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Report  
of  
Legislative Committee  
on  
Printing and Binding

LEGISLATIVE LIBRARY

November, 1966



Legislative Committee  
on  
Printing and Binding

THOMAS D. BUNN  
RALEIGH, N. C.

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His Excellency  
THE GOVERNOR OF NORTH CAROLINA  
ADVISORY BUDGET COMMISSION  
Raleigh, North Carolina

The Legislative Committee on Printing and Binding  
established by Joint Resolution No. 89 of the  
General Assembly of 1965 herewith transmits its  
report.

Respectfully,

Ralph H. Scott  
Roger C. Kiser  
Stewart B. Warren  
Thomas D. Bunn  
H. Clifton Blue, Chairman

This Committee has reviewed the field of state printing in an effort to determine whether greater economy and other improvements can be achieved.

In the biennium 1963-65, state agencies spent a total of \$2,900,040 for printing. Currently there is budgeted for state printing of all kinds a total of approximately \$2,915,846 for the biennium. It should be pointed out, however, that these total figures include not only printing, but binding (including the binding of textbooks and library books), certain pre-printed materials (such as pamphlets) purchased by state agencies from the publishers, and a part of the mimeographing supplies used by state agencies and charged to printing accounts.

The Legislative Committee on Printing and Binding has held 12 meetings, at which times representatives of many of the state departments and agencies appeared and presented data on printing and binding. Agencies and institutions heard were:

Adjutant General	Revenue
Agriculture	Rural Electrification Authority
Archives and History	Secretary of State
State Auditor	Utilities Commission
Banking	Wildlife Resources
Conservation and Development	Agricultural and Technical College
Health	Appalachian State Teachers College
Highway Commission	East Carolina College
Industrial Commission	Western Carolina College
Insurance	North Carolina State University
Labor	University of North Carolina at Chapel Hill
Motor Vehicles	Agricultural Extension Service
Ports Authority	Print Shop
Probation Commission	
Public Instruction	
Public Welfare	

The subject-matter of state publications is as varied as are the concerns of more than 150 state agencies and institutions. In addition to the business forms and stationery which all agencies require, there are annual or biennial reports published by many agencies, publications explaining the programs and resources of the publishing agencies and publications conveying to the public or some part of the public information on a wide variety of subjects such as agriculture, education, travel and wildlife.

It would be almost impossible to make a simple classification or even a true count of the number of state publications of all types now being published. Included are volumes such as the Session Laws, House and Senate Journals, North Carolina Supreme Court Reports, North Carolina Manual, the papers of each Governor, and other titles. The serial or periodical publications now being issued by the state agencies and institutions are many and include annual or biennial reports and magazines, journals and newsletters on topics ranging from agriculture to public health to natural resources to welfare. In addition, there is a multitude of individual or occasional publications varying in form from a one-page mimeographed press release to a full-size volume.

#### LEGAL RESTRICTIONS

The General Assembly has from time to time and in several ways sought to impose some control on the kinds and quantity of printing done by the State. Laws now in force make the following provisions with respect to state printing:

1. Reports which are printed are required to be "...as compact and concise as is consistent with an intelligent understanding of the work of..." the issuing agencies. The Department of Administration is directed to make rules "...prescribing the scope and format of the matter to be published in annual or biennial reports, the methods of reproduction to be employed, and the number of copies of such reports to be published..."

2. As to the state publications other than reports, the Department of Administration is directed to prescribe rules governing the matter to be published, format, methods of reproduction to be used, and the number of copies published.

3. Except for certain scientific illustrations, publications of the Department of Conservation and Development, the magazine Wildlife in North Carolina, multi-color printing requires the express approval of the Department of Administration.

4. All contracts for state printing (with minor exceptions) must be

negotiated through the Department of Administration.

5. Preference in contracting for printing is required to be given, as far as practicable, to North Carolina printing firms, but no sacrifice in price or quality is permitted in giving such preference.

6. The state use law requires all state agencies to use the services and commodities (including printing) produced by the State Prison Department, where Prison Department prices are competitive with those of commercial suppliers and the prison-made product or service meets the specifications and requirements of the purchasing agency.

#### PRINTING PROCUREMENT

The duty of contracting for all state printing is imposed by law on the Director of Administration, who heads the Department of Administration. He performs this duty through his Department's Purchase and Contract Division which serves as the purchasing agent for the State. The only exceptions to the requirement that all printing be procured by the Director of Administration are (1) the North Carolina Supreme Court Reports, the printing of which is arranged for by the Supreme Court, and (2) "...technical books and other printed matter on technical subjects..." which the Director, with the approval of the Advisory Budget Commission, can exempt from the usual purchasing procedures.

#### SOURCES OF PRINTING

Printing is procured by the Purchase and Contract Division from four sources: commercial printers, the State University Print Shop, Prison Enterprises Print Plant of the State Prison Department, both in Raleigh, and the University Duplicating Department at Chapel Hill. The Committee on Printing and Binding visited and inspected the three State-owned print shops.

Commercial printers: State contracts with commercial printers are let on competitive bid. Some are renewable for a second year if agreeable to both parties.

Responsible officials estimate that the state contract prices for

printing averages below the price which a private purchaser would pay for the same work--a saving resulting partly from the large size of state printing orders and partly from the economies arising from the large-scale state purchases of paper which is often furnished state contract printers.

