

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

149



FROM: Purchasing and Fleet Services Dept.

SUBMITTAL DATE:
October 28, 2013

SUBJECT: APPROVAL OF FY 2014-2015 RATES FOR CENTRAL MAIL SERVICES; All Districts, [\$3,457,514], 100% User Department Budgets

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the proposed fiscal year 2015 rates for Central Mail as shown in Attachment A, and;
2. Approve the waiver of Board Policy B-28 for the use of unrestricted net assets to offset operating costs, in the amount of \$35,718.

BACKGROUND:

Summary

This Form 11 is for the purpose of setting Central Mail Services rates for fiscal year 2015.

(Continued on Page 2)

Robert J. Howdyshell, Director
Purchasing & Fleet Services Dept.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 3,457,514	\$ 3,457,514	\$ N/A	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ N/A	\$ N/A	\$ N/A	
SOURCE OF FUNDS: All County Departments/Agencies				Budget Adjustment: N/A	
				For Fiscal Year: 2015	

C.E.O. RECOMMENDATION:

APPROVE

BY: Serena Chow
Serena Chow

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FISCAL PROCEDURES APPROVED
LUI, ANGULO, CPA, AUDITOR-CONTROLLER
RUSSELL S. DOMINSKI 1-16-13

Departmental Concurrence

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-42

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: APPROVAL OF FY 2014-2015 RATES FOR CENTRAL MAIL SERVICES**

DATE: October 28, 2013

PAGE: Page 2 of 2

BACKGROUND:

Summary (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 2014 rate. However, the Central Mail rate model calculation for daily delivery in FY 2015 is \$9.54. In an effort to maintain the fiscal year 2014 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.

Postage

Customers are charged no more than the single-piece, non-automated rate for first class postage. For example, customers currently pay 46 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) may request a postage increase of up to \$0.03 effective in early 2014, which will make a first class stamp \$0.49.

Impact on Residents and Businesses

Central Mail provides services to all County departments and agencies to insure prompt delivery of incoming and posting of outgoing USPS mail as well as interoffice mail so that written communications between business, citizens, or other County departments are efficient and cost effective.

ATTACHMENTS (if needed, in this order):

Attachment A – Central Mail Services Rate Structure

Attachment A
Central Mail Services Rate Structure
July 1, 2014

Mail and Shipping Services	
	FY 2015
First Class Postage:	
Rates are based on current United States Postal Service rates.	
One Ounce Letter with Postage Affixed	\$ 0.46
One Ounce Flat	\$ 0.90
One Ounce Parcel	\$ 1.95
Additional Ounce (letters and flats)	\$ 0.20
Card Rate	\$ 0.32
FedEx and Other Delivery Services	Cost + .584
Certified, Registered	Cost + .424
Post Office Boxes	Cost
Prepaid Overnight Letter or Legal Envelopes	N/A
Prepaid Packs	N/A
Address Correction Per Envelope	\$ 0.25

Interoffice Pick-up and Delivery Services	
Delivery	
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 a possible postage increase in early 2014. A first class stamp may increase \$0.03.
3. Folding and Inserting charges are based on cost of vendor-provided service.