

**Quality and Productivity Commission**  
**29<sup>th</sup> Annual Productivity and Quality Awards Program**  
*Champions of Change: Together We Make a Difference*

**2015 APPLICATION**

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):

**NAME OF PROJECT: MANAGED PRINT SERVICES (MPS)**

**DATE OF IMPLEMENTATION/ADOPTION:** FEBRUARY 1, 2013  
 (Must have been implemented at least one year - on or before July 1, 2014)

**PROJECT STATUS:**                     Ongoing             One-time only

**HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT?**                     Yes                     No

**EXECUTIVE SUMMARY:** Describe the project in 15 lines or less using Arial 12 point font. State clearly and concisely what difference the project has made.

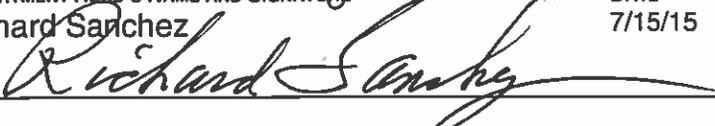
The purpose of the Managed Print Services Initiative was to:

1. Optimize countywide print operations using industry best practices; and
2. Reduce the cost of printing by
  - eliminating capital purchases and leasing print equipment instead, and
  - including the costs for printer consumables, maintenance and support into a set price per page rate.

The annual cost savings was estimated to total \$9.7 million. However, the County is already saving \$8.8 million from the work that has been completed and is on track to exceed the original estimate.

(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) = TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$ 0	\$9,700,000	\$ 0	\$ 9,700,000	<input type="checkbox"/>

ANNUAL = 12 MONTHS ONLY

<b>SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS</b> Chief Information Office 350 S. Figueroa St. Suite 188 Los Angeles, CA 90071		<b>TELEPHONE NUMBER</b> 213-253-5600
<b>PROGRAM MANAGER'S NAME</b> John Arnstein		<b>TELEPHONE NUMBER</b> 213-253-5621  <b>EMAIL</b> Jarnstein@cio.lacounty.gov
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b> (PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME) Kimberly Jo 	<b>DATE</b> 7/15/15	<b>TELEPHONE NUMBER</b> 213-253-5643  <b>EMAIL</b> kjo@cio.lacounty.gov
<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b> Richard Sanchez 	<b>DATE</b> 7/15/15	<b>TELEPHONE NUMBER</b> 213-253-5600

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**1<sup>st</sup> FACT SHEET – LIMITED TO 3 PAGES ONLY:** Describe the **Challenge, Solution, and Benefits** of the project. State clearly and concisely what difference the project has made.

Challenge

Printers, fax machines, scanners and copiers are generally routine purchases buried so deep in the budget that we often don't have a clear idea of how many or how much is spent each year on hardware, toner, ink cartridges, paper and overhead. The lack of oversight is also partly because they're paid for from numerous budgets throughout the County – everyone prints something. There were some standards for acquisition of smaller devices but generally none for copiers and larger devices

In 2010 the CIO identified Managed Print Services (MPS) as a potential efficiency initiative to achieve significant efficiencies and cost savings. However, not knowing how much the County was spending on office printing made also it difficult to know what cost savings could potentially be achieved. To move forward, we would need to engage the large vendor community to gather more information while maintaining a level playing field for all potential vendors.

Solution

Through a competitive RFP process, the Print Operations Group (POG), specialists with proven MPS expertise, were brought in to provide assistance. A team of representatives from the departments of Public Health, Mental Health, CEO and DCFS were formed to be the initial pilot departments. POG performed a Print Assessment of these four initial departments to determine if and how MPS could benefit the County, and what those benefits would be.

The initial print assessment revealed that the County could indeed achieve significant cost savings, as well as operational and environmental benefits, by implementing MPS.

Key findings of the print assessment included the following:

- Annual office printing costs of \$35 million could conservatively be cut by \$9.7 million annually (27% reduction).
- The County's office print fleet could be reduced from 43,000 to 18,000 devices (16,000 new, 2,000 retained).
- The target ratio of users to devices was 5:1 compared to the existing ratio of 2.2:1. While less than industry best practices of 8:1 or higher, it would be a significant improvement and would be the foundation for potential improvements in the future.

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- Functionality for employees would actually be improved by significantly increasing the use of multi-function devices (MFD) to replace existing single function devices
- The cost savings assumed no reduction in the print volume of 700 million pages per year. Reduced printing would further increase the savings
- Other benefits included reduced power consumption, increased space in offices, and reduced technical and administrative service levels for supporting the office print fleet. These savings were not included in the cost savings estimate.

After the County reviewed and accepted the findings of the Print Assessment, a competitive procurement for MPS vendors was issued. The competitive procurement process resulted in agreements an agreement with Xerox that was approved by the Board on January 31, 2013. In addition, the Board motioned to establish MPS as a mandatory County program with the goal of fully deploying MPS Countywide in three years.

