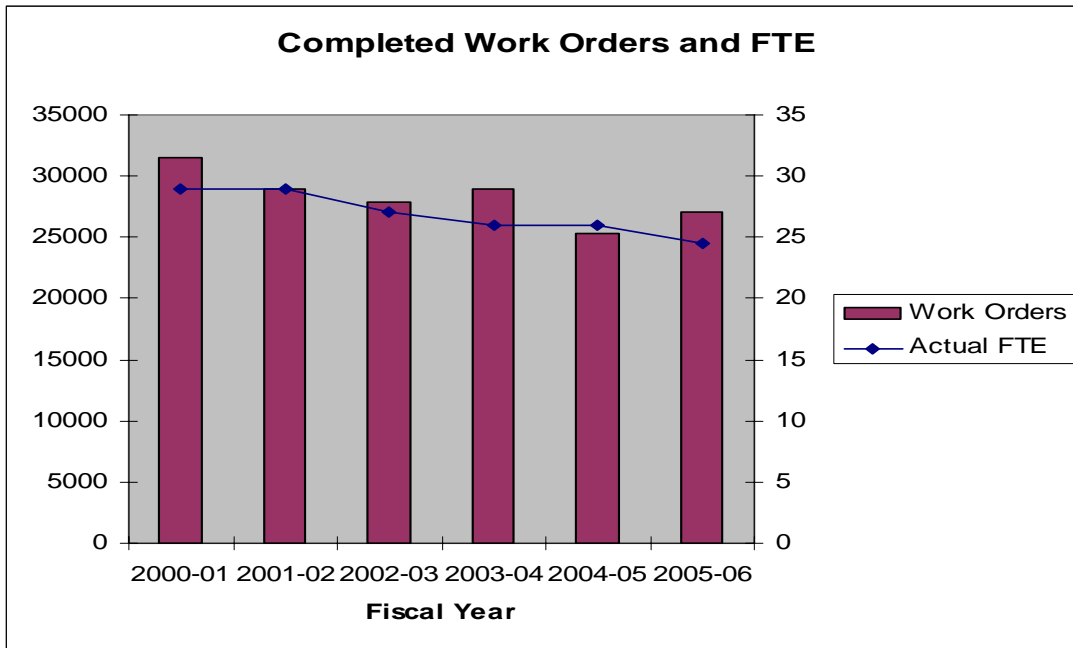
Some critical questions we reviewed with respect to P&D's staffing and organizational structure are:

- Does P&D have a management structure that is sufficient to provide the leadership and oversight necessary to assure P&D accomplishes its customer goals, operates efficiently, achieves its intended outcomes and meets the Mayor's and City Council's expectations?
- Does P&D have a plan in place to replace key employees when they leave or retire?
- Given present workloads, is the present level of staffing adequate to support customers' service needs?

P&D operates 24 hours a day from Sunday afternoon until 6 pm on Fridays. It has a manager, two supervisors and 23 staff. Staff levels have remained essentially flat since Fiscal Year 2003-04 and are not expected to increase in the next few years. Based on input from P&D management and staff and OMF leadership, these staff levels are considered lean and staff members are cross-trained to provide backup in times of high demand, particularly between distribution and microfilm. This model is working effectively because the management structure sufficiently provides leadership and oversight and because managers and supervisors work side-by-side with staff. P&D is a well-managed operation that consistently meets its deadlines and achieves high customer service scores.

However, P&D's effective staffing levels and organizational structure are jeopardized by a workforce that is nearing retirement and an employment pool lacking the skills and/or desire to work at P&D. The Division already points to difficulties in recruiting experienced employees who are a good fit, both in terms of skills and culture. Even though more than one-third of its present workforce will reach retirement in the next 5 years, P&D does not have a succession plan. **Improvement Area #1** discusses the need for succession planning.

P&D had slight decreases in staffing during the past 5 years, including a small decrease of 1.5 positions in the 2005-06 budget. The following tables show a downward trend in the number of work orders completed and the number of copy sheets and printing press impressions. The first table also compares staffing levels to P&D's workload. It's important to recognize that P&D's work orders and workload is evolving and staffing will need to address changes.



WORK ENVIRONMENT

Creating a high-performance, high-retention workplace depends on good management, consistent processes, clear assignment of work, established work expectations, and regular performance evaluations. An important question in this area is:

- To what extent has the P&D management team created a high performance work environment?

The observed work environment at P&D is positive, engaging and reinforcing of individual and team efforts. Employees know who to go to with their questions. They stated that they feel the organization provides an open-door atmosphere. The P&D manager is well-known throughout the Division and regularly interacts with staff. Employees generally agree that P&D is a good place to be, and that the compensation, benefits, days off, and the likelihood of long-term employment exceed the potential benefits offered in the private sector.

The following table illustrates key attributes of a good work environment and assesses P&D's performance.

<i>Work Environment: What is important?</i>	<i>How well does P&D perform?</i>
<p>Performance assessments and awards</p> <ul style="list-style-type: none"> ■ Frequency ■ Consistency ■ Expectations are clearly defined ■ Accountability is evaluated ■ Rewards and pay-for-performance ■ Career mobility and expansion 	<p>For individual employees, annual performance assessments are conducted and filed, but they are not linked to compensation as they were in the past. Gain-sharing was eliminated because it was perceived that the work units had inequitable opportunities to earn bonuses. The general perception is that performance reviews are a requirement and not an opportunity. Other performance feedback occurs through recognition at weekly and monthly meetings but employees say supervisors spend a brief couple minutes with them on it.</p>
<p>Training and development</p> <ul style="list-style-type: none"> ■ Are employees experts and are they competent? ■ Is there a match of skills to needs? ■ Does P&D offer opportunities for continuing education? ■ Is there availability of professional association membership and attendance? 	<p>P&D employees, in particular night shift employees, state that they seldom receive training on new hardware.</p> <p>Not only does training increase the effectiveness of employees by decreasing re-work due to equipment misuse, but employees view training as an indication that P&D values its staff. P&D currently uses vendor supplied training on hardware.</p>
<p>Support for diversity</p>	<p>P&D tried to help AKT obtain statistics related to diversity, and AKT noted the desire of management to maintain a diverse workforce. However, information regarding diversity is not readily available. AKT did receive EEO statistics from OMF on City employees. For the fiscal year 2005-06, OMF reports 3 minority and 5 female P&D employees.</p>



Work Environment: What is important?	How well does P&D perform?
Pay and benefits	Employees report that pay and benefits with the City of Portland exceed what they would receive in comparable jobs in the private sector.
Work/Life Balance <ul style="list-style-type: none"> ■ Are there enough employees? ■ Do employees work reasonable schedules and have sufficient time off? 	As discussed above, P&D has sufficient employees to manage its workloads. P&D and the City offer generous amounts of time off relative to private sector printing operations.
Effective Leadership <ul style="list-style-type: none"> ■ Is decision-making pushed to lowest level and best level possible? 	Most employees reported that they have sufficient decision-making authority to carry out their daily duties.
Strategic Management <ul style="list-style-type: none"> ■ Is there strategic planning for succession, marketing of services, equipment replacement, future challenges? 	P&D does not have a strategic plan. The Division develops its budget and measures annual performance; however, strategic planning is minimal. See the Recommended Improvements at the end of this report where AKT suggests that the Division begin an annual strategic planning process that addresses employee succession, marketing, equipment replacement and other future challenges.
Teamwork <ul style="list-style-type: none"> ■ Collaboration ■ Presence of trust ■ Respect for each other 	<p>P&D employees have a strong customer service ethic. They work together to meet deadlines and state that they get along with each other.</p> <p>One employee commented, “I’m good at helping people get their work done as quickly as possible. I don’t want people to have to wait.” Another employee said, “We like to do things efficiently and quickly. We are really fast.”</p> <p>The comments underscore P&D’s service culture and teamwork.</p>

WORK PRODUCTS

In our one-on-one interviews with P&D staff and customers, we tried to get a sense of how employees feel about the quality of work that they do and how P&D’s overall performance is measured.

- Do P&D employees connect the quality of their work and work products with customer satisfaction and how are they measuring themselves?
- How does P&D communicate its performance and on what points?



Without exception, all staff members connected the quality of their work products with their perception of overall customer satisfaction. P&D employees believe they provide quality services. During employee interviews, we consistently heard that “P&D is here for its customers” and employees said that a fundamental aspect of customer service is saving money and cutting costs. We observed several areas where it is evident that P&D is working to reduce its costs. An example would include a streamlined process for water bills from print to post.

