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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FISCAL PROCEDURES APPROVED
ROBERT E. BARD, AUDITOR-CONTROLLER
By Russell Dominiski
2/10/10

FROM: Purchasing and Fleet Services Department

SUBMITTAL DATE:
December 10, 2009

SUBJECT: APPROVAL OF FY2010-2011 SUPPLY SERVICES ISF RATE CHANGES

RECOMMENDED MOTION: That the Board of Supervisors:

Approve the proposed rate changes for Supply Services as shown in Attachment A.

BACKGROUND: This Form 11 is for the purpose of setting Supply Services rates for fiscal year 2011.

Supply Services operates as an Internal Service Fund (ISF) and as such, must recoup its operating costs through charges to its customers. Supply Services rates are derived by combining the direct cost of labor and equipment with indirect costs incurred to run and maintain the facility and operation.

(Continued on Page 2)

Attachment

Robert J. Howdysshell
ROBERT J. HOWDYSHELL, Director
Purchasing and Fleet Services Department

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: *Serena Chow*
Serena Chow
County Executive Office Signature

Dept's Recomm.: Policy
Per Exec. Ofc.: Policy
 Consent
 Consent

Prev. Agn. Ref.: | District: | Agenda Number

3.63 e

BACKGROUND (Continued)

Supply Services provides office, janitorial, and system furniture products to other County departments.

To minimize costs to the County, Supply Services strives for the lowest cost by bidding out large purchases and taking advantage of market conditions. A contract for a primary source of office supplies is rebid every three years with the most recent award being given in fiscal year 2009.

Riverside County is one of four California counties that have a central supply operation. The recent run up in fuel costs highlighted that a central supply operation is more cost-effective and environmentally friendly than just-in-time deliveries directly from suppliers. In addition, Supply Services is an effective way for the County to manage vendor relations by consolidating orders and payments.

Delivery Rate:

Each year Supply Services passes along delivery charges to customers in the form of rates. The delivery charges consist of direct labor, a portion of management labor, car pool expense, fuel, county delivery services, administrative overhead, and depreciation. The basis for FY 2011 rates is the actual cost of delivery in FY 2009 spread by the percentage of sales to each customer.

Markup – Supplies

Supply Services proposes a flexible markup rate on supplies and services not to exceed 10.0% which is a decrease from a not to exceed rate of 13.5% established in FY 2010

Net Assets

Supply Services has excess net assets of \$986,500 as of June 30, 2009. To eliminate the excess, Supply Services will waive delivery fees of \$272,360 in fiscal year 2011 per Attachment B, refund \$360,679 to County customers also per Attachment B, and move \$353,461 from unrestricted net assets to restricted net assets.

Attachment A

County of Riverside
Supply Services Delivery Rates
For Fiscal Year 2011

Supply Services Markup Rate

	Fiscal Year 2011	Fiscal Year 2010
Markup Not to Exceed	10.0%	13.5%

Attachment B

County of Riverside
Waiver and Refund of Supply Services Delivery Rates
For Fiscal Year 2011

