

## The facts about Ecology's Managed Print Services Contract

In December 2010, KOMO-TV in Seattle aired a misleading story that wrongly characterized Ecology's print-management contract as wasting money. To the contrary, this contract saves money.

In the past, Ecology – like many other organizations – leased copiers and purchased printers. We were responsible for servicing and maintaining the machines and buying supplies for them. In 2005, in a competitive bidding process, the state awarded a contract that dramatically reduced costs – and shifted the risk to the vendor rather than Ecology, the customer.

The bottom line is:

We have reduced our print / copy costs from \$60,000 per month in 2001 to an average of \$55,800 per month in 2009 to an average of \$46,900 per month from September 2010 through February 2011.

In June 2011, Ecology and the state Department of General Administration awarded a new contract in an open competitive bidding process. Under the new contract, Ecology anticipates reducing desktop printing and copying and associated costs to under \$35,000 per month.

A recent state [Print Services Performance Audit](#) encourages more managed print contracting by state agencies.

### **Q: What's this print-management contract, and how does it work?**

**A:** The print-management cost accounting and service contract gives Ecology the ability to systematically manage all our printing and copying resources across the state. We know how much we spend every month. Supplies and maintenance are included. We have up-to-date data about each multi-function device we use at all times – providing transparency and accountability.

Ecology no longer has to devote a full-time position to respond to printer / copier problems. The risk is on the vendor instead of taxpayers. When equipment fails, the vendor is on the hook. The vendor also has an incentive to put in fewer devices.

Ecology also avoids equipment downtime, since the vendor has an incentive to meet performance standards. Ecology's contract requires the vendor to provide multi-function machines that can print, copy, fax and scan, have low emissions and use recycled paper – all of which supports our mission of sustainable use of resources.

### **Q: Who has the print-management contract?**

**A:** In June 2011, Ricoh Americas Corp. was selected as the best bid from four companies submitting bids for Ecology's Managed Print Services Contract.

**Q: Is Ecology paying for copies it doesn't make?**

**A:** No. When the print-management contract was awarded in 2005, it was based on Ecology's paper usage at that time – approximately a million copies per month. However, Ecology also successfully implemented a paper reduction initiative as part of our sustainability plan. That print-reduction strategy recognizes that Ecology's customers more and more expect information to be delivered electronically rather than in hard copy.

Ecology has reduced paper consumption from close to one million pages of print per month down to about 700,000 pages per month – a decrease of about 30 percent.

Under the terms of the new contract, effective July 2011, Ecology pays only for pages printed or copied. The price per black and white copy will vary depending on the total number of copies made per month, from a minimum of 3.8 to a maximum of 7.2 cents. For color copies, Ecology will pay a flat rate of 6.5 cents per page. Ecology anticipates that monthly desktop printing and copying and associated costs will be less than in the past.

**Q: KOMO-TV said Ecology paid \$250,000 for millions of copies it didn't make in a 24-month period. Is that true?**

**A:** This statement requires a leap of logic. It's like saying that if you buy or rent a car that has five seatbelts, and you only use two or three of those seatbelts most of the time, then you don't need two of the seatbelts – so you paid 40 percent too much for the car.

Ecology's 2005 print-management contract was awarded based on the copy demand at the time. However, the agency wasn't satisfied with needing a million copies per month, so it exercised good judgment and reduced copying by 30 percent. That's good business. It saves money; it doesn't cost more money.

As soon as the contract allowed, the agency re-negotiated the terms to recognize the current copy volume of about 680,000 copies per month. We have reduced our print / copy cost from \$60,000 per month in 2001 to an average of \$46,900 from September 2010 through February 2011. In June 2011, Ecology and the state Department of General Administration awarded a new contract in an open competitive bidding process. Under the new contract, Ecology anticipates reducing desktop printing and copying and associated costs to under \$35,000 per month.

Under the current contract, Ecology explicitly pays only for pages printed or copied.

**Q: Should all state agencies use a print-management contract like Ecology's?**

**A:** Any state agency (or other organization) uses its best independent judgment to consider its business requirements, and then makes good decisions about managing costs and risks – while getting a good price and good service in return.

**Q: Is Ecology's print-management contract a good buy?**

**A:** It would be hard to beat the price Ecology pays today for our volume of printing and copying.

**For more information:**

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