One of the challenges P&D faces is communicating its performance with customers and City leaders, and within the Division to its own employees. Anecdotal evidence points to a great organization, but few performance measures are used. The chart below shows the performance measures for the last 2 years. But the measurements do not put P&D’s accomplishments into context. For example, if the goal is to maximize the cost-effective use of technology, a more descriptive measure than total number of copy center sheets should be used. See [Improvement Area #2](#) for recommended changes and an example of an organization that effectively uses performance measures and benchmarks.

P&D Performance Measures

Current Goals and Benchmarks	2004-05	2005-06 Goal	2005-06 Actual	2006-07 Goal
Goal: Maximize the cost-effective use of technology				
<i>Program: Strategic Support/Operations</i>				
Maintain available fund balance to cover reserves	\$1,486,008	\$900,000	\$1,746,821	\$1,901,454
<i>Program: Copy Services</i>				
Total number of in-bureau copies	24,577,424	24,000,000	24,186,638	24,500,000
<i>Program: Duplicating</i>				
Percentage of work shipped on time	99.3%	98.0%	99.5%	98.0%
Basic copy center rate	\$ 0.028	\$ 0.029	\$ 0.028	\$ 0.029
Total number of work orders completed	25,353	26,500	26,845	26,000
Total number of copy center sheets	16,159,244	16,000,000	14,795,318	16,000,000
Total number of press impressions	11,776,540	11,000,000	11,738,827	11,000,000
<i>Program: Microfilm</i>				
Percentage of work shipped on time	99.4%	98.0%	100.0%	98.0%
Goal: Strengthen stewardship of the City's inter-mail				
<i>Program: Distribution</i>				
Total number of pieces mailed per distribution employee	1,024,275	800,000	1,032,991	800,000



External Review

AKT conducted an external review of P&D that involved surveying and interviewing key customers, similar printing operations, and commercial private-sector printers. The external review was designed to determine the overall effectiveness of services provided, identify key customer concerns, and compare P&D's costs with other print operations.

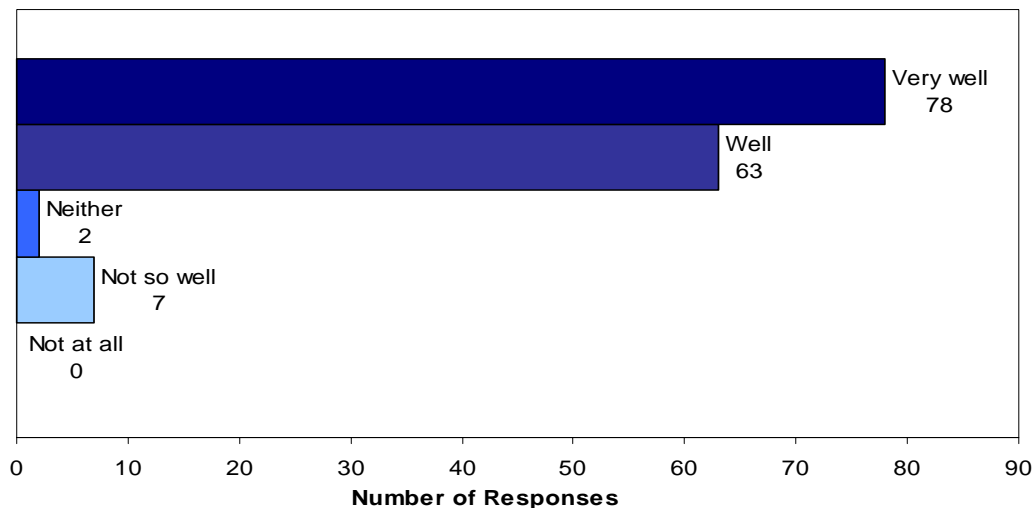
OVERALL EFFECTIVENESS OF SERVICES

Printing and Distribution is a customer-service focused division, and customer satisfaction is the single best indicator of whether P&D is achieving its mission. It is clear that P&D employees support and promote this as their central objective, and over 94 percent of customers (or 141 customers) expressed satisfaction with P&D services in interviews and online polls. Unfortunately, P&D does not routinely survey customers and had no baseline data from which to draw. See [Improvement Area #4](#) for recommended changes.

Customer service has three aspects – satisfying needs, anticipating needs, and soliciting feedback. In the following sections, we use the online survey and in-person interviews with P&D customers to draw conclusions about whether P&D successfully addresses these aspects with regard to specific service areas: printing, convenience copiers, distribution and mailing, and microfilm.

Customer Satisfaction with General Services

In general, how well do the services provided by P&D meet your needs?



How satisfied are you with P&D on the following points?

<i>General P&D Services</i>	<i>Very Satisfied</i>	<i>Satisfied</i>	<i>Neither</i>	<i>Dis-Satisfied</i>	<i>Very Dissatisfied</i>	<i>Number of Responses</i>
Prices	21%	46%	26%	8%	0%	159
Service quality	47%	47%	2%	2%	1%	168
Turn around time	60%	33%	2%	5%	1%	168
Accessibility	50%	36%	8%	5%	0%	165

It is clear from the preceding graph and table that P&D is meeting customer needs. Nearly all respondents are pleased with the prices, service quality, turnaround time, and accessibility. For example, the Multnomah County Health Department, which has the option of using other printing shops but chooses to contract with P&D, complimented P&D for great communication, early identification of errors, and high levels of professionalism.

One customer commended P&D as a great service agency, saying the Division’s employees are friendly, helpful, and respectful. Another said that on-site training and face-to-face meetings were essential elements that P&D performed. The positive customer response is a strong indicator that P&D is achieving excellence in customer service. This is important because P&D benefits from its service reputation. Customers continue to feel “valued.” Government entities that are not mandated to use P&D continue to turn to P&D for services and long-term contracts. By achieving satisfactory ratings, P&D is able to build and maintain a diverse customer base that enables it to efficiently deliver services and pass efficiency savings on to customers.

Customer Satisfaction with Specific Services

Respondents evaluated specific services provided by P&D, and the following tables summarize the results.

Printing Services: How satisfied are you with the following?

<i>Printing Services</i>	<i>Very Satisfied</i>	<i>Satisfied</i>	<i>Neither</i>	<i>Dis-Satisfied</i>	<i>Very Dissatisfied</i>	<i>Number of Responses</i>
Turnaround time	61%	32%	2%	3%	1%	161
Quality	54%	42%	2%	2%	1%	158
Vended services	35%	40%	21%	4%	0%	138
Value of service to price	31%	42%	20%	5%	2%	147

P&D is satisfying a majority of its customers’ printing service needs. As would be expected, some customers applauded P&D while others recommended improvements.

Customers said:

- Service representatives are always very friendly, professional, and helpful.



- Services are excellent; appreciate all the efforts.
- This is one of the most customer-friendly work groups in the City
- P&D continues to manage as a service bureau rather than a policy enforcer

Customers also said:

- Tell us your prices up front; it’s hard to compare the value of service to price
- Quoted prices don’t meet the final price
- Provide information about price breaks for quantity potential when order is placed to help people making the order select good choices
- Provide more information about all of your services
- Accept more kinds of attachments, including AutoCad and Publisher

Satisfaction rates dipped with P&D’s vended services and the value of service relative to price. In some cases, responses of “neither” satisfied nor dissatisfied may be interpreted to mean that respondents don’t have enough information on prices or vending to have an opinion.

However, customers repeatedly indicated that they want more price information. In one example, a customer said that one of his completed orders came with more copies than originally requested. He had no way to determine whether he was charged for the extra copies because he never received a billing estimate as part of his order. The lack of transparent pricing could also be contributing to misperceptions of P&D. One customer said: “Prices vary significantly and are higher when I order online compared to hand-written orders.” The recommendations related to **Improvement Area #5** describe methods for providing more communication.

The online survey also asked respondents to provide information about desired services. Responses included: online estimating, re-use of previous online orders as templates for new orders, assistance with graphic layouts, large-scale printing, more paper and ink choices, and on-site coil binding. Moving forward, P&D will want to consider how it incorporates these requests into its service plans. P&D will also want to develop a method by which it can frequently ask its customers for similar feedback and demonstrate its responsiveness when customers do request new services.

Convenience Copiers: How satisfied are you with maintenance services?

<i>Convenience Copier/Printer Services</i>	<i>Very Satisfied</i>	<i>Satisfied</i>	<i>Neither</i>	<i>Dis-Satisfied</i>	<i>Very Dissatisfied</i>	<i>Number of Responses</i>
Contracted maintenance	22%	34%	32%	13%	3%	107

Convenience copiers are machines located in Bureaus and maintained by a contracted vendor that is managed by P&D. P&D specifically requested that customers be asked about this service and even communicated concerns that needs were not being met. As indicated in the responses, one-third of customers are neither satisfied nor dissatisfied. Meanwhile, 16 percent said they are dissatisfied or very dissatisfied. Customers were provided the option to explain their ratings and 25 did so (out of a total 170 who responded).

