

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4e
Date of Meeting October 13, 2015

DATE: October 6, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Nora Huey, Director, Central Procurement Office
Peter Garlock, Chief Information Officer, Information & Communications
Technology
SUBJECT: Managed Print Services

Estimated Cost of This Request: \$6,000,000

Source of Funds: Operating Budgets

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a five-year contract for Port-wide Managed Print Services (MPS) with option to renew for five additional one-year terms for an estimated value of \$6,000,000 for the full ten years.

SYNOPSIS

With Managed Print Services (MPS) the Port will contract with one vendor, selected via a competitive procurement, to manage hardcopy device fleets (copiers, printers, multifunction devices, and fax machines) in a unified manner. This service will include onsite vendor presence to support the new environment and mitigate transition issues.

MPS will incorporate “pull” printing to allow employees to release a print job on any networked device by swiping their badge or using other identifying information. Pull printing will enhance user mobility and efficiency, reduce paper waste, protect personal information and confidentiality, and eliminate the need for excess printers including most desktop units.

BACKGROUND

The Port has over 300 print devices. 100 of the devices are leased, Multifunction Document Devices (MDDs), which are a combination printer, copier, scanner, and fax, and another 100 devices are Port-owned MDDs and printers. In addition, there are over 100 Port-owned desktop printers that are not cost effective due to high toner price/frequency of replenishment.

The annual estimated costs for printers and copiers based on previous year actuals and a 3% per year increase is \$767,000. This includes lease costs of \$577,000, printer purchases averaging \$13,000, toner costs of \$69,000, printer maintenance and repair of \$15,000 and \$93,000 for

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printer support performed by administrative staff. Paper is not included in this cost. Over a ten-year period, print services would cost the Port \$8,795,000 assuming the same 3% cost increase per year.

PROJECT JUSTIFICATION AND DETAILS

Project Objectives

MPS has three main objectives:

- Cost savings
- Staff efficiency
- Reduced resource consumption

While savings cannot be confirmed until the competitive procurement process is complete, it is estimated that the Port will realize an 11% savings per year on non-labor costs once MPS is fully implemented. The Port's solicitation will specify buy-out of existing leases and costs will decrease as Port-owned equipment is replaced with vendor provided equipment. The requested onsite vendor presence can be reduced following implementation to achieve additional cost savings.

Efficiencies will include:

- "Pull printing," a roaming print service also known as "Follow You." Users will print from any networked printer by swiping their badge or using other identifying information. This reduces printer redundancy by making equipment accessible to all, except for certain areas requiring strict confidentiality. Pull printing supports staff mobility and tracking while reducing paper waste and printer carbon footprint.
- An estimated 90% reduction in payment transactions. Currently the Port holds 56 separate contracts for a total of 100 leased devices. Each lease generates two invoices per month: one for the monthly lease and the other for print overages, resulting in over 1,300 invoices processed annually. MPS would reduce transactions to 24 invoices per year.
- Reports to support better cost visibility and more efficient management of equipment.

Scope of Work

- Assessment of current print device environment
- Reconfiguration of environment by removing, replacing, and repositioning devices so equipment is utilized to full potential
- Equipment reduction
- Onsite support for transition, supplies replenishment, and first response for machine troubleshooting and maintenance

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Schedule

Authorize Managed Print Services	Q4 2015
Procurement Complete	Q1 2016
Implementation	Q2 2016

FINANCIAL IMPLICATIONS

Budget Status and Source of Funds

This is not a request for additional funding. The costs for Managed Print Services are within the annual approved expense budget. Individual departments have obtained approval for their spending for copiers and printers in prior years. For MPS, Port staff will develop a Portwide cost allocation model for print costs. There will be additional Information & Communication Technology staff costs for implementation of the new service.

Financial Summary

By converting to MPS from our current method of decentralized leasing and purchasing of printers, we estimate the Port's total non-labor print costs will decrease 11% upon full implementation. The extent of cost savings will be established by Port staff adherence to MPS best practices.

STRATEGIES AND OBJECTIVES

This contract supports the following Port objectives and values:

- Century Agenda objective of meeting energy needs through conservation and renewable resources
- Value of responsible stewardship of community resources and the environment
- High Performance - by leveraging technology into an essential function while driving down costs and increasing operational efficiencies
- Lean - by reducing waste and the complexity of print device acquisition and management.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) Continue with current practice of decentralized print device lease or buy decisions, service call management and supplies ordering.

Pros:

- No disruption to organization's current business practice

Cons:

- Pay higher costs by leasing devices individually or in small groups
- Reduced efficiency without "pull" printing:

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- Cumbersome printing and scanning documents for employees working at various Port locations
- Paper and energy waste
- Multiple lease management and payment transactions

This is not the recommended alternative.

Alternative 2) Select a vendor through a competitive procurement to provide the Port with efficient print infrastructure and tools for cost and equipment tracking. A final decision to move forward with this alternative will occur when savings estimates are confirmed with the procurement process completion.

Pros:

- Cost savings with a right-sized print device fleet. The ten-year net present value of savings based on our estimates for non-labor costs is \$1,207,000. The ten-year net present value for all cost savings including administrative staff is \$1,993,000.
- Less device down time with onsite vendor support and maintenance
- One lease to manage with approximately 90% fewer payment transactions
- Increase cost and usage visibility

Cons:

- Initial disruption during implementation and familiarization period

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None