

STATE AGENCY IN-PLANT PRINTING OPERATIONS

(New X/2019)

A. Definition

An agency in-plant printing operation (hereinafter “in-plant”) is any state agency (referring to a state government office, department, division, bureau, board, or commission) which: 1) owns and/or operates one or more pieces of printing equipment, valued at \$50,000 or more at the time of acquisition; 2) employs one or more dedicated personnel under a printing trade classification (Bargaining Unit 14); and, 3) is not under the direct control of the State Printer.

In-plants have also been referred to as “in-house printing and reproduction facilities” or “reproductive units.”

B. Cost Recovery

Pursuant to SAM Section 8752, it is state policy for departments to recover the full cost whenever goods and services are provided for others. Cost recovery is defined by SAM Section 8752 to include all costs attributable directly to the activity, plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided.

As defined in SAM Section 8752.1, indirect costs (or overhead costs) are the mandatory support costs (such as statewide Pro-Rata, departmental overhead, program overhead and FI\$Cal) which are accumulated and allocated annually to the organizational units which benefit from the support. Pursuant to SAM Section 8752, each in-plant must account for its share of its agency’s overhead costs.

C. Operating Authority

In-plants shall only produce print work for their own agency (defined as the office, department, division, bureau, board or commission, at the lowest level of organization, that purchased and/or operates the equipment), unless otherwise authorized by the Office of State Publishing (OSP).

In-plants are only permitted to provide print work for customer agencies when the customer agency has obtained OSP’s approval on a Printing Services Exemption Request (PSER) (see SAM Section 2811 for exemption procedure). An OSP-approved PSER must be included with all interagency agreements for in-plant printing services (see SAM Section 2812(B)). In-plants may not submit a PSER on behalf of a customer agency.

OSP publishes a directory of in-plants authorized to provide print work for customer agencies on its website at: <http://www.dgs.ca.gov/osp/services/inplants/directory>.

Before OSP will provide an exemption for the in-plant to produce print work for another state agency, the in-plant must provide its services list (see SAM Section 2875(D)) and rate spreadsheet (see SAM Section 2875(E)) to the Statewide In-Plant Operations Manager at inplantopsmanager@dgs.ca.gov for review and approval by the State Printer.

The in-plant must have a current In-Plant Printing Operations Report (IPPOR) (see SAM Section 2875(F)) on file with the State Printer before OSP will approve a PSER authorizing the in-plant to perform work for a customer agency.

D. Services List

In-plants that provide services to other state agencies shall submit a list of all printing and reproduction services provided by the in-plant to the Statewide In-Plant Operations Manager at inplantopsmanager@dgs.ca.gov. OSP will refer to this list when reviewing PSERs from customer agencies to determine whether the in-plant can complete the required print work.

Any modifications to the services list should be provided to the Statewide In-Plant Operations Manager by email. The in-plant must provide an updated services list each year by July 1.

E. Rates Development

In-plants that provide printing services to other state agencies must establish an hourly rate for each piece of printing equipment operated to ensure that the printing operation is adequately recovering its costs (pursuant to SAM Section 8752). In-plants that are not providing printing services to other agencies are not required to establish rates.

In-plants should use the Rate Development Spreadsheet (RDS) in developing their rates. The agency must complete the RDS in accordance with the provisions of the RDS Instructions document.

The rates must be certified by the agency's Deputy Administrative Director (no designee signature will be accepted) using the RDS Certification form. The RDS and the RDS Certification form should be submitted to the Statewide In-Plant Operations Manager at inplantopsmanager@dgs.ca.gov for review and approval by the State Printer. The State Printer may reject any rate structure that does not fully recover the cost of operation.

In-plants must update their rates annually to reflect changes in overhead and operational costs each fiscal year. Each year's rates should be submitted to the Statewide In-Plant Operations Manager by email for review and approval by July 1.

Electronic copies of the RDS, the RDS Certification form and the RDS Instructions can be found on OSP's website at: <http://www.dgs.ca.gov/osp/services/inplants/resources>.

F. Annual Operations Reporting Requirement

State agencies that operate in-plants are required to provide an annual report detailing their printing operations to the State Printer. The agencies must use the State Printer's In-Plant Printing Operations Report (IPPOR) to fulfill this requirement. The agency must complete each section of the IPPOR in accordance with the provisions of the IPPOR Instructions document.

The IPPOR must be certified by the agency's Deputy Administrative Director (no designee signature will be accepted) using the IPPOR Certification form.

The IPPOR and the IPPOR Certification form must be submitted electronically to the State Printer by January 1, 2020, and each year thereafter. Electronic copies of the IPPOR, the IPPOR Certification form and the IPPOR Instructions can be found on OSP's website at:

<http://www.dgs.ca.gov/osp/services/inplants/resources>.

The provisions of SAM Section 2875 do not apply to the printing operations enabled under Penal Code Section 2807.

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