Reported problems were:

- Life requirements of machines
- End users do not have maintenance records and cannot identify problems that are trends
- Technology is changing faster than machine replacement
- Contracted vendor response is not as quick as customers would like

Some of the concerns could be addressed with increased communication and transparency. Customers said they want more information on the maintenance of their machines, such as maintenance history and invoices when repairs are made. Respondents had mixed reviews for vended services – some said it was too slow while others indicated that vendors were friendly and prompt. Additional comments sought more routine maintenance in addition to repairs of equipment. See [Improvement Area #8](#) for recommendations related to maintenance and repair.

Customers were also concerned with how and when reserve money is spent, indicating that the available machines do not meet their increasing technological needs.

Distribution and Mailing: How satisfied are you with the following?

<i>Distribution and Mailing</i>	<i>Very Satisfied</i>	<i>Satisfied</i>	<i>Neither</i>	<i>Dis-Satisfied</i>	<i>Very Dissatisfied</i>	<i>Number of Responses</i>
Professionalism of P&D personnel	60%	31%	8%	0%	1%	131
Consistency of your deliveries	55%	38%	2%	4%	2%	127
Timing of your deliveries	53%	41%	5%	1%	1%	128
Handling and processing of outgoing US Mail	47%	42%	10%	2%	0%	120

Again, survey respondents said they were satisfied or very satisfied with services at rates of 89 percent to 94 percent. Distribution and mailing services are meeting customer needs in a significant majority of cases.

One satisfied customer said: “Everything is up to my expectations and more.”



Several improvements were sought by respondents:

- Offer courier services when interoffice mail does not meet timeframes
- Provide access to clear information on postal procedures and templates
- Provide information on what the customer can and should expect from P&D
- Communicate delivery locations within buildings; sometimes deliveries are left in areas that are not frequently checked by employees
- Customs shipping

Microfilm: How will you use this service 2 years from now?

<i>Archiving</i>	<i>More</i>	<i>The Same</i>	<i>Less</i>	<i>Not at All</i>	<i>Other</i>	<i>Number of Respondents</i>
Microfilm Services	6%	8%	0%	80%	6%	80
Electronic Archiving	45%	11%	0%	40%	4%	75

Customers will reportedly use microfilming services very infrequently in the near future. Fourteen percent said they would use the service more or the same. Another 80 percent said not at all. These respondents also may include individuals who currently don't use microfilm services. However, the need for archiving will remain and P&D must be able to identify looming technological changes and policy shifts that incorporate electronic standards for archiving. P&D will need to anticipate customer needs in this area and develop a plan to meet those needs. Customers are asking for the ability to scan to electronic format and archival alternatives such as indexed PDF files. P&D has begun a pilot project to scan, index and transfer to CD and microfilm, city contracts and intergovernmental agreements. This project will test the ability to meet state archival requirements and provide working copies of this information to its customer, the City Auditor. See [Improvement Area #3](#) for further information.

COST COMPARISONS

The City of Portland's Managing for Results is designed to answer several important questions about city-provided services. Two cost-related questions are:

- How can the City allocate its resources to achieve maximum efficiency?
- Which programs can and cannot be cut?

Because of the emphasis on resource allocation and in-sourced versus outsourced services, we analyzed P&D's costs to determine whether it makes fiscal sense for the City to maintain an in-plant print shop. We also evaluated the efficiency of current operations. We looked to other organizations for cost comparisons, but found it was difficult to accurately compare P&D because of significant differences in cost allocation methods and structures.

As a result, we examined P&D's cost trends over time and asked:

- **Does P&D proactively save and/or cut costs while maintaining high quality?**



Over time, P&D's costs have been fairly static on an average, per-unit basis, even though its labor costs have increased. P&D provided AKT with cost codes for its major service categories. The exceptions to these declining cost trends are in copier services and microfilm. The largest component of the copier service costs are materials and supplies and a service contract with an outside vendor. Average, per-unit costs have been influenced by annual service agreement negotiations.

Microfilm is a P&D provided service that must remain as long as the demand remains. Currently under State of Oregon statutes, microfilm is the only approved long-term storage media. That could change in the future. However, until that happens, upgrades to more efficient machinery may not be warranted. Microfilming is also a labor intensive service and has a consistent backlog of work with unspecified due dates.

P&D, as a whole, has operated with approximately the same number of FTE since 2003. During that time, the Division lost 1.0 FTE in Customer Service and another FTE in Electronic Pre-Press, but gained 1.0 FTE in Reproduction. During the same period, labor costs have not substantially increased. The table below shows the historic and projected changes in FTE and labor costs.

	2003-04	2004-05	2005-06	2006-07 (approved)	2007-08 (requested)
FTE	26.0	26.0	24.5	24.5	26.0
Labor costs	\$1,163,184	\$1,159,587	\$1,132,475	\$1,176,902	\$1,260,382

P&D relies on vendors when it is unable to perform a requested service in-house. Factors that cause P&D to outsource work include requests that are high volume, demand short turnaround time, or use equipment that P&D does not have. While vended services are used to meet customer needs that exceed P&D resources, survey respondents reported dissatisfaction in some cases with the price and quality of certain vended services. Because some projects must be vended, P&D will need to take additional steps to illustrate the value provided by P&D in controlling the vending and ensure the quality. See [Improvement area #6](#) for recommendations.

A major change that will affect cost structures is that the United States Postal Service is changing its pricing structure. This will impact the City's mailing processes as well as pricing. P&D should be planning changes in workflows to address these price changes and should evaluate if current machines will be able to provide the appropriate postage. P&D also needs to educate its customers about these changes so that they respond appropriately.

IS P&D COMPETITIVE?

Printing Services

AKT contacted several in-plant and commercial print shops to compare P&D's costs for various services. AKT gathered costs for 11 print jobs with specification provided by P&D management as shown on Appendix D. We received responses from 8 comparable organizations. Based on vending policies, we divided them into in-plant (5) and vending (3) organizations. This information is provided in the tables below.



In five instances, P&D came in below the lowest in-plant organization. In all but one instance, P&D came in below the in-plant average and the commercial vended average.

It is important when reviewing this information to recognize the small sample size and the prices shown for commercial vendors reflect retail costs. If the City actually contracted out all of its work, it is likely the City could negotiate lower prices than those shown. However, the comparison does show that P&D prices its services well below its competitors.

P&D management attempts to understand the marketplace it competes in. When P&D receives an order they would consider vending, the manager surveys the surrounding commercial vendors. Factors such as capacity, price, quality, and turnaround enter into their decisions about where to place the order. While the intent of this process is not specifically designed to develop a sense of the marketplace, it does help P&D price its products.

<i>Item description</i>	<i>In-Plant organizations</i>			<i>Commercial or largely vended</i>	<i>P&D</i>
	<i>high</i>	<i>Low</i>	<i>average</i>	<i>average</i>	
100 B/W copies	\$ 20.16	\$ 7.80	\$ 12.04	\$ 20.97	\$ 6.25
5000 B/W copies	\$ 406.00	\$ 220.00	\$ 304.03	\$ 347.83	\$ 172.20
5000 Trifold brochures	\$ 452.86	\$ 270.00	\$ 374.07	\$ 561.17	\$ 204.70
50 full color copies	\$ 45.00	\$ 13.50	\$ 29.32	\$ 51.30	\$ 20.35
500 full color copies	\$ 250.00	\$ 133.00	\$ 185.44	\$ 98.50	\$ 116.95
500 envelopes B/W (1)	(A) \$ 59.50	\$ 32.00	\$ 49.50	\$ 60.00	\$ 44.00
500 envelopes Reflex	\$ 163.23	\$ 40.00	\$ 79.93	\$ 97.65	\$ 50.50
250 business cards	\$ 80.20	\$ 18.00	\$ 42.01	\$ 45.48	\$ 35.00
100 bound reports	\$ 1,176.09	\$ 609.00	\$ 831.13	\$ 695.81	\$ 570.30
50 self-mailers (1)	(B) \$ 54.00	\$ 19.00	\$ 26.95	(C) \$ 15.50	\$ 21.64
5000 bond forms, padded	\$ 374.29	\$ 170.00	\$ 243.19	\$ 271.12	\$ 179.02

Excluded as outliers: (A) City of Phoenix - \$150.83; (B) State of Washington - \$197.21; (C) City of Austin - \$305.91

For those same jobs, the following results were reported for turnaround time.