	FY 2009		FY 2011	FY 2011	
	Supply Services Office Product Sales	FY 2009 Percentage of Sales	Delivery Charge Waiver Based on FY 2009 Sales	Percentage of FY 2008 and FY 2009 Sales	Delivery Charge Refund
Net Delivery Costs to Allocate			\$ 272,360		\$ 360,679
10001 BOARD OF SUPERVISORS	11,594	0.142%	387	0.146%	527
10002 ASSESSMENT APPEALS	2,656	0.033%	89	0.052%	188
11001 COUNTY EXECUTIVE OFFICE	6,870	0.084%	230	0.074%	268
11092 OASIS-FINANCIALS	3,585	0.044%	120	0.044%	157
11093 OASIS HRMS	2,554	0.031%	85	0.044%	160
11301 PERSONNEL	152,463	1.870%	5,094	2.170%	7,826
11303 PERSONNEL-RIDESHARE	1,066	0.013%	36	0.011%	41
11306 HUMAN RESOURCES SELF ADMIN	-	0.000%	-	0.039%	139
11308 WORKERS COMP DIVISION	15,844	0.194%	529	0.352%	1,269
11310 HR-RISK MANAGEMENT	17,077	0.210%	571	0.241%	870
11313 HR-SAFETY OFFICE	11,826	0.145%	395	0.220%	795
11318 HUMAN RESOURCES TAP	11,519	0.141%	385	0.152%	547
11320 HUMAN RESOURCES EXCLUSIV	26,184	0.321%	875	0.359%	1,294
11322 HUMAN RESOURCES/EAP	4,938	0.061%	165	0.058%	211
11329 HR Occupational Hlth & W	9,052	0.111%	302	0.113%	408
12001 ASSESSOR	53,152	0.652%	1,776	0.897%	3,235
12002 COUNTY CLERK /RECORDER	52,828	0.648%	1,765	0.714%	2,576
12003 CLERK RECORDER	7,056	0.087%	236	0.153%	553
12004 CREST	3,217	0.039%	107	0.175%	630
13001 AUDITOR CONTROLLER	40,336	0.495%	1,348	0.535%	1,929
13002 AC INTERNAL AUDIT	2,502	0.031%	84	0.027%	98
14001 TREASURER-TAX COLLECTOR	49,420	0.606%	1,651	0.604%	2,178
15001 COUNTY COUNSEL	23,674	0.290%	791	0.286%	1,030
17001 REGISTRAR OF VOTERS	8,154	0.100%	272	0.116%	420
19001 ECONOMIC DEV AGENCY	124,133	1.523%	4,148	1.038%	3,744
19003 EDA REDEVELOPMENT	68,844	0.845%	2,300	0.624%	2,250
19005 WORKFORCE DEVELOPMENT CT	507	0.006%	17	0.122%	441
19201 NATIONAL DATE FESTIVAL	1,904	0.023%	64	0.028%	100
22001 DISTRICT ATTORNEY	449,972	5.520%	15,035	5.342%	19,269
23001 CHILD SUPPORT SERVICES	174,479	2.141%	5,830	2.419%	8,725
24001 PUBLIC DEFENDER	110,301	1.353%	3,686	0.872%	3,143
25001 SHERIFF-ADMINISTRATION	33,997	0.417%	1,136	0.455%	1,642
25002 SHERIFF	124,308	1.525%	4,154	1.380%	4,977
25003 SHERIFF	510,832	6.267%	17,069	5.786%	20,869
25004 SHERIFF-ADMINISTRATION	162,117	1.989%	5,417	1.709%	6,162
25005 SHERIFF COURT SERVICE-EA	70,841	0.869%	2,367	0.723%	2,608
25006 SHERIFF -COURT SERVICES	2,488	0.031%	83	0.025%	91
25007 RIVERSIDE COUNTY SHERIFF	78,786	0.967%	2,633	0.676%	2,439
25008 SHERIFF DEPT NARCOTICS	2,125	0.026%	71	0.038%	137
25009 SHERIFF	4,265	0.052%	143	0.095%	342
25010 SHERIFF CORONER	12,562	0.154%	420	0.135%	486
25011 SHERIFF-PUBLIC ADMINISTR	3,721	0.046%	124	0.043%	156
25051 SHERIFF-CAL ID	12,224	0.150%	408	0.134%	483
26001 PROBATION	115,981	1.423%	3,875	1.283%	4,626
26002 PROBATION	177,754	2.181%	5,939	4.111%	14,829
26007 PROBATION	69,866	0.857%	2,334	0.887%	3,201
27001 FIRE DEPARTMENT-FP # HOM	-	0.000%	-	0.070%	251

Attachment B

County of Riverside
Waiver and Refund of Supply Services Delivery Rates
For Fiscal Year 2011

