

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



ITEM
3.46
(ID # 8906)

MEETING DATE:

Tuesday, January 29, 2019

FROM : PURCHASING AND FLEET SERVICES:

SUBJECT: PURCHASING AND FLEET SERVICES: Approval of FY 2019/20 Supply Services
ISF Rates and Approval of Capital Asset Plan FY19/20-23/24, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the FY2019/20 proposed rates for Supply Services (Attachment A).


ACTION: 4/5 Vote Required, Policy


Terysa Summers, Director of Purchasing 1/17/2019

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Hewitt, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 29, 2019
xc: Purchasing

Kecia Harper
Clerk of the Board
By 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
SOURCE OF FUNDS:			Budget Adjustment:	No
			For Fiscal Year:	19/20

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary:

This Form 11 is for the purpose of establishing Supply Services rates for Fiscal Year 2019/20.

The Supply Services division procures, warehouses, and distributes commonly used products, furniture, and other materials in bulk for resale to County departments and agencies. By combining orders and purchasing in bulk, the division realizes cost savings. In addition, Supply Services performs all surplus equipment redistribution to county departments and the auctioning of unwanted/unusable items. This function provides cost savings achieved through the reuse of supplies and equipment. Departments are encouraged to review available items on the department's intranet site before purchasing new product. Supply Services moves product and goods throughout the County and offers project coordination and logistics for small office moves. Supply Services operates as an Internal Service Fund (ISF) and recovers its operating costs through charges to customers.

The department transitioned to a new supply and ordering models, which provided efficiency options to county departments. This model change impacted revenue for Supply Services. Departments have continued to order items such as paper, janitorial supplies, toner and water as Supply Services still was able to provide deeper discounted prices based on ordering volume. Many departments continued to utilize this option.

The FY19/20 budget is \$3,412,491, which is a decrease of \$702,274 from the current FY18/19 budget of \$4,114,765 (-17.07%). The elimination of revenue from departments' direct ordering of office supplies coupled with increases in salaries, pension and other operational costs have impacted Supply Services.

The department is proposing a change in methodology. Instead of a 10% product markup the department is proposing to pass-thru actual product costs to customers and increase the annual delivery fee based on the previous year's percentage of sales. Supply Services webstore pricing will now reflect the actual manufacturer's cost of the product which will allow departments to see and cost compare products from various sources.

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By continuing warehouse operations departments will still have access to deeper discounted prices based on countywide ordering volume and provide the ability to register and deliver goods realizing appropriate sales tax savings. Additionally, emergency supplies and bulk water will continue to be stocked and available for fires and other incidents as well as staff available for special deliveries/responses to these emergency events.

By eliminating the 10% markup the delivery cost will be approximately \$591,694 to support operations related to the ordering, processing, stocking of items, and the processing of returns. The hourly fee for special pickup and furniture moves is increasing from \$68.25 to \$88.02. Departments utilize this service only on an as-needed basis (approximately 350 hours a year). Additionally, the new model separates surplus operations and proposes a fee of \$ 1.64 per purchase order (PO) issued for commodities to support the surplus operations. The fee will generate approximately \$46,434; revenue from surplus sales has been factored into the per PO rate. In FY17/18, Supply Services repurposed \$130,000 in surplus furniture and supplies. The combined net results of the new methodology that recovers full cost of operations is an overall increase of \$291,258 countywide.

As a result of the change in Supply Services' business model which has resulted in decreases to the operational budget, the department will be rebating approximately \$826,000 in the current fiscal year to county departments as a result of excess unrestricted net assets.

Supply Services will continue to secure competitive product pricing for countywide use, repurpose surplus materials to help reduce overall costs for departments, and register and deliver goods realizing appropriate sales tax savings.