<i>Item description</i>	<i>In-Plant organizations</i>		
	<i>High</i>	<i>low</i>	<i>P&D</i>
100 B/W copies	3	same day	overnight
5000 B/W copies	2	1	2 to 5
5000 Trifold brochure	7	1	2 to 5
50 full color copies	3	same day	overnight
500 full color copies	3	same day	overnight
500 envelopes B/W	7	1	7
500 envelopes Reflex	7	1	7
250 business cards	5	1	7
100 bound reports	15	2	2 to 5
50 self-mailers	5	same day	overnight
5000 bond forms, padded	5	1	2 to 5



P&D reports turnaround times within the high and low ranges of the other in-plant respondents. Further, P&D reports that it meets its deadlines over 98 percent of the time. Most survey respondents reported high satisfaction with turnaround times while others reported lengthy delays. P&D should explore this discrepancy as part of its commitment to maintain good customer relations. This could potentially be resolved with clearer and more frequent communications about job progress and delays.

The second question regarding comparative costs is:

- What are possible alternatives to P&D provided services?

Two of the comparable cities have delegated all but quick-copy printing to outside vendors. Their costs averaged higher than in-plant organizations in almost all categories. Currently, Multnomah County and some Portland-based state agencies purchase printing services from P&D rather than contracting them out or performing them in-house. This tends to add additional evidence that P&D is a cheaper alternative than the competition.

Mail and Distribution Services

The majority of costs associated with distribution services relate to the cost of postage. P&D adds value through pickup and delivery of both interoffice and U.S. Mail. P&D also advises customers on how to save on postage.

USPS offers a presort postage rate that is nearly \$0.10 less for each first class postage item. Eligibility criteria for presort postage are rigorous and may not be an alternative routinely available to all bureaus. P&D has encouraged its major customers to participate in presort rates where appropriate.

Of the top 15 customers, seven attain 90 percent or better using discounted postage on their total items mailed. However, five customers attain less than 50 percent discounted postage. This results in nearly 500,000 items annually that are mailed using first-class postage. P&D is working with these customers to improve in this area, but their compliance is voluntary. P&D should ask OMF to assist them in getting these customers to take advantage of the savings for the city.

Copier Services and Maintenance

Competition in the copier service is a balance between:

- Courteous and effective service
- Response time
- Cost

Of all the areas surveyed for customer satisfaction, copier services received the lowest marks. A total of 48 of the 107 respondents marked this question as neither satisfied or dissatisfied, or worse. In more remote locations, customers request shorter response times for maintenance calls. The service vendor used by P&D reports that average response times exceeded the 4 hour contractually required time for 61 of the 281 machines serviced in the last 12 months. Several locations described frustrations with machines assigned for their use. There is significant cost to the City when equipment is not working or is not adequate for the user's need. Time wasted waiting for repairs, or supplies wasted on re-work, create substantial and unnecessary costs to the City. See [**Improvement Area #8**](#) for further discussion of convenience copier maintenance and replacement.



Recommended Improvements

Portland's Printing & Distribution Division has developed a strong reputation for meeting customer needs; performing competitively in the areas of service, price and quality; and proactively saving and cutting costs. By achieving these important outcomes, P&D has displayed its ability to be an effective and efficient service provider. However, the Division has the capacity to improve, particularly in the areas identified in the report and elaborated below.

IMPROVEMENT AREAS

Improvement Area #1: Staffing, Hiring and Employee Turnover

Turnover at P&D has been minimal but when positions are vacated, P&D has a hard time finding qualified employees. This is troublesome because approximately one-third of P&D's current workforce will reach retirement within the next 5 years and succession planning will be essential to P&D's ongoing service success. No formal succession plan was identified during the Focused Review, but P&D must strategically prepare for current workforce demands and long-term needs.

Formal recruitment and succession planning would benefit P&D because it would require management to perform the following:

1. Map out the knowledge, skills and abilities that are vital to the Division
2. Identify where to find people with these skills
3. Recruit more aggressively both within and outside of government
4. Develop formal training plans in which retiring employees teach new employees
5. Establish timetables for succession

In addition to the need for better recruitment and succession planning, we identified a discrepancy in the job classifications between P&D's two supervisors. The Reproduction Supervisor and the Distribution, Mail, and Microfilm Supervisor appear to have similar levels of responsibility, decision-making and required expertise. We noted that the Reproduction Supervisor is classified one salary range higher than the Distribution, Mail, and Microfilm Supervisor. We recommend that the Bureau of Human Resources review the Distribution, Mail, and Microfilm Supervisor's position to determine if a higher classification is warranted.

Improvement Area #2: Performance Measurement and Benchmarks

P&D's current performance measures provide too little information about the Division's progress toward better services, its comparability to others, and its performance in key areas.

During our assessment of comparable organizations, AKT identified the Washington State Department of Printing as a leader in the implementation of valuable, reliable performance measures. Washington's printing department is guided by an internal business plan detailing service capabilities, financial projections and performance goals to improve operations in the following ways:

- Customer satisfaction

- Marketing and promotion
- Improve existing services
- Develop new services

Each goal set is measured by specific actions. For example, one goal states: Increase customer service, satisfaction and efficiency of the Copy Centers. The following measures are then stated:

- 95% Customer Satisfaction
- Two Customer Forums
- Relocated Copy Centers to new Business Centers
- 10% increased use of PRT on-line services.

Goals are set against leading industry benchmarks to keep the performance measures relevant and timely. In order to set goals that will keep Washington a best-in-class performer, a database is compiled with financial and performance facts gathered from leading companies. This data is analyzed and used as a standard to measure performance at PRT.

Washington State’s Department of Printing is one example of how performance measures and benchmarks focus on important goals and communicate accomplishments. We believe that P&D can improve its performance and enhance the way it communicates with customers. AKT will continue to work with P&D on developing adequate measures and benchmarks as part of its Benchmarking contract with OMF, which will cover five OMF Bureaus including P&D. In the next 2 to 3 months, the benchmarking data will be collected, assessed and used to build a communication tool.

Improvement Area #3: Demand for Archive Services and BDS Needs

Methods of document management and records archival have dramatically changed during the last decade. This has come from the abundance of digital information and communication, the ease of duplicating records quickly and cheaply, and the ability to store records digitally.

Many organizations use electronic document imaging as a method of archiving records and many are working to make hard copy storage obsolete. However, our research with interviews and the U.S. National Archives and Records Administration (NARA) found that electronic document management is still in its infant stages and subject to expensive storage and rapid technology change resulting in costly software migration. Therefore, our best-in-class practices speak more to the management and strategy of archival systems rather than the actual archival of records.

P&D offers microfilm as an archival method, but there is more opportunity for P&D to work with customers to address archival needs. Currently P&D is participating in the City Auditors archiving pilot project as well as large format reproduction and scanning for their Bureau of Development Services. These organizations are looking to P&D for guidance and assistance in developing long-term solutions to on-line records storage and retrieval. We recommend P&D take this opportunity to expand these efforts and assume a major citywide leadership role in helping other Bureaus in this area.

Improvement Area #4: Customer Feedback

P&D has included customer service surveys in its invoicing slips to give customers the opportunity to provide feedback. The Office of Management and Finance also performs annual customer service surveys that include questions about P&D. Unfortunately, these feedback tools have produced too few responses for P&D or the OMF to draw statistically valid conclusions.

AKT worked with P&D's leadership to develop the online survey that was used in this Focused Review. Jointly, we determined the type of feedback that would be useful to P&D as it continues to make improvements to its operations and services. More than 170 responses to the survey (or 28 percent of 600 emailed) were received, making the information received very valuable and valid.

We recommend P&D regularly survey for customer satisfaction, reach out to all customers, publish the results, and develop plans to address customer feedback. Possible mechanisms include "tell us how we are doing" postcards, and eSurveys. P&D should use this valuable feedback to create strategic improvement plans and measure progress towards goals.

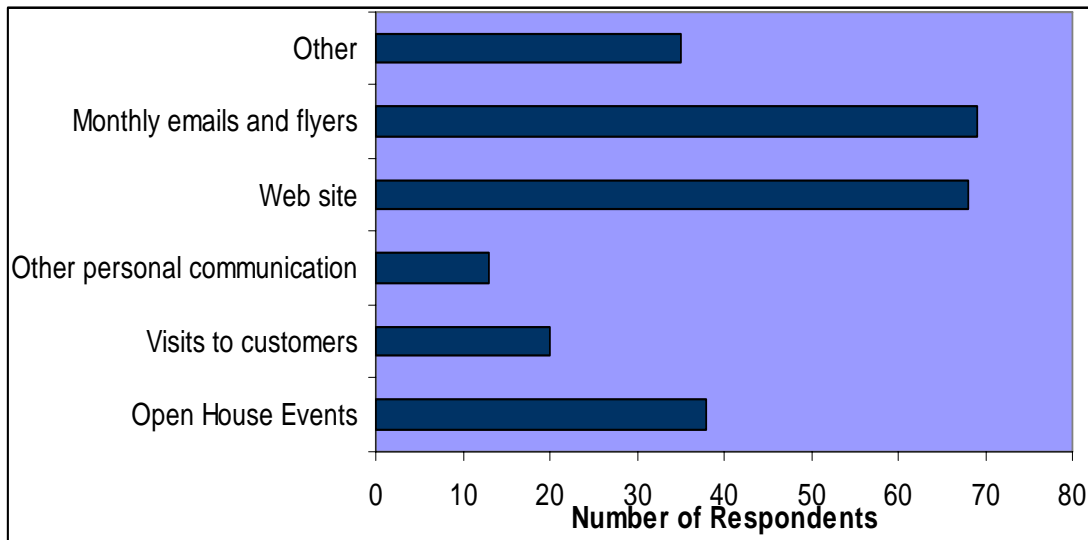
Communicating results of the surveys to P&D's customers and staff is an opportunity to showcase good progress and highlight areas that continue to need improvement. Customers will appreciate being included in P&D's improvement plans. They will know their concerns are being heard (and broadcast). P&D employees will appreciate being included because they will see the results of their efforts to improve customer satisfaction. Customer interview and eSurvey questions used for this Focused Review are included as an Appendix to this report.