POG, continued to serve as the County's independent MPS consultant, and began working with each County department to complete a design plan for MPS. Key steps in this process included gathering information of the current printer inventory, mapping printer locations on floor plans, capturing user requirements, preparing proposed-state design plans, and gaining the department's approval of the design plan. Once the design plan is final, each department then works with Xerox to execute the plan, deploying the printers and transitioning operations. The CIO and POG provide oversight of the deployment.

Key statistics as of June 2015:

- 10 departments are fully deployed
- 23 departments are in the process of developing proposed-state design plans
- 3,300 MPS devices have been deployed
- 5,800 MPS devices are being deployed/have been designed
- 24,000 existing devices are being replaced
- Cost savings based on current deployments/designs are \$8.8 million annually. It is estimated that once all designs/deployments are completed that annual savings will exceed \$13 million annually

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**LINKAGE TO THE COUNTY STRATEGIC PLAN (DETAIL IS REQUIRED FOR COUNTY DEPARTMENTS): Use Arial 12 point font**

MPS supports the following County Strategic Plan elements:

Goal 1 Operational Effectiveness/Fiscal Sustainability

- Strategic Initiative 4 Innovative Technology Application
  - Establish County-wide sourcing agreements

Benefits

Benefits of the MPS program include the following:

- The cost savings are expected to significantly surpass the original projection of \$9.7 million annually.
- Departments will retain the savings they achieve for other needs.
- The County has established standards for the acquisition, deployment and use of office print devices that never existing previously. This provides ongoing Countywide consistency for the appropriate use of office print technology.
- Departments have much greater visibility into their office print environment. This allows them to understand and manage costs, uptime, adherence to service level agreements, make adjustments as needed over time and provide the best printing solutions for employees.
- Employees benefit from new technology that remains updated on a consistent basis; standardized operations and user interfaces; and standardized service reporting and resolution procedures.
- The MPS program provides the flexibility for departments to successfully address changes over time, including in technology, business programs, staffing and locations.
- IT and administrative support loads are reduced, freeing up resources for other department needs.
- The scope of the MPS program at the County is very large. It is likely to be recognized as a leading project for other state and local governments.

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**COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFIT):** If you are claiming cost benefits, include a calculation on this page. You must include an explanation of the County cost savings, cost avoidance or new revenue that matches the numbers in the box. Remember to keep your supporting documentation. Use Arial 12 point font

**Cost Avoidance:** Costs that are eliminated or not incurred as a result of program outcomes.

**Cost Savings:** A reduction or lessening of expenditures as a result of program outcomes.

**Revenue:** Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

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<b>\$0</b>	<b>\$9,700,000</b>	<b>\$0</b>	<b>\$9,700,000</b>	<input type="checkbox"/>

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Summary of cost savings calculations:

Annual current state baseline operating cost	<b>\$ 30,694,078</b>
Status quo hardware spend. Projected annual capital based on expenditure replacing 12% of the fleet each year (i.e. 60% over 5 years).	<b>+ \$ 4,927,596</b>
Total annual current state cost	<b>= \$ 35,621,674</b>
Annual modeled target state operating cost, which <i>includes</i> the capital required to replace 87% of the equipment. (i.e. total cost divided by 5 years)	<b>- \$ 25,890,004</b>
<b>Annual Distributed savings</b>	<b>= \$ 9,731,670</b>
Cost reduction as a % of current total spend	<b>27.3%</b>

Additional detail is included in the Print Assessment document.

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**FOR COLLABORATING DEPARTMENTS ONLY**

*(For single department submissions, do not include this page)*

**DEPARTMENT NO. 2 NAME AND COMPLETE ADDRESS**

INTERNAL SERVICES DEPARTMENT

**PRODUCTIVITY MANAGER'S NAME AND SIGNATURE**

CELINA ORTIZ



**DEPARTMENT HEAD'S NAME AND SIGNATURE**

DAVE CHITTENDEN, ACTING DEPARTMENT HEAD

DAVE CHITTENDEN



**DEPARTMENT NO. 3 NAME AND COMPLETE ADDRESS**

**PRODUCTIVITY MANAGER'S NAME AND SIGNATURE**

**DEPARTMENT HEAD'S NAME AND SIGNATURE**

**DEPARTMENT NO. 4 NAME AND COMPLETE ADDRESS**

**PRODUCTIVITY MANAGER'S NAME AND SIGNATURE**

**DEPARTMENT HEAD'S NAME AND SIGNATURE**

**DEPARTMENT NO. 5 NAME AND COMPLETE ADDRESS**

**PRODUCTIVITY MANAGER'S NAME AND SIGNATURE**

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**DEPARTMENT NO. 6 NAME AND COMPLETE ADDRESS**

**PRODUCTIVITY MANAGER'S NAME AND SIGNATURE**

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