

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

429



SUBMITTAL DATE:
November 1, 2012

FROM: Purchasing and Fleet Services

SUBJECT: APPROVAL OF FY2013-2014 RATES FOR CENTRAL MAIL SERVICES

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the proposed fiscal year 2014 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 \$94,783.

BACKGROUND: This Form 11 is for the purpose of setting Central Mail Services rates for fiscal year 2014.

(Continued on Page 2)


Robert J. Howdysnell, 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:	2014

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

County Executive Office Signature

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

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

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 increase from the fiscal year 2013 rate. However, the Central Mail rate model calculation for daily delivery in FY 2014 is \$10.07. In an effort to maintain the fiscal year 2013 delivery rate for County departments and not increase their cost, Central Mail requests approval to use unrestricted net assets to offset operating costs. This will allow Central Mail to continue to provide the current level of service, meet an Executive Office request to not raise rates, and adjust cash to the 45 day operating balance as required by Executive Office directive.

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) recently announced a postage increase of \$0.01 effective January 2013 that will make a first class stamp \$0.46.

Attachment A
Central Mail Services Rate Structure
July 1, 2013

Mail and Shipping Services	
<p>First Class Postage: Current rates are based on United States Postal Service rates effective May 11, 2009.</p>	FY 2014
One Ounce Letter with Postage Affixed	\$ 0.45
One Ounce Flat	\$ 0.90
One Ounce Parcel	\$ 1.95
Additional Ounce (letters and flats)	\$ 0.20
Card Rate	\$ 0.32
Fed Ex and Other Delivery Services	Cost + .584
Certified, Registered	Cost + .424
Post Office Boxes	Cost
Prepaid Overnight Letter or Legal Envelopes	N/A
Prepaid Packs Packs	N/A
Address Correction Per Envelope	\$ 0.25
Interoffice Pick-up and Delivery Services	
<p>Delivery</p>	
Mail Stop Creation / Retention per year	\$ 180.00
Mail Stop Cancellation	\$ 90.00
Cost per Business Address per day of delivery per customer	\$ 8.56
Folding and Inserting Services	
Folding per Sheet	\$ 0.010
Inserting First Sheet	\$ 0.025
Inserting Additional Sheets	\$ 0.005
Set-up Charge for Jobs Totaling < 600 Sheets	\$ 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 2013.
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