Improvement Area #5: Communication and Marketing

P&D advertises and communicates its services via the City website, open house events at P&D, and one-on-one meetings with customers, as requested. However, both P&D employees and customers expressed frustration with being unable to communicate and identify the services provided by P&D. In addition, the standard cost and turnaround time for regularly provided services is not readily provided to customers, and in online surveys customers requested this.

Based on our interviews and surveys, we recommend developing a marketing strategy that is closely aligned with the Division's overall long-term goals. The strategy would be aimed at increasing customer familiarity with the services offered and providing additional information, such as prices and turnaround time. In the online survey, customers rated the following communication methods.

What method would improve P&D's communication of services?



The survey indicates the Web site and frequent flyers/emails as the most beneficial improvements to P&D's communication of services. Fortunately, both of these methods should be the least costly because they involve communications that can be distributed to mass numbers of customers simultaneously rather than in-person. Strategic marketing and communication is increasingly important as customers seek self-service ways to address their needs. For example, P&D's online ordering system and Web site should offer as much information as possible, including prices, so that customers have the tools to make effective and efficient decisions about their use of P&D. In addition, P&D is expanding its digital and other services and it will be important that P&D adequately communicate its value proposition to customers in the long-run.

Improvement Area #6: Use of Vendors

The judicious use of vendors is a methodology for P&D to even work loads, stretch resources, and occasionally contain costs. P&D's chooses vendors based on competitive costs, and their ability to adhere to a strict time line and quality control requirements. However, some customers of P&D feel the surcharge for vended work makes their project costs higher than going to the vendor directly. Further, the customer survey indicated lower satisfaction with the quality of vended work than in any other category. To mitigate these concerns, we recommend P&D take the following three steps:

- Develop a decision tree. We recommend a consistent use of a decision tree to document why work is vended. This serves two purposes; it avoids appearing arbitrary and can be used to communication decisions to customers.
- P&D provides a benefit to its customers by using vendors in selected circumstances, and by carefully selecting and filtering its benefit, and negotiating pricing. We recommend P&D share the surcharge policy and benefits provided to their customers.
- We recommend that P&D regularly inspect products and monitor the services provided by its vendor. Be prepared to hold vendors accountable for their agreed upon levels of service and quality, replacing them when service falls below acceptable levels.

Improvement Area #7: Sustainable Paper Use Policy

In June 2003, the City Council adopted the Sustainable Paper Use Policy as part of its goal to improve waste stream management. The Office of Management and Finance through the Bureau of Purchases and the Printing and Distribution Division is required to reduce the City's overall printing and copy paper consumption by 15 percent by July 2008 from fiscal year 2001 levels.

By July of 2004 the City of Portland was to purchase a minimum of 10 percent of paper products as Alternative Environmentally Preferable Paper. To achieve this goal, City Council placed responsibility for all copier and general use paper purchases with the Printing and Distribution Division. The City also started giving preferences to suppliers of paper that is processed chlorine free.

P&D in cooperation with Bureau of Purchases and the Office of Sustainable Development is implementing this policy. The City is making progress in these efforts, but has not yet achieved all of the goals in the Sustainable Paper Use Policy. P&D has limits on what it can do to achieve the policy. It controls the paper orders, but City Bureaus have the ultimate control on actual paper use and paper reduction. Success of this policy in individual bureaus ultimately depends on the continued support and direct involvement of bureau directors, the Mayor, and the Commissioners. P&D might also be more proactive in training customer s in using the paper-saving features of multi-function convenience copiers, such as scanning and duplex printing.

AKT recommends that P&D continue to work with the Office of Sustainable Development and the Bureau of Purchases to track City Bureau paper usage and report Bureau successes and areas for improvement to the Mayor and City Council.

Improvement Area #8: Convenience Copier Maintenance and Replacement

Self-service printing and reproduction machines placed throughout the City of Portland's Bureaus provide a way for simple work orders to be executed without use of the print shop. However, in our interviews with comparable organizations and in our survey of P&D customers we learned that there can be issues with these convenience copiers that decrease organizational productivity. We recommend the following:

- Perform aging analyses on equipment and developing methods to compare machine repairs and maintenance costs to the costs associated with purchasing and maintaining new equipment.
- Update the initial studies that are conducted for placement of copiers. As needs shift among the Bureaus, the demand for copy machines may shift. P&D should make equipment adjustments for these shifts in demand. Performing ongoing usage studies will also identify low use machines at earlier stages.
- Proactively provide training and/or instruction manuals for staff members using the new equipment to reduce re-work and inefficient use of machines caused by a lack of knowledge or experience.
- Improve response times. P&D should work with the copier repair vendor to ensure that contracted response times for customer maintenance calls are met regardless of a machine's



location. If this is not possible with the current maintenance contract, a more local alternative should be explored. Customers in outlying areas may be willing to pay slightly more to get a faster response time.

- Update copy machines. While P&D assists bureaus with the purchase of new copiers and has limited funding available for copier upgrades, each bureau actually has the ability to budget for new equipment. P&D has not effectively communicated to bureaus that its role is limited. P&D can assist customers by providing usage and maintenance history for their machines. P&D can also advise customers on new equipment and suggest the appropriate type of machine for the specific needs of the customer.

To increase the effective use of copiers in the fleet, P&D should:

- Review the status, repair history, usage and placement of non-accommodating machines. Weigh these factors, and create a replacement decision matrix to address the need for accelerated replacement with machines able to accommodate the green products. Request additional funding from City Council to support the accelerated replacement where a Bureau cannot fund the difference.
- Pool the cap replacement funds by AU, rather than by machine. This better addresses the needs of the customer. With a pool of cap replacement funds to draw from older, less used, but adequate machines can remain as placed. However, cap replacement funds for a specific machine can be pooled with others from that AU. Pooled funds can be used to replace machines in the same organization that are no longer adequate due to increases in usage or need for additional capabilities. This increases flexibility for Bureaus while decreasing the need to draw upon funds budgeted for other purposes.
- Adjust the surcharge to combine the anticipated use and desired year of replacement. Currently there are only two machines fully using 1/60th of the anticipated life in copies each month. Assuming the surcharge of 0.0065/copy was calculated to support machine replacement after 60 months, most copiers in the fleet will fall far short of being able to self-fund replacement in 5 years. The surcharge could be a flat fee plus a per page charge beyond 1/60th each month. Unless surcharges are pooled, they should vary by cost of machine in order to truly function as a replacement fund.
- Provide annual statements to each AU with the accumulated balance of cap replacement funds for their future use.

Commendation

AKT appreciates the help and cooperation provided by P&D staff and management; and others throughout the City of Portland. They were responsive to our requests for information and provided invaluable perspectives that helped shape our conclusions and our recommendations.



Appendix A

P&D CUSTOMER INTERVIEW QUESTIONS

Name: _____ Department/Bureau/Division: _____

Interview with: _____ Date: _____

- 1) **What kind of work does P & D do for you?**
 - a. How big is the typical job?
 - b. How often do you use their services?
 - c. How do you send the request?
 - d. How is the final product delivered to you?
- 2) **How satisfied are you with the services you receive?**
 - a. What is going well, and what is not up to your expectations?
 - b. What areas do you feel are the best, what areas do you feel are most lacking?
 - c. How do you rate the quality of your order for being:
 - o Timely
 - o Accurate
 - o Reasonably or competitively priced
 - o Received courteously
 - o Completely understood by staff
 - o Received by staff that proactively suggests changes where there is a benefit to you
 - o Up to date with technological changes
- 3) **Have you ever used outsourcing for these services? If so, please describe circumstances and results.**
- 4) **How aware are you of the other related services P & D offers? How well do they communicate these services with you?**
- 5) **Do you know who to call with questions? How open is P & D to suggestions, questions, or complaints?**
- 6) **How have your requests for services for P & D changed recently?**
 - a. What are the long range changes you foresee?
 - b. Do you feel P & D is poised to meet these changes?
 - c. What do you think they can do to prepare?