Impact on Citizens and Businesses

N/A

Additional Fiscal Information

N/A

Contract History and Price Reasonableness


N/A

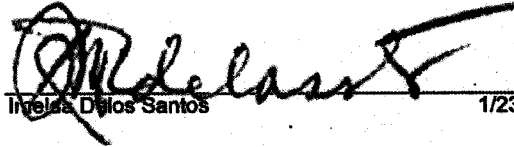
ATTACHMENTS:

Attachment A – Proposed FY 2019/20 Rates for Supply Services

Attachment B – Delivery Costs per Department

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Paul A. Angulo, County Auditor-Controller 1/17/2019


Inelda Dijos Santos 1/23/2019

**Attachment A
Supply Services Rate Structure**

Supply Services Rates:

	Fiscal Year 19/20	Fiscal Year 18/19	Fiscal Year 17/18
Markup Not to Exceed	0.0%	10.0%	10.0%
Pickup and Delivery Service per Hour	\$ 88.02	\$ 68.25	\$ 68.25
Surplus Fee per Purchase Order	\$ 1.64	\$ -	\$ -

**Attachment B
Supply Services
Estimated Costs per Department**

Dept	Dept Name	FY18/19 Webstore Pass Thru	FY18/19 Webstore Markup	FY18/19 Delivery Charge	FY18/19 Total Change	FY19/20 Webstore Pass Thru	FY19/20 Delivery Charge	FY19/20 PO Fee Surplus	FY19/20 Total Change	Net \$ Change	Net % Change
10001	BOARD OF SUPERVISORS	1,252	115	54	1,421	1,252	299	192	1,713	292	20.53%
10002	CLERK OF THE BOARD SUPERVISORS	599	55	27	681	599	143	-	742	61	8.92%
11001	COUNTY EXECUTIVE OFFICE	1,784	164	58	2,006	1,784	425	41	2,250	244	12.18%
11044	GRAND JURY	54	5	-	59	54	13	-	67	8	13.42%
11301	HUMAN RESOURCES 1	13,014	1,197	951	15,162	13,014	3,104	93	16,212	1,050	6.93%
11303	PERSONNEL-RIDESHARE	122	11	-	133	122	29	-	151	18	13.43%
11308	WORKERS COMP DIVISION	2,763	254	145	3,162	2,763	659	-	3,422	260	8.22%
11310	RISK MANAGEMENT-LIABILITY INS.	1,320	121	65	1,505	1,320	315	-	1,634	129	8.56%
11313	SAFETY OFFICE	353	33	23	409	353	84	-	438	29	6.97%
11318	HUMAN RESOURCES/TAP	1,334	123	52	1,509	1,334	318	-	1,653	144	9.52%
11320	HUMAN RESOURCES EXCLUSIVE CARE	6,439	592	361	7,391	6,439	1,536	-	7,974	533	7.89%
11322	HUMAN RESOURCES/EAP	285	26	7	319	285	66	-	353	35	10.94%
11329	HR Occupational Hlth & Wellness	370	34	-	404	370	88	-	458	54	13.42%
12001	ASSESSOR	640	59	27	726	640	153	518	1,310	565	80.57%
12002	CLERK-RECORDER	321	29	5	365	321	76	-	397	42	11.69%
13001	AUDITOR-CONTROLLER	6,393	588	349	7,329	6,393	1,525	13	7,931	601	8.20%
14001	TREASURER-TAX COLLECTOR	10,490	965	34	11,489	10,490	2,502	7	12,999	1,510	13.14%
15001	COUNTY COUNSEL	6,538	601	226	7,365	6,538	1,560	46	8,143	778	10.57%
17001	REGISTRAR OF VOTERS	-	-	-	-	-	-	154	154	154	100.00%
19001	EDA 1	4,141	381	213	4,735	4,141	986	172	5,301	566	11.95%
19002	HUD-CDBG HOME GRANTS	95	9	16	120	95	23	-	118	(2)	-1.42%
19003	EDA WORKFORCE DEVELOPMENT CNTR	775	71	65	911	775	185	3	963	52	5.72%
19007	COUNTY FREE LIBRARY	-	-	-	-	-	-	108	108	108	100.00%
19010	EDA - MARKETING	71	7	12	89	71	17	-	88	(1)	-1.42%
19107	EDA AVIATION UNIT	-	-	-	-	-	-	26	26	26	100.00%
19201	NATIONAL DATE FESTIVAL	39	4	6	49	39	9	33	81	32	65.42%
19301	EDWARD DEAN MUSEUM	-	-	-	-	-	-	18	18	18	100.00%
20001	Emergency Management Department	866	80	-	945	866	207	164	1,236	291	30.77%
22001	DISTRICT ATTORNEY	40,367	3,712	1,752	45,831	40,367	9,630	293	50,291	4,459	9.73%
23001	CHILD SUPPORT SERVICES	29,586	2,721	1,178	33,484	29,586	7,058	89	36,732	3,248	9.70%
24001	PUBLIC DEFENDER	14,425	1,326	651	16,402	14,425	3,441	10	17,876	1,473	8.98%
25001	SHERIFF'S DEPT 3	2,511	231	148	2,890	2,511	599	4,371	7,480	4,591	156.86%
25002	SHERIFF INFORMATION SERVICES	8,503	782	330	9,615	8,503	2,028	-	10,532	916	9.53%
25003	SHERIFF'S DEPT 2	114,996	10,574	5,296	130,866	114,996	27,432	-	142,428	11,562	8.84%
25004	SHERIFF-CORRECTIONS	200,187	18,408	4,618	223,213	200,187	47,755	-	247,942	24,729	11.08%
25005	SHERIFF-COURT SERVICES	2,187	201	98	2,486	2,187	522	-	2,709	223	8.97%
25007	SHERIFF - CTC	3,945	363	205	4,513	3,945	941	-	4,886	374	8.28%