State University Print Shop: The State University Print Shop is owned and operated by North Carolina State University at Raleigh, and in 1965 did approximately \$790,000 worth of printing for the State. Its prices are equivalent to or a little below state contract prices. Profits from the State University Print Shop are about three per cent of the gross volume and are divided three ways to each of the following groups: General Alumni Association, Student Aid Association, and the Board of Student Publications.

Agricultural Extension Service Print Shop: Also in operation at North Carolina State University is a second small print shop--Agricultural Extension Service Print Shop--which, during the year of 1964-65, reported operational costs in the amount of \$46,409 and employed four people. All printing was reported to be for the North Carolina Agricultural Extension Service.

Prison Enterprises: The Prison Enterprises Print Plant, located at Central Prison, is one of several industrial and agricultural activities conducted by Prison Enterprises for the State Prison Department. Its primary function is rehabilitation, keeping prisoners usefully employed while in prison and teaching them a trade helpful in gaining employment on their release. The Print Plant employs eight free persons and, on the average of 78 inmates, all of whom must be trained on the job.

The Prison Print Plant works only for state agencies and institutions and for local boards of education. Its sales have increased substantially in the last two years and at the end of 1965 were running at the rate of \$368,162 a year. Its prices average about 30 per cent below commercial rates for equivalent work.

Operations of the Prison Enterprises Print Plant, including capital

outlay, are financed from a revolving fund and the gain or profit from the Print Plant operations (currently about 26 per cent of sales or \$95,668 a year) go to augment that fund. Currently the Prison Enterprises Print Plant does approximately 98 per cent of all form work for state agencies.

University Duplicating Department at Chapel Hill: The University Duplicating Department reports a gross business of \$250,000 during the last fiscal year. There are approximately 30 full and part time employees. Its printing is for the University of North Carolina and related agencies and associations.

#### ADMINISTRATION OF PRINTING

As a rule, copy for each item to be printed for a state agency or institution is submitted to the Purchase and Contract Division, where the decision is made whether to send the job to the Prison Enterprises Print Plant, to the State University Print Shop, the University Duplicating Department, or to a commercial printer under or for a contract price. In some instances, where the geographical location of the publishing agency or the technical nature of the publication makes its advisable, the publishing agency is permitted to deal directly with a printer, without advance submission of copy to the Purchase and Contract Division.

The Department of Administration has authority (1) to determine whether any report is to be printed, unless its printing is specifically required by law; (2) to prescribe the form and number of copies of reports to be printed, and (3) to confer with the various agencies and prescribe the scope of the matter to be published in agency reports. This authority is exercised by the Budget Division of the Department of Administration, which takes the view that if the state budget provides funds for printing a departmental report, that is sufficient authorization for ordinary printing.

Representatives of the Purchase and Contract Division often, and usually with success, seek to persuade an agency wanting printing done to use a less

expensive grade of paper or a less costly mode of reproduction than the agency has requested, or to point out other ways in which printing costs can be reduced. The agencies are normally cooperative, for this enables them to stretch their printing budgets.

#### CONCLUSIONS

The State University Print Shop and the University Duplicating Department prices are found to be lower than private enterprise. Reasons for the State University Print Shop and the University Duplicating Department prices being lower than commercial printers are, among others, as follows: (1) captive clientele, (2) no expense of salesmen and collectors, and (3) tax advantages.

We feel that the four printing operations now in existence - State University Print Shop, Prison Enterprises Print Plant, the University Duplicating Department and the Agricultural Extension Service Print Shop- are serving a good purpose insofar as the printing needs of the state institutions, agencies and departments are concerned.

While it is the feeling of the Legislative Committee on Printing and Binding that the present printing arrangement enables the State to purchase its printing at a reasonable price, we feel that it would be wise and appropriate if the Department of Administration, would at least once each year, send an inquiry to all commercial print shops in the State reporting sales tax on printing, to ascertain their interest in submitting bids for state printing. This, we feel, would insure fair competition and give to the State more printing for its tax dollar, and spread the printing over the State.

The 1965 General Assembly reduced the appropriations for printing for state agencies by approximately 20 per cent below recommendations of the Advisory Budget Commission, and it is the feeling of this Committee that this reduction did not greatly curtail necessary printing in many, if any, of the state departments and agencies. We feel this reduction in printing appropriations served to eliminate most of the waste which might have occurred.

The Committee noted that many of the departments and agencies of the State



have small mimeograph or duplicating operations carried on for the needs of the respective departments and agencies which do not include printing orders processed through the Department of Administrations.

We believe that, within the existing legal and administrative framework, the Department of Administration is doing a good job of obtaining quality and economy in state printing.

We recognize that publishing is a vital part of the work of many agencies, that it is the chief means of informing the General Assembly and the Public of agency activities, and that in many instances it is through publications designed to inform or instruct the public that an agency accomplishes its main purposes.

The Legislative Committee on Printing and Binding makes the following recommendations:

RECOMMENDATION NO. 1

That the state-operated print plants be strictly confined to state printing.

RECOMMENDATION NO. 2

That all commercial printers reporting sales tax on printing be given invitations to submit bids on state printing.

RECOMMENDATION NO. 3

That state-operated print plants should not expand beyond their present capacity except to take care of printing of state departments and agencies which cannot be procured on a reasonable basis in commercial establishments.

RECOMMENDATION NO. 4

That any profits from any of the state-operated print plants be remitted to the Department of Administration.

RECOMMENDATION NO. 5

That the State Auditor be responsible for the auditing of state-operated print plants.