P&D STAFF INTERVIEW QUESTIONS

Date: _____

Time: _____

Interview with: _____

Job Title: _____

- 1) **Describe your role at P&D and the customers you serve.**
 - d. Who do you report to?
 - e. Who reports to you?
 - f. Does the organization of employees, supervisors, and managers make sense to you? Do you know where to go with problems or concerns?
- 2) **Are you familiar with your customers' satisfaction?**
 - a. What do you hear from customers regarding:
 - o quality of products
 - o timeliness of products
 - o required procedures
 - o interactions with staff
 - b. How does it affect the way you work?
 - c. Do you assess your personal performance by incorporating customer satisfaction?
- 3) **Describe your work environment.**
 - a. Do you receive training?
 - b. Do you have the appropriate technological tools to serve customers?
 - c. What kind of contact do you have with HR? other supporting depts?
 - d. Do you get a performance review?
 - o Is it taken seriously?
 - o Does it include anything about customer satisfaction?
 - o Are awards tied to your performance review?
 - e. Do you predict any future changes in your work environment? If so, what do you foresee?
 - f. How would you describe your personal workload?
 - g. How would you describe work distribution in your unit?
 - o Does it seem reasonable?
 - o Are there areas that could use rebalancing?
 - o Any OT worked?
 - o What causes you to scramble?
 - h. How would you describe the flow of work in your unit
 - o Does it seem reasonable?
 - o Are there things that would make more sense?
 - o Any bottlenecks as things get passed along?
- 4) **What is P&D doing well?**
- 5) **What improvements would you suggest?**



Appendix B

CUSTOMER SURVEYS

1. General Survey Questions

1. How well do the services provided by Printing & Distribution meet your needs?

	Response Percent	Response Total
Very well	51.5%	88
Well	42.7%	73
Neither	1.2%	2
Not so well	4.7%	8
Not at all	0%	0
Total Respondents		171
(skipped this question)		2

2. How satisfied are you with P&D on the following points:

	Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	Response Total
Prices	21% (33)	46% (73)	26% (41)	8% (12)	0% (0)	159
Service quality	47% (79)	47% (79)	2% (4)	2% (4)	1% (2)	168
Turn around time	60% (100)	33% (55)	2% (3)	5% (9)	1% (1)	168
Accessibility	50% (82)	36% (60)	8% (14)	5% (8)	1% (1)	165
Total Respondents						171
(skipped this question)						2

3. What types of services do you use at P&D? (mark all that apply)

	Response Percent	Response Total
Interoffice mail/distribution	62.9%	107
U.S. Mail Processing	51.8%	88
Convenience copiers	20.6%	35
Printing services	95.3%	162
Microfilm	4.7%	8
View Other (please specify)	14.7%	25
Total Respondents		170
(skipped this question)		3



4. How frequently do you use P&D services?		
	Response Percent	Response Total
Daily	24%	41
Weekly	18.1%	31
Monthly	24%	41
Every other month	12.3%	21
Annually	6.4%	11
View Other (please specify)	15.2%	26
Total Respondents		171
(skipped this question)		2

5. What method would improve P&D's communication of its services to customers? (mark all that apply)		
	Response Percent	Response Total
Open house events	27.7%	38
Visits to customers	14.6%	20
Other personal communication, such as phone calls	9.5%	13
More service information via the Web site	49.6%	68
Monthly emails or flyers about services	50.4%	69
View Other (please specify)	25.5%	35
Total Respondents		137
(skipped this question)		36

6. Would you describe your interaction with P&D as professional?		
	Response Percent	Response Total
Yes	93.5%	158
No	0.6%	1
Not applicable	0.6%	1
View Other (please specify)	5.3%	9
Total Respondents		169
(skipped this question)		4

2. Convenience Copier/Printer Services

7. How satisfied are you with the contracted maintenance service for your copier/printer?		
	Response Percent	Response Total
Very satisfied	21.5%	23
Satisfied	33.6%	36
Neither	31.0%	34
Dissatisfied	13.1%	14
Very dissatisfied	0%	0
Total Respondents		107
(skipped this question)		66



8. How can P&D improve its copier/printer services?		
View	Total Respondents	31
	(skipped this question)	142

3. Printing Services

9. How satisfied are you with the following?						
	Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	Response Total
Turn around time of your order	61% (99)	32% (52)	2% (4)	3% (5)	1% (1)	161
Quality of product	54% (85)	42% (66)	2% (3)	2% (3)	1% (1)	158
Process of vended services	35% (48)	40% (55)	21% (29)	4% (6)	0% (0)	138
Value of service relative to price	31% (45)	42% (62)	20% (29)	5% (8)	2% (3)	147
	Total Respondents					162
	(skipped this question)					11

10. How can P&D improve its Printing Services?		
View	Total Respondents	39
	(skipped this question)	134

11. What additional services would you like P&D to provide?		
View	Total Respondents	28
	(skipped this question)	145





4. Distribution and Mailing Services

12. How satisfied are you with the following?						
	Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	Response Total
Professionalism of P&D personnel	60% (78)	31% (41)	8% (11)	0% (0)	1% (1)	131
Consistency of your deliveries	55% (70)	38% (48)	2% (2)	4% (5)	2% (2)	127
Timing of your deliveries	53% (68)	41% (52)	5% (6)	1% (1)	1% (1)	128
Handling and processing of outgoing U.S. Mail	47% (56)	42% (50)	10% (12)	2% (2)	0% (0)	120
	Total Respondents					134
	(skipped this question)					39





13. What additional services would you like P&D's mail services to provide?		
View	Total Respondents	18
	(skipped this question)	155

5. Microfilm

14. How do you see yourself using Microfilm services two years from now?

	Response Percent	Response Total
More 	6.2%	5
The same 	7.5%	6
Less	0%	0
Not at all 	80%	64
View Other (please specify) 	6.2%	5
Total Respondents		80
(skipped this question)		93

15. How do you see yourself using scan-to-electronic and other electronic archiving methods two years from now?

	Response Percent	Response Total
More 	45.3%	34
The same 	10.7%	8
Less	0%	0
Not at all 	40%	30
View Other (please specify) 	4%	3
Total Respondents		75
(skipped this question)		98

16. What additional services would you like P&D's Microfilm services to provide?




View Total Respondents	8
(skipped this question)	165



VENDOR SURVEYS

1. General Survey Questions









1. Overall, how would you rate your experience as a vendor of P&D?

	Response Percent	Response Total
Very satisfied 	62.5%	5
Satisfied 	25%	2
Neither 	12.5%	1
Dissatisfied	0%	0
Very Dissatisfied	0%	0
Total Respondents		8
(skipped this question)		0

2. How satisfied are you with orders you receive from P&D on the following points:

	Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	Response Total
Order accuracy	75% (6)	25% (2)	0% (0)	0% (0)	0% (0)	8
Reasonable timeframes	57% (4)	43% (3)	0% (0)	0% (0)	0% (0)	7
Prompt payment	71% (5)	29% (2)	0% (0)	0% (0)	0% (0)	7
Total Respondents						8
(skipped this question)						0

3. What types of services do you provide to P&D? (mark all that apply)

	Response Percent	Response Total
Pre-Press 	37.5%	3
Short run digital color 	25%	2
Newsprint	0%	0
4 - color process 	87.5%	7
Long production run lengths 	50%	4
Screen printing 	37.5%	3
Commercial bindery 	25%	2
Copier maintenance	0%	0
US Mail processing and handling 	12.5%	1
View Other (please specify) 	12.5%	1
Total Respondents		8
(skipped this question)		0



4. How frequently does P&D use your services?		
	Response Percent	Response Total
Daily	0%	0
Weekly	0%	0
Monthly	37.5%	3
Every other month	12.5%	1
Annually	25%	2
View Other (please specify)	25%	2
Total Respondents		8
(skipped this question)		0

5. Is P & D aware of all the services your company offers?		
	Response Percent	Response Total
Yes	100%	8
No	0%	0
Not applicable	0%	0
Total Respondents		8
(skipped this question)		0



COMPARABLE ORGANIZATIONS SURVEYS

1. Thank you for participating!			
1. If you would like to see the results of this survey, please enter your email below			
View	Total Respondents	29	
	(skipped this question)	10	
2. Print Shop Survey Questions			
2. Please provide the following information, using estimates if exact information is not available:			
		Response Percent	Response Total
View	How many work orders did you process in 2006?	96%	24
View	How many work orders did you process in 2005?	92%	23
View	What is your average run length for copiers?	96%	24
View	What is your average run length on your presses?	96%	24
View	How many sheets did you process in 2006?	88%	22
View	How many sheets did you process in 2005?	84%	21
	Total Respondents	25	
	(skipped this question)	14	