**Attachment B
Supply Services
Estimated Costs per Department**

Dept	Dept Name	FY18/19 Webstore Pass Thru	FY18/19 Webstore Markup	FY18/19 Delivery Charge	FY18/19 Total Charge	FY19/20 Webstore Pass Thru	FY19/20 Delivery Charge	FY19/20 PO Fee Surplus	FY19/20 Total Charge	Net \$ Change	Net % Change
26001	PROBATION	53,275	4,899	2,450	60,623	53,275	12,709	1,207	67,190	6,567	10.83%
26002	PROBATION- 1	40,142	3,691	1,709	45,541	40,142	9,576	-	49,717	4,176	9.17%
26007	PROBATION DEPARTMENT	6,838	629	265	7,731	6,838	1,631	-	8,469	738	9.54%
27002	FIRE DEPARTMENT 1	142,978	13,147	7,171	163,296	142,978	34,108	3,561	180,646	17,360	10.62%
27004	FIRE DEPARTMENT 2	581	53	95	729	581	138	-	719	(10)	-1.42%
28001	AGRICULTURAL COMMISSION	175	16	24	215	175	42	59	276	61	28.24%
31002	TLMA 1	3,889	358	151	4,398	3,889	928	1,951	6,768	2,370	53.89%
31003	TLMA 2	2,096	193	58	2,347	2,096	500	-	2,596	249	10.61%
31101	BUILDING AND SAFTEY	279	26	-	304	279	66	-	345	41	13.43%
31201	PLANNING	1,485	137	81	1,703	1,485	354	-	1,840	136	8.00%
31301	TRANSPORTATION DEPT 4	2,646	243	127	3,016	2,646	631	-	3,277	261	8.65%
31302	TRANSPORTATION DEPT 1	156	14	-	170	156	37	-	193	23	13.42%
31401	TLMA Code Enforcement	601	55	12	667	601	143	-	744	76	11.45%
41001	RUHS BEHAVIORAL HEALTH-PUBLIC GUARD	1,749	161	27	1,937	1,749	417	-	2,166	229	11.83%
41002	RUHS BEHAVIORAL HEALTH-TREATMENT PROG.	43,578	4,007	1,543	49,130	43,578	10,396	-	53,973	4,393	9.66%
41003	RUHS BEHAVIORAL HEALTH-DETENTION	4,522	416	323	5,261	4,522	1,079	320	5,921	560	12.54%
41004	RUHS BEHAVIORAL HEALTH-ADMINISTRATION	8,824	811	429	10,065	8,824	2,105	2,887	13,816	3,751	37.27%
41005	RUHS BEHAVIORAL HEALTH-SUBSTANCE ABUSE	8,201	754	321	9,277	8,201	1,956	-	10,158	881	9.50%
42001	RUHS PUBLIC HEALTH 1	57,968	5,330	3,106	66,404	57,968	13,828	1,085	72,882	6,478	9.75%
42002	RUHS PUBLIC HEALTH 2	2,510	231	198	2,939	2,510	599	-	3,109	170	5.78%
42004	Environmental Health	805	74	50	928	805	192	221	1,218	290	31.21%
42006	Animal Services	40,554	3,729	1,949	46,232	40,554	9,674	457	50,685	4,454	9.63%
43001	Riverside University Health System	4,036	371	417	4,824	4,036	963	15,913	20,912	16,087	333.45%
43002	MEDICAL INDIGENT	-	-	-	-	-	-	39	39	39	100.00%
43003	RUHS DETENTION HEALTH	16	2	3	20	16	4	-	20	(0)	-1.42%
43006	PUBLIC HEALTH AMBULATORY CARE	-	-	-	-	-	-	1,072	1,072	1,072	100.00%
45001	Riverside County Dept of Waste Resources	17,646	1,623	824	20,092	17,646	4,209	990	22,845	2,753	13.70%
51001	DPSS	1,234,841	113,549	57,369	1,405,758	1,234,841	294,574	934	1,530,349	124,599	8.86%
52001	COMMUNITY ACTION 1	7,769	714	567	9,050	7,769	1,853	293	9,916	866	9.56%
52002	COMMUNITY ACTION 2	2,162	199	80	2,441	2,162	516	-	2,677	237	9.70%
53001	OFFICE ON AGING	15	1	-	16	15	4	-	18	2	13.41%
54001	VETERANS SERVICES	553	51	41	645	553	132	2	686	42	6.45%
63001	COOPERATIVE EXT.	1,539	142	74	1,755	1,539	367	-	1,906	152	8.63%
72001	FACILITIES MANAGEMENT 72001	265,415	24,406	19,926	309,748	265,415	63,315	4,004	332,734	22,987	7.42%
72003	FACILITIES MANAGEMENT 72003	301	28	50	379	301	72	-	373	(5)	-1.42%
72004	FACILITIES MANAGEMENT 72004	261	24	43	328	261	62	-	324	(5)	-1.42%
72005	FACILITIES MANAGEMENT 72005	66	6	-	72	66	16	-	82	10	13.43%

