

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

728



FROM: Purchasing and Fleet Services

SUBMITTAL DATE:
November 14, 2011

SUBJECT: APPROVAL OF FY2012-2013 RATE CHANGES FOR CENTRAL MAIL SERVICES

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the proposed fiscal year 2013 rates for Central Mail as shown in Attachment A.
2. Approve the waiver of Board Policy B-28 for the use of unrestricted net assets to offset operating costs, in the amount of \$270,000.

BACKGROUND: This Form 11 is for the purpose of setting Central Mail Services rates for fiscal year 2013.

(Continued on Page 2)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *[Signature]*
 RUSSELL S. DOMINSKI 1-30-12
 Departmental Concurrence

[Signature]

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:	2013

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: *[Signature]*
Serena Chow

County Executive Office Signature

Dep't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District:

Agenda Number:

3.3 D

BACKGROUND (Continued)

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

Delivery, Pickup and Mail Stops

County entities will be billed according to the number of deliveries, pickups, and mail stops they have.

Under the proposed rates in Attachment A, customers will be charged \$180/year/mail stop number. This charge covers the cost producing the Mail Stop List, redesigning routes when mail stops are changed, and the costs of sorting to a finer level. Customers are charged \$90 to cancel a mail stop to cover the costs of reproducing the Mail Stop List and redesigning routes.

Each customer will be charged \$8.56 per day per business address for pickup and delivery. This represents no change from the fiscal year 2012 rate.

For example, a department has four (4) mail stops and two (2) different business addresses. They will be charged $4 \times \$180 = \720 per year for their mail stops and $\$8.56 \times 2 \times 249 \text{ days} = \$4,262.88$ for pickup and delivery services.

In fiscal year 2013, Central Mail will waive 56% of current year daily delivery charges (\$4.79 credit per business address, per day). Attachment B provides an illustration of how much departments may save based on fiscal year 2011 actual charges.

Postage

Customers are charged no more than single-piece, non-automated rate for first class postage. For example, customers currently pay 45 cents for all first class letters weighing no more than one ounce. There is no additional charge to customers for the costs of applying postage, sorting, or transporting the envelopes to the Post Office.

The United States Post Office (USPS) typically establishes new postage rates in May of each year. Central Mail Services will automatically reset postage rates to agree with USPS when a rate change occurs. A recently announced postage increase of \$0.01, making a first class stamp \$0.45, was effective January 2012.

Attachment A
Central Mail Services Rate Structure
July 1, 2012

Mail and Shipping Services		
	FY 2013	FY 2012
First Class Postage:		
Current rates are based on United States Postal Service rates effective May 11, 2009.		
One Ounce Letter with Postage Affixed	\$ 0.45	\$ 0.44
One Ounce Flat	\$ 0.90	\$ 0.88
One Ounce Parcel	\$ 1.95	\$ 1.22
Additional Ounce (letters and flats)	\$ 0.20	\$ 0.17
Card Rate	\$ 0.32	\$ 0.28
Fed Ex and Other Delivery Services	Cost + .584	Cost + .584
Certified, Registered	Cost + .424	Cost + .424
Post Office Boxes	Cost	Cost
Prepaid Overnight Letter or Legal Envelopes	N/A	N/A
Prepaid Packs Packs	N/A	N/A
Address Correction Per Envelope	\$ 0.25	\$ 0.25
Interoffice Pick-up and Delivery Services		
Delivery		
Mail Stop Creation / Retention per year	\$ 180.00	\$ 180.00
Mail Stop Cancellation	\$ 90.00	\$ 90.00
Cost per Business Address per day of delivery per customer	\$ 8.56	\$ 8.56
Folding and Inserting Services		
Folding per Sheet	\$ 0.010	\$ 0.010
Inserting First Sheet	\$ 0.025	\$ 0.025
Inserting Additional Sheets	\$ 0.005	\$ 0.005
Set-up Charge for Jobs Totaling < 600 Sheets	\$ 10.000	\$ 10.000

Additional Information:

1. Postage is based on published USPS rates and is subject to change
2. USPS has announced an increase of \$0.01 for a one ounce, first class letter effective January 2012.
3. USPS rates are shape-based rather than weight-based as of May 14, 2007
4. Folding and Inserting charges are based on cost of vendor-provided service