3. How many full time employees (FTE) do you have doing this work?			
View	Total Respondents	11	
	(skipped this question)	28	
4. How often do you survey for customer satisfaction?			
		Response Percent	Response Total
	Monthly	12%	3
	Quarterly	4%	1
	Semi-Annually	12%	3
	Annually	24%	6
	Not often enough	36%	9
View	Other (please specify)	12%	3
	Total Respondents	25	
	(skipped this question)	14	



5. How satisfied are your customers with the following:						
	Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	Response Total
Prices	24% (6)	52% (13)	24% (6)	0% (0)	0% (0)	25
Service quality	64% (16)	36% (9)	0% (0)	0% (0)	0% (0)	25
Turnaround time	56% (14)	40% (10)	0% (0)	4% (1)	0% (0)	25
Ease of ordering	36% (9)	56% (14)	4% (1)	4% (1)	0% (0)	25
Knowledgeable staff	68% (17)	32% (8)	0% (0)	0% (0)	0% (0)	25
Total Respondents						25
(skipped this question)						14

6. What types of services do you provide at your print shop location? (mark all that apply)			
		Response Percent	Response Total
Self service copying		50%	12
Monochrome xerographic copies/prints		87.5%	21
Color xerographic copies/prints		95.8%	23
Offset printing		79.2%	19
Basic binding (trim/fold/drill/stitch)		95.8%	23
Intelligent inserting		20.8%	5
Variable data		54.2%	13
Digital pre-press		54.2%	13
Large format		62.5%	15
View Other (please specify)		29.2%	7
Total Respondents			24
(skipped this question)			15

7. What is the charge for the following print services:			
		Response Percent	Response Total
View Standard copy, 20# White Bond; 100% pcw; B&W; 2-sided copy		100%	9
View Standard copy, 60# White Bond; 30% pcw; B&W; 2-sided copy		100%	9
View Self Mailer, 70# White text; 30% pcw; B&W; 8.5 X 14 Flat 1/c 2/s with variable data 1/2; Trifold, tab for mailing		77.8%	7
View EPS-B, 24# White wove; 30% pcw; Reflex blue;		77.8%	7
View EPS-A, 24# White wove; 30% pcw; blk		77.8%	7
Total Respondents			9
(skipped this question)			30



8. What is the turnaround time for the following print services:

	Response Percent	Response Total
View 20# White Bond; 100% pcw; B&W; 2-sided copy	100%	8
View 60# White Bond; 30% pcw; B&W; 2-sided copy	100%	8
View 70# White text; 30% pcw; B&W; 8.5 X 14 Flat 1/c 2/s with variable data 1/2; Trifold, tab for mailing	100%	8
View 24# White wove; 30% pcw; Reflex blue;	87.5%	7
View 24# White wove; 30% pcw; blk	87.5%	7
Total Respondents		8
(skipped this question)		31

9. What percentage of your work orders are received via online order form or as an attachment on an email?

	Response Percent	Response Total
0% - 24%	29.2%	7
25% - 49%	33.3%	8
50% - 74%	12.5%	3
75% or more	25%	6
Total Respondents		24
(skipped this question)		15

10. What types of files are you able to receive as attachments with online ordering? (mark all that apply)

	Response Percent	Response Total
PDF	100%	24
Word	87.5%	21
WordPerfect	37.5%	9
Excel	70.8%	17
PowerPoint	83.3%	20
View Other (please specify)	37.5%	9
Total Respondents		24
(skipped this question)		15

11. What percentage of your work orders are rush jobs, meaning the standard turnaround won't work?

	Response Percent	Response Total
0% - 24%	50%	12
25% - 49%	29.2%	7
50% - 74%	20.8%	5
75% or more	0%	0
Total Respondents		24
(skipped this question)		15



12. What percentage of your work orders are vended?		
	Response Percent	Response Total
0% - 4%	31.8%	7
5% - 9%	40.9%	9
10% - 14%	18.2%	4
15% - 19%	0%	0
20% or more	9.1%	2
Total Respondents		22
(skipped this question)		17

13. For vended work, what is the surcharge to your customers?		
View	Total Respondents	8
(skipped this question)		31

3. Distribution and Mailing Services

14. How often do you survey for customer satisfaction?		
	Response Percent	Response Total
Monthly	5.3%	1
Quarterly	5.3%	1
Semi-Annually	15.8%	3
Annually	31.6%	6
Not often enough	36.8%	7
View	Other (please specify)	5.3%
Total Respondents		19
(skipped this question)		20

15. How satisfied are your customers with the following?						
	Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	Response Total
Number of times you pick up and deliver	16% (3)	68% (13)	16% (3)	0% (0)	0% (0)	19
Timing of your delivery	26% (5)	63% (12)	11% (2)	0% (0)	0% (0)	19
Courtesy of your delivery staff	32% (6)	58% (11)	11% (2)	0% (0)	0% (0)	19
Same day cutoff times	11% (2)	68% (13)	21% (4)	0% (0)	0% (0)	19
Total Respondents						19
(skipped this question)						20

16. What types of services does distribution provide? (mark all that apply)

	Response Percent	Response Total
First Class US mail	68.4%	13
Barcoding	21.1%	4
Bulk mail	31.6%	6
PreSorting	47.4%	9
Priority/Express US mail	57.9%	11
Parcels and packages	52.6%	10
FedEx/UPS/DHL	52.6%	10
Foreign delivery	42.1%	8
Interoffice pickup and delivery	84.2%	16
Delivery of finished printing orders	84.2%	16
<input type="button" value="View"/> Other (please specify)	10.5%	2
Total Respondents		19
(skipped this question)		20

17. What is the surcharge for these services?

	Response Percent	Response Total
<input type="button" value="View"/> First Class US mail	100%	6
<input type="button" value="View"/> Barcoding	50%	3
<input type="button" value="View"/> Bulk mail	50%	3
<input type="button" value="View"/> PreSorting	50%	3
<input type="button" value="View"/> Priority/Express US mail	66.7%	4
<input type="button" value="View"/> Parcels and packages	66.7%	4
<input type="button" value="View"/> FedEx/UPS/DHL	66.7%	4
<input type="button" value="View"/> Foreign delivery	66.7%	4
<input type="button" value="View"/> Interoffice pickup and delivery	83.3%	5
<input type="button" value="View"/> Delivery of finished printing orders	66.7%	4
Total Respondents		6
(skipped this question)		33

18. Please provide the following information for 2006, using estimates if exact information is not available:

	Response Percent	Response Total
<input type="button" value="View"/> Number of outgoing mail items receiving standard postage	100%	11
<input type="button" value="View"/> Number of outgoing mail items receiving discounted postage	100%	11
<input type="button" value="View"/> Number of parcels and packages shipped out	100%	11
<input type="button" value="View"/> Number of items for interoffice delivery	100%	11
Total Respondents		11
(skipped this question)		28



19. How many full time employees (FTE) do you have doing this work?		
View	Total Respondents	8
	(skipped this question)	31
20. How can your organization's Distribution Services be improved?		
View	Total Respondents	11
	(skipped this question)	28

4. Convenience Copier Administration

21. How many copiers under your management are:			
		Response Percent	Response Total
View	Monochrome only	68.8%	11
View	Color capable	87.5%	14
View	Analog only	50%	8
View	Digital copier/printers	93.8%	15
View	Are network capable	87.5%	14
View	Multi-use (copy scan print and/or fax)	87.5%	14
	Total Respondents		16
	(skipped this question)		23

22. For fleet copiers under your management, please provide the following:			
		Response Percent	Response Total
View	How long is your contracted response time to service calls?	100%	15
View	How many maintenance calls were made?	80%	12
View	What is the total number of copiers in your fleet?	100%	15
View	How many copies were produced on these machines in 2006?	80%	12
View	How many copies were produced on these machines in 2005?	73.3%	11
	Total Respondents		15
	(skipped this question)		24

23. Please provide a description of how this service is charged to your customers, including pricing structure.		
View	Total Respondents	5
	(skipped this question)	34



24. How often do you survey for customer satisfaction?

	Response Percent	Response Total
Monthly	6.2%	1
Quarterly	6.2%	1
Semi-Annually	6.2%	1
Annually	25%	4
Not often enough	56.2%	9
Other (please specify)	0%	0
Total Respondents		16
(skipped this question)		23