	Supply Services Office Product Sales	FY 2009 Percentage of Sales	Delivery Charge Waiver Based on FY 2009 Sales	Percentage of FY 2008 and FY 2009 Sales	Delivery Charge Refund
Net Delivery Costs to Allocate			\$ 272,360		\$ 360,679
27002 FIRE DEPARTMENT	428,651	5.259%	14,323	4.314%	15,558
27004 FIRE DEPARTMENT	-	0.000%	-	0.014%	51
28001 AGRICULTURAL COMMISSIONE	10,669	0.131%	356	0.158%	569
31001 TLMA	1,368	0.017%	46	0.012%	43
31002 TLMA	12,870	0.158%	430	0.121%	437
31003 TLMA	6,671	0.082%	223	0.104%	374
31004 TLMA INTEGRATED PLAN	-	0.000%	-	0.014%	50
31005 TLMA	2,415	0.030%	81	0.018%	64
31101 BUILDING AND SAFTEY	3,334	0.041%	111	0.033%	121
31102 TLMA-CODE ENFORCEMENT	-	0.000%	-	0.000%	1
31201 PLANNING	15,300	0.188%	511	0.159%	573
31301 TLMA - TRANS CONST.	71,337	0.875%	2,384	0.533%	1,923
31302 TLMA - SURVEY	4,584	0.056%	153	0.029%	106
31305 TLMA 4	2,167	0.027%	72	0.014%	50
31307 TLMA	281	0.003%	9	0.002%	7
31401 CODE ENFORCEMENT	27,108	0.333%	906	0.218%	785
41001 MENTAL HEALTH-PUBLIC GUA	20,644	0.253%	690	0.208%	750
41002 MENTAL HEALTH	511,179	6.271%	17,080	5.058%	18,244
41003 MENTAL HEALTH-DETENTION	26,112	0.320%	872	0.303%	1,094
41004 MENTAL HALTH	110,085	1.351%	3,678	1.272%	4,589
41005 MENTAL HEALTH	91,341	1.121%	3,052	0.999%	3,604
42001 CHA	574,089	7.043%	19,183	7.265%	26,203
42002 CHA	42,490	0.521%	1,420	0.649%	2,342
42003 CHA	118,284	1.451%	3,952	1.339%	4,829
42004 CHA	76,913	0.944%	2,570	1.018%	3,672
42006 CHA	49,253	0.604%	1,646	0.990%	3,572
43001 RCRMC	537,085	6.589%	17,946	6.081%	21,934
43002 RCRMC - MEDICAL INDIGENT	3,130	0.038%	105	0.050%	179
43003 RCRMC DETENTION HEALTH	4,839	0.059%	162	0.080%	290
45001 WASTE MANAGEMENT	26,865	0.330%	898	0.336%	1,212
51001 DPSS	1,638,968	20.107%	54,764	22.682%	81,810
51006 DPSS HOMELESS	6,600	0.081%	221	0.087%	315
52001 DPSS-MATERIAL MANAGEMENT	24,842	0.305%	830	0.235%	846
52002 COMMUNITY ACTION	13,234	0.162%	442	0.143%	515
52003 COMMUNITY ACTION	6,952	0.085%	232	0.045%	163
53001 OFFICE ON AGING	31,303	0.384%	1,046	0.548%	1,978
54001 VETERANS SERVICES	6,966	0.085%	233	0.089%	322
63001 COOPERATIVE EXT.	9,002	0.110%	301	0.083%	298
72001 FACILITIES MANAGEMENT	46,874	0.575%	1,566	0.680%	2,452
72002 FACILITIES MANAGEMENT	363,287	4.457%	12,139	3.906%	14,088
72003 FACILITIES MANAGEMENT	11,850	0.145%	396	0.161%	579
72004 FACILITIES MANAGEMENT	8,551	0.105%	286	0.131%	473
72005 FACILITIES MANAGEMENT	5,650	0.069%	189	0.072%	261
72007 FACILITIES MANAGEMENT	5,341	0.066%	178	0.061%	220
72008 FACILITIES MANAGEMENT	1,896	0.023%	63	0.012%	44
72011 FACILITIES MANAGEMENT	896	0.011%	30	0.006%	21
73001 PURCHASING	7,098	0.087%	237	0.106%	384
73003 PRINTING SERVICES	230,262	2.825%	7,694	2.507%	9,041

