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California Legislature



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December 23, 1977

Letter Report 285.3

Honorable John Vasconcellos, Chairman
Permanent Subcommittee on
Postsecondary Education
Room 5119, State Capitol
Sacramento, California 95814

Dear Assemblyman Vasconcellos:

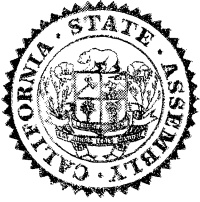
Your Joint Legislative Audit Committee respectfully forwards the Auditor General's letter report on state printing and reproduction costs.

The auditors are Curt Davis and Ronald Franceschi.

Cordially,

MIKE CULLEN
Chairman

cc: Speaker of the Assembly
President pro Tempore of the Senate
Members of the Joint Legislative Audit Committee



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November 21, 1977

Letter Report 285.3

Honorable Mike Cullen
Chairman, and Members of the
Joint Legislative Audit Committee
Room 5144, State Capitol
Sacramento, California 95814

Dear Mr. Chairman and Members:

In response to resolutions of the Joint Legislative Audit Committee we have conducted several audits of state printing and reproduction costs. These audits were conducted under the authority vested in the Auditor General by Section 10527 of the Government Code.

A report on Questionable Contracting Practices for the 1976 Voters Pamphlet (285.1) was issued in March 1977; a report on Deficiencies of Textbook Procurement Practices in California (285.2) was issued in October 1977; and a report on the Cost Accounting and Billing System of the Office of State Printing (303) was issued in November 1977.

These reports deal with specialized state printing activities that require significant cash outlays. For example, the State Department of Education annually expends about \$25 million for the purchase of school instructional materials, and during 1976 over \$2 million was expended to print and deliver the 1976 primary and general election voters pamphlets. Costs for legislative printing exceed \$5 million annually.

In addition to the activities dealt with in the three issued reports, we undertook a survey of the state's printing and reproduction needs and costs. The basic goals of the survey were as follows:

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- To identify the total printing and reproduction costs expended by state agencies
- To identify the total number of copies (page impressions) printed or reproduced by state agencies
- To identify the types of information that require printing and reproduction
- To determine agency satisfaction with the quality, speed and cost of printing and reproduction service provided by other state agencies including the Office of State Printing and private firms
- To determine individual state agency printing and reproduction capability including the type of equipment in use and the number of staff assigned to the function
- To identify agency reports which may no longer be of value
- To obtain agency suggestions for reducing state printing and reproduction costs.

The data obtained in the survey was not included in the previous reports because no substantive findings were developed. However, for your information some of the data obtained from the survey is summarized below.

Summary of Survey Responses

A total of 44 agencies were sent survey questionnaires. Of these, 39 responses were received.

The 39 responding agencies reported that \$24.2 million was expended for printing and reproduction needs during fiscal year 1975-76. These agencies reported that 269 positions were directly involved in printing and reproduction activities.

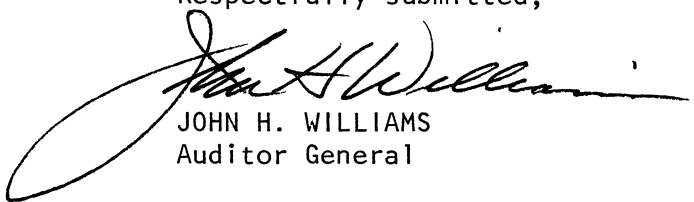
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Similar comments were received concerning the quality, speed and cost of printing services provided by the Department of General Services.

The State Department of General Services is currently involved in (1) overseeing the purchase and leasing of office copiers, (2) establishing controls over copier and reproduction equipment, and (3) analyzing the use of equipment now in place to determine efficiency and effectiveness.

Because of the Department of General Services' ongoing projects, we conclude that any further work in this area by us would not, at this time, be productive. We therefore recommend that the audit of state printing and reproduction costs be concluded.

Respectfully submitted,



JOHN H. WILLIAMS
Auditor General

Staff: Curt Davis, CPA
Ronald Franceschi

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The responding agencies indicated that exclusive of office copy machines, 124 offset and other types of duplicating presses were in use during fiscal year 1975-76. In addition, 90 collators of various capacities and 75 plate master-making machines were in use.

Including the printing and reproduction material purchased from the Office of State Printing, other agencies, and private industry, the responding agencies reported a volume of over 3.3 billion page impressions during fiscal year 1975-76.

The Office of State Printing was the major source for production, printing about 2.3 billion page impressions, or slightly over two-thirds of the total volume. The next largest source of volume output was the in-house reproduction units of the various agencies. The in-house reproduction units produced 427 million page impressions. The following table summarizes production by source:

<u>Source</u>	<u>Page Impressions</u>	<u>% of Total</u>
General Services	100 million	3%
Other Agencies	254 million	8%
Other (Private)	236 million	7%
In-house Units	427 million	13%
Office of State Printing	2.3 billion	69%

Based on the information provided, we found that the composite printing and reproduction budgets were spent on the following items:

<u>Type</u>	<u>% of Total</u>
Forms	31%
Reports	20%
Manuals	11%
Pamphlets	8%
Stationery and Newsletters	8%
Miscellaneous	22%

Nearly all responding agencies expressed satisfaction with the quality of printing received from the Office of State Printing. Only half, however, were satisfied with the timeliness of the service received. Many agencies indicated that it is not uncommon to wait eight weeks or longer to receive completed printing orders. About two-thirds of the agencies expressed satisfaction with the State Printers charges. However, 13 agencies indicated that private firms could do the same work at less cost.