

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 5, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #68: COPYING/DUPLICATING COSTS

This memorandum is in response to Councilman Krupicka's request regarding annual expenditures for photocopying, including the amount spent producing color copies; also, what efforts can be made to reduce photocopying costs.

The following chart indicates the aggregate photocopying expenses incurred from FY 2000-2005:

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	TOTAL
Spent	\$171,325	\$173,401	\$189,418	\$187,173	\$190,316	\$174,939	\$1,086,572
Increase/decrease		1.21%	9.23%	-1.18%	1.68%	-8.10%	
Average Increase							0.43%

As the chart illustrates, although the 5-year average costs show an annual increase of 0.43%, FY 2005 actual costs declined 8.1%.

Additional detail from the Department of General Services provides the number of copies made by that department on central copiers (black & white, color) as well as delineations for black & white and color duplication for FY 2004, FY 2005 and FY 2006 to-date. It should be noted that these total copies and costs differ from the above table, as some departments maintain photo copiers in their offices instead of utilizing the central copiers operated by General Services.

All Copies Made (Black & White + Color)		
Fiscal Year	Number of Copies	Cost of Copies
2004	4,911,838	\$156,954
2005	3,762,570	\$165,591
2004/2005 Incr/decr	(1,149,268)	\$8,637
2004/2005 Incr/decr (%)	-23.4%	5.5%
2006 (through February)	2,497,112	\$112,282

Black & White Copies Made		
Fiscal Year	Number of Copies	Cost of Copies
2004	4,845,214	\$137,833
2005	3,643,628	\$130,481
2004/2005 Incr/decr	(1,201,586)	(\$7,352)
2004/2005 Incr/decr (%)	(24.8%)	-5.3%
2006 (through February)	2,398,141	\$83,877

Color Copies Made		
Fiscal Year	Number of Copies	Cost of Copies
2004	66,624	\$19,121
2005	118,942	\$35,110
2004/2005 Incr/decr	52,318	\$15,989
2004/2005 Incr/decr (%)	78.5%	83.6%
2006 (through February)	98,971	\$28,405

As shown in the preceding 3 tables, although color copies increased 78.5% from FY 2004 to FY 2005, total copies declined 23.4% due to a substantial reduction in Black & White duplication. It is speculated that this aggregate decrease is attributed to the sharing of documents by Internet and placement on CD-ROM, or desktop publishing with existing office computers and laser printers.

Cost Comparison of City Duplicating Services Versus Private Vendors: General Services has also compared its in-house duplication costs to three private vendors to determine competitiveness. Utilizing a base of 300 copies produced per job, the following rates were provided for 8 ½" x 11":

PER-PAGE DUPLICATION RATES (lowest 2 prices for each service are shaded)				
	General Services	Kinko's	KwikCopy	Staples
Black & White	\$0.035	\$0.080	\$0.040	\$0.070
Color	\$0.287	\$0.890	\$0.950	\$0.790

Since the City is able to utilize State contracts for equipment leasing and supplies, and because general overhead is lower compared to private vendors, General Services can provide duplicating services at substantially lower rates. Compared to the next lowest competitor, City duplication costs average 22% less for Black & White services, and 63% less for Color.

Other Efficiencies or Reductions: The City has just completed a study of printing and duplicating operations, and findings will be under review in the next few months. The FY 2007 budget reflects an initial expected savings of \$82,853. It is anticipated that the City can further reduce the cost per copy of color printing using a high speed color copier in the Mail Room. This will be considered in detail in the upcoming months. Additional savings may be realized by City agencies who normally send high volume, complex color jobs to a third party for production, as the recommended equipment replacement should allow a larger portion of these jobs to be done in-house, or utilizing negotiated Unit Price Agreements, thereby reducing the total printing cost to the City.