25. How satisfied are your customers with the following?

	Very satisfied	Satisfied	Neither	Dissatisfied	Very dissatisfied	Response Total
Response time for service calls	7% (1)	80% (12)	13% (2)	0% (0)	0% (0)	15
Cost of the service	7% (1)	80% (12)	13% (2)	0% (0)	0% (0)	15
Courtesy of your service staff	29% (4)	64% (9)	7% (1)	0% (0)	0% (0)	14
Quality of the copiers provided	38% (6)	50% (8)	6% (1)	6% (1)	0% (0)	16
Choices available for new or replacement equipment	20% (3)	47% (7)	20% (3)	13% (2)	0% (0)	15
Total Respondents						16
(skipped this question)						23

26. For copiers under your management where are these supplies sourced?

	Buy from you for additional fee	Included in flat contract fee	Buy directly from supplier	Respondent Total
Letter-sized white paper	27% (4)	47% (7)	27% (4)	15
Letter-sized colored paper	47% (7)	33% (5)	20% (3)	15
Letter-sized card stock	53% (8)	27% (4)	20% (3)	15
Legal-sized white paper	47% (7)	27% (4)	27% (4)	15
Special paper	60% (9)	20% (3)	20% (3)	15
Label stock	60% (9)	20% (3)	20% (3)	15
Black toner	0% (0)	94% (15)	6% (1)	16
Colored toners	0% (0)	92% (12)	8% (1)	13
Total Respondents				16
(skipped this question)				23



27. If your maintenance contracts are vended, when was the last time you changed vendors?

	Response Percent	Response Total
Within the last year	0%	0
More than one year ago	6.7%	1
More than two years ago	33.3%	5
More than three years ago	53.3%	8
View Other (please specify)	6.7%	1
Total Respondents		15
(skipped this question)		24

5. Archiving/Microfilm

28. What archiving services do you provide?

	Response Percent	Response Total
Microfilm	0%	0
Scan to electronic storage	50%	4
CD/DVD storage	50%	4
View Other (please specify)	25%	2
Total Respondents		8
(skipped this question)		31

29. How do you see yourself providing scan-to-electronic and other electronic archiving methods two years from now?

	Response Percent	Response Total
More	63.6%	7
The same	0%	0
Less	9.1%	1
Not at all	9.1%	1
View Other (please specify)	18.2%	2
Total Respondents		11
(skipped this question)		28

30. If you provide microfilm services, how frequently will you provide these services two years from now?

	Response Percent	Response Total
More	16.7%	1
The same	0%	0
Less	33.3%	2
Not at all	33.3%	2
View Other (please specify)	16.7%	1
Total Respondents		6
(skipped this question)		33



31. What additional archiving services would you like to provide to your customers?		
View	Total Respondents	2
	(skipped this question)	37



Appendix C

COMPETITOR OR OTHER GOV'T PROVIDER SURVEY

Do the service rates for your organization cover all of your operating costs including overhead? NOTE: If the answer is that they are not self-funded, then this is not a comparable agency. Add this question: How much is your annual allocation of government funds?

For print shop services

Please describe the nature of any initiatives you operate under. For example percent of recycled paper, vegetable based inks, recycled ink cartridges, etc.

Do your government customers have to use your services? What are the conditions under which they can directly send work to commercial vendors?

Do you outsource work? What types of work do you vend and what are the conditions under which this occurs? What is the add-on administrative charge to your customers for this service?

Please provide your latest financial reports to your governing agency.

Is there a reserves plan for equipment upgrades, and expansion? Is that funded through your service rates?

How many orders are placed monthly/annually? For 2005 and 2006? Is it a growing or contracting organization?

How are most orders placed? What electronic file formats do you support? Are you able to receive orders forms with attached originals via the internet or your organization's intranet?

Are you required to provide cost estimates for all work submitted? If not, do you provide estimates upon request? In either case how is this accomplished? How long does it take for the customer to receive the estimate?

How many customers do you have? What percentage of total orders do the top 15 volume customers place? For example – our top 15 customers comprise 79% of our volume and 85% of our revenues.

What are your 20 top dollar cost codes? What is the unit cost for each? What is the overhead portion of those rates? Total dollars generated from those cost codes for 2005 and 2006?

What are your standard or average turn around times?

Do you include pickup and delivery in your cost structure? If not, what is the cost of that add-on service?

What is the average tenure of employees? What is your primary source for recruitment of new employees? Industry? Community colleges? Other government agencies?

How many FTE are associated with the print shop? Please provide a breakdown of position and salaries.



Do you regularly survey for customer satisfaction? Please share the latest results.

What are your policies regarding re-work? Is the customer charged again for the service if the fault seems to lie with your agency? What is the turnaround time?

We have some specific jobs we'd like to have you provide an estimate for. When can you get this back to us?

For microfilm shops:

Do you provide Microfilming services and if so which services do you provide? What are your rates for 16mm and/or 35mm filming and processing, duping, jacketizing to fiche, indexing, and job prep? Do these rates cover all of your costs for providing these services? What is the overhead portion of these rates?

Do you offer storage of security copies at your location? What is the cost of that service?

Does your parent organization mandate documents with archival retention requirements be maintained in an eye readable format? If there are alternative acceptable methods for archiving information, please describe.

Do you outsource some or all of your services? Please describe the circumstances, and the nature of any administrative costs you pass on to your customers.

Do you regularly survey for customer satisfaction? Please share the results of your latest survey.

For convenience copiers

How many agencies does your group service? How many machines do you support?

What portion of your equipment fleet is digital? Of your digital devices, what percentage are networked?

What is the average number of copies between service calls for 20 cpm, 30-35 cpm, and 50 cpm devices?

Do you outsource the maintenance of your machines? What is your contractual service call response time?

If the maintenance of your machines is provided by your organization, what is the average response time?

Do your customers have to get new or replacement copiers through your group?

How do you charge for your services? Do these rates cover all of your costs for providing these services including capital or lease costs? What is the overhead portion of these rates? What were your revenues and costs for this service annually?

Do you regularly survey for customer satisfaction? Please share the results of your latest survey.



For distribution services:

How many agencies do you provide inter-office mail pick up and delivery, and US Mail processing services for?

How do you charge for inter-office mail services and what are your rates? What is the overhead portion of this rate?

How do you charge for mail processing services? What is the overhead portion of this rate?

What is your daily cutoff for a regular mail item to receive same-day mailing? For example, mail has to be received in our offices by 3pm to get into today's mail.

How many times a day do you pickup and deliver? What are the boundaries of your service area? For example: the city limit lines, or within 30 minutes driving time.

Do you offer barcoding and/or mail preparation services in-house or are these services vended? Do you offer parcel mailing? Do you offer delivery other than USPS?

Do you provide inserting services in this organization? If not, where does that happen?

We have an eSurvey we'd like to send you. What's the best email address to send that to? It will arrive today, please let me know if you don't receive it.



Appendix D - Print Specifications For Sample Costs

Job Description	Originals (Pages)	Quantity	Finished Size	Stock	Toner/Ink Color	Construction	Bindery
Standard Copies - A	2	100	8.5 X 11	20# White Bond, 100% PCW	BLK	2-Sided Copy Only	None
Standard Copies - B	2	5,000	8.5 X 11	60# White Bond, 30% PCW	BLK	2-Sided Copy Only	None
Simple Brochure	2	5,000	8.5 X 11	20# Pastel Bond, 30% PCW	BLK	1/C, 2S, With Halftones	Trifold
Color Copies	1	50	8.5 X 11	28# White Mohwak Text, 100% PCW	Full Color	4/C, Single Sided	None
Color Copies	1	500	8.5 X 11	28# White Mohwak Text, 100% PCW	Full Color	4/C, Single Sided	None
EPS-A	1	500	#10 REG EPS	24# White Wove, 30% PCW	BLK		None
EPS-B	1	500	#10 REG EPS	24# White Wove, 30% PCW	Reflex Blue		None
Business Cards	1	250	2 X 3.5	80# White Environment Cover, 100% PCW	BLK+2 PMS		
Report	100	100	8.5 X 11	Text-60# White Text, 30% PCW; Covers 90#	BLK	Text:90 PPG Black, 10 Color, 2/S	Black Plasticcoil
				Pastel Index, 30% PCW		Cover: 1/S, 4/C, Heavy Coverage, Bleeds 2/S	
Self Mailer	2	50	8 X 4.67	70# White Text, 30% PCW	BLK	8.5 X 14 Flat, 1/C, 2/S With Variable Data 1/S	Trifold, Tab for Mailing
Bond Form	1	5,000	8.5 X 14	20# Pastel Bond, 30% PCW	BLK	BLACK, 1/S	Pad, Chipboard, 100/Pad

For All of the Above

Art: Provided Copy Ready on Disk

Halftones/Negs: Vendor to Output

Proofs: None Requested

Delivery: Ships FOB to Requestor within 30-Mile Radius of Production Facility