

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

902



FROM: Purchasing and Fleet Services Department

SUBMITTAL DATE:
November 4, 2014

SUBJECT: Approval of FY 2015/16 Rates for Central Mail Services

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the proposed fiscal year 2016 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 \$75,417.

BACKGROUND:

Summary

This Form 11 is for the purpose of establishing Central Mail Services rates for fiscal year 2015/16.

(Continued on Page 2)

FISCAL PROCEDURES APPROVED
 BY PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 Russell Dominski 1-15-15
 Departmental Concurrence

Lisa Brandl

Lisa Brandl, Director
Purchasing & Fleet Services Dept.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$	

SOURCE OF FUNDS:

Budget Adjustment:

For Fiscal Year: 2015/16

C.E.O. RECOMMENDATION:

APPROVE

BY: *Ivan M. Chand* 1/23/2015
Ivan M. Chand

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-29

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of FY 2015/16 Rates for Central Mail Services**

DATE: November 4, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

Central Mail Services operates as an Internal Service Fund (ISF) and as such, must recover 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 per mail stop number. This charge covers the cost of producing the Mail Stop List, redesigning routes when mail stops are changed, and the costs of sorting and distributing. 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 \$9.54 per day per business address for pickup and delivery. This represents no increase in the calculated cost of providing delivery services in fiscal year 2014/15. However, in fiscal year 2014 Central Mail Services waived \$0.98 of the charge to make the effective rate \$8.56. The difference of \$0.98 was paid for through a reduction of Central Mail unrestricted net assets. For fiscal year 2015/16, the calculated cost of daily delivery is \$10.72. In an effort to keep fiscal year 2015/16 delivery rates as low as possible, Central Mail requests the rate for daily delivery be set at \$9.54 and the difference of \$1.18 be waived, with the difference in revenue being covered through the use of unrestricted net assets of \$75,417. Central Mail will 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 49 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 \$0.01 effective in early 2015, which will make a first class stamp \$0.50.

Attachment: Attachment A – Proposed FY 2015/16 Rates for Central Mail

Attachment A
Central Mail Services Rate Structure
July 1, 2015

Attachment A
Central Mail Services Rate Structure
July 1, 2014

Mail and Shipping Services		FY 2016	FY 2014
Mail and Shipping Services			
First Class Postage: Rates are based on current United States Postal Service rates.			
One Ounce Letter with Postage Affixed	\$	0.50	0.49
One Ounce Flat	\$	0.90	0.90
One Ounce Parcel	\$	1.95	1.95
Additional Ounce (letters and flats)	\$	0.20	0.20
Card Rate	\$	0.32	0.32
FedEx 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		N/A	N/A
Address Correction Per Envelope	\$	0.25	0.25
Interoffice Pick-up and Delivery Services			
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	\$	9.54	8.56
Folding and Inserting Services			
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 a possible postage increase in early 2015. A first class stamp may increase \$0.01.
3. Folding and Inserting charges are based on cost of vendor-provided service.

Additional Information:

1. Postage is based on published USPS rates and is subject to change.