Attachment B

**Riverside County
Central Mail Services**

Illustration of Fiscal Year 2013 Waived Delivery Charges

								Waived Charge Percentage: 56%	
Daily Stop Charge Per Address									
Annual Administrative Charge									
								Waived Charge Illustration Based on FY 2011 Actual Daily Delivery Charge	
Dept #	Department	# of Stops	# of Daily Delivery Stops	# of billable days	Annual Fee	Daily Delivery Fee	Total Delivery Charge FY 2012		
100	BOS	12	5	1,245	2,160	\$ 10,657	\$ 12,817	\$	5,968
110	Executive Office	2	2	498	360	\$ 4,263	\$ 4,623	\$	2,387
110	OASIS	1	1	249	180	\$ 2,131	\$ 2,311	\$	1,194
113	Human Resources	19	9	2,180	3,420	\$ 18,661	\$ 22,081	\$	10,450
120	Assessor/Clerk Recorder	13	7	1,743	2,340	\$ 14,920	\$ 17,260	\$	8,355
130	Auditor Controller	3	1	249	540	\$ 2,131	\$ 2,671	\$	1,194
140	Treasurer/Tax Collector	3	3	747	540	\$ 6,394	\$ 6,934	\$	3,581
150	County Counsel	4	4	996	720	\$ 8,526	\$ 9,246	\$	4,774
170	Registrar of Voters	1	1	249	180	\$ 2,131	\$ 2,311	\$	1,194
190	Economic Development Agency	8	7	1,743	1,440	\$ 14,920	\$ 16,360	\$	8,355
914	County Service Area	2	2	498	180	\$ 2,131	\$ 2,311	\$	1,194
220	District Attorney	9	8	1,992	1,620	\$ 17,052	\$ 18,672	\$	9,549
230	Child Support Services	8	5	1,245	1,440	\$ 10,657	\$ 12,097	\$	5,968
240	Public Defender	8	6	1,494	1,440	\$ 14,920	\$ 16,360	\$	8,355
250	Sheriff	41	29	7,221	7,380	\$ 61,812	\$ 69,192	\$	34,615
260	Probation	21	17	4,233	3,780	\$ 36,234	\$ 40,014	\$	20,291
270	Fire	7	7	1,743	1,260	\$ 14,920	\$ 16,180	\$	8,355
280	Agricultural Commissioner	5	4	996	900	\$ 8,526	\$ 9,426	\$	4,774
290	Local Agency Formation Commissi	1	1	249	180	\$ 2,131	\$ 2,311	\$	1,194
310	Transportation & Land Manager	24	9	2,241	4,320	\$ 19,183	\$ 23,503	\$	10,742
410	Mental Health	84	46	11,454	15,120	\$ 98,046	\$ 113,166	\$	54,906
420	Community Health Agency	4	2	498	720	\$ 4,263	\$ 4,983	\$	2,387
430	Riv County Regional Medical Cent	6	5	1,096	1,080	\$ 9,378	\$ 10,458	\$	5,252
450	Waste Management	1	1	249	180	\$ 2,131	\$ 2,311	\$	1,194
510	Dept of Public Social Services	43	9	2,241	7,740	\$ 19,183	\$ 26,923	\$	10,742
520	Community Action Agency	2	1	249	360	\$ 2,131	\$ 2,491	\$	1,194
530	Office On Aging	2	2	498	360	\$ 4,263	\$ 4,623	\$	2,387
540	Veterans' Services	3	3	747	540	\$ 6,394	\$ 6,934	\$	3,581
630	Co-op Extension	3	2	498	540	\$ 4,263	\$ 4,803	\$	2,387
720	Facilities Management	10	11	2,241	1,800	\$ 19,183	\$ 20,983	\$	10,742
730	Purchasing & Fleet Services	13	8	1,992	2,340	\$ 17,052	\$ 19,392	\$	9,549
740	Information Technology	5	4	996	900	\$ 8,526	\$ 9,426	\$	4,774
931	Parks	3	2	349	540	\$ 2,984	\$ 3,524	\$	1,671
935	Regional Conservation Authority	1	1	249	180	\$ 2,131	\$ 2,311	\$	1,194
938	Children & Families Commission	1	1	-	180	\$ -	\$ 180	\$	-
946	Salton Sea Authority	1	1	-	180	\$ -	\$ 180	\$	-
947	Flood	1	1	249	180	\$ 2,131	\$ 2,311	\$	1,194
960	Law Library	2	2	498	360	\$ 4,263	\$ 4,623	\$	2,387
	Potential Other Waived Charges							\$	1,970
Total County Departments		377	230	55,914	\$ 67,680	\$ 478,626	\$ 546,306	\$	270,000