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County of Riverside
Waiver and Refund of Supply Services Delivery Rates
For Fiscal Year 2011

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Net Delivery Costs to Allocate			\$ 272,360		\$ 360,679
73004 SUPPLY SERVICES	9,667	0.119%	323	0.107%	384
73005 FLEET SERVICES	21,970	0.270%	734	0.206%	741
73006 CENTRAL MAIL	1,968	0.024%	66	0.020%	74
74001 INFORMATION TECHNOLOGY	23,071	0.283%	771	0.290%	1,048
74003 RCIT 800 Mhz Radio Project	6,989	0.086%	234	0.189%	680
931105 PARK AQUISIT & DEVELOPMENT TRUST	154	0.002%	5	0.001%	4
931117 REGIONAL PARK DISTRICT	840	0.010%	28	0.014%	49
931119 REGIONAL PARKS DISTRICT	-	0.000%	-	0.001%	2
931150 MSHPC RESERVE MANAGEMENT	191	0.002%	6	0.002%	7
931200 Regional Parks District 1	74	0.001%	2	0.000%	2
931220 Regional Parks District	1,517	0.019%	51	0.010%	36
931230 REGIONAL PARKS	13	0.000%	0	0.000%	0
931400 REGIONAL PARKS DISTRICT	34,851	0.428%	1,164	0.327%	1,178
931500 RIV. CTY REGIONAL PARK	509	0.006%	17	0.005%	19
931708 ARUNDO REMOVAL OVRHD	117	0.001%	4	0.001%	3
931709 RIVERSIDE COUNTY REGION	390	0.005%	13	0.006%	20
931710 REGIONAL PARKS DISTRICT	946	0.012%	32	0.010%	35
935200 RCA OPERATIONS	-	0.000%	-	0.038%	138
935201 WRC-Regional Conservati	1,804	0.022%	60	0.012%	42
935320 WDC-RCA	699	0.009%	23	0.021%	76
938001 CHILDRENS AND FAMILIES	174	0.002%	6	0.001%	4
947200 FLOOD CONTROL	21	0.000%	1	0.038%	137
947260 FLOOD CONTROL	-	0.000%	-	0.002%	7
947280 FLOOD CONTROL	-	0.000%	-	0.001%	4
947300 FLOOD CONTROL	8,735	0.107%	292	0.090%	324
947320 FLOOD CONTROL	-	0.000%	-	0.001%	4
947560 FLOOD CONTROL	-	0.000%	-	0.000%	0
960001 RIVERSIDE COUNTY LAW LIBRARY	-	0.000%	-	0.000%	-
980501 PERRIS VALLEY CEMETERY	212	0.003%	7	0.004%	15
985101 Public Authority Admin	3,909	0.048%	131	0.054%	195
935001 TLMA-KARLENE HERNANDEZ	295	0.004%	10	0.002%	7
935200 WRC-Regional Conservation	3,772	0.046%	126	0.024%	87
Total	\$ 8,151,097	100%	\$ 272,360		360,679

Notes:

Supply Services will not bill delivery amounts identified in this attachment. Delivery amounts for fiscal year 2011 are based on percentage of office product sales in fiscal year 2009. Waiver of these charges and refunds will allow Supply Services to reduce net assets to an allowed level.

73004 Supply Services

Net Asset:

Excess Net Assets as of 6/30/2009 \$ 986,500

Reserves:

Equipment:

Narrow Isle Fork Lifts (2 - to replace 2001 and 2003 models) \$80,000 each
time 90% and 70% percent of useful life respectively 128,000

Add order picker lift (2) at \$32,155 each 64,310

Replacement of Pick Up Truck 30,640

Replacement of Two Office Copiers 27,250

Total Reserve for Equipment Replacement \$ 250,200

Remaining Excess Net Assets 6/30/2009 \$ 736,300

Planned Use of Excess Net Assets

FY 2011 Refund of FY 2010 Delivery Rates (360,679)

FY 2011 Delivery Rates Waived (272,360)

Projected Excess Unrestricted Net Asset Balance 6/30/2011 \$ 103,261