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73001	PURCHASING 1	1,101	101	13	1,216	1,101	263	2,335	3,898	2,683	220.66%
73005	FLEET SERVICES	2,493	229	235	2,957	2,493	596	-	3,087	130	4.41%
73006	Central Mail Services	534	49	6	589	534	127	-	661	73	12.36%
74001	INFORMATION TECHNOLOGY 1	6,781	624	30	7,435	6,781	1,618	516	8,915	1,480	19.91%
74006	RCIT Support Services	179	16	-	195	179	43	202	423	228	116.85%
915202	CSA- ADMIN	109	10	18	137	109	26	480	615	478	349.04%
931119	PARKS DISTRICT 3 - INTERPRETIVE SITES	1,570	144	12	1,726	1,570	374	-	1,944	218	12.62%
931150	Parks - MSHCP - RCA RESERVE MANAGEMENT	433	40	-	473	433	103	-	536	63	13.42%
931170	PARK DISTRICT - HABITAT & OPEN SPACE MGMT	1,141	105	60	1,305	1,141	272	-	1,413	108	8.25%
931186	Regional Parks - JURUPA SPORTS COMPLEX	462	43	76	581	462	110	-	573	(8)	-1.42%
931235	Regional Parks - BUSINESS OPERATIONS	146	13	-	159	146	35	408	589	430	270.25%
931240	Regional Parks - FINANCE	205	19	-	224	205	49	-	254	30	13.43%
931400	REGIONAL PARKS DISTRICT 4	12,630	1,161	820	14,611	12,630	3,013	-	15,643	1,031	7.06%
931401	PARKS DISTRICT - WEDDINGS & EVENTS	98	9	16	123	98	23	-	121	(2)	-1.43%
931710	PARKS DISTRICT - HIDDEN VALLEY NATURE CENT	222	20	-	242	222	53	-	275	32	13.42%
935001	Habitat Conservation Agency	157	14	8	180	157	38	-	195	15	8.36%
935201	WRC-Regional Conservation	605	56	31	691	605	144	-	749	58	8.33%
935320	WDC-RCA	70	6	-	77	70	17	-	87	10	13.43%
938002	FIRST FIVE - RCCFC-Admin	346	32	57	434	346	82	48	476	41	9.53%
947200	FLOOD CONTROL 3	-	-	-	-	-	-	826	826	826	100.00%
985101	PUBLIC AUTHORITY ADMIN	-	-	-	-	-	-	18	18	18	100.00%
194	CANYON LAKE P.O.A.	66	6	-	72	66	16	-	82	10	13.42%
240	CITY OF INDIO 1	5,632	518	310	6,460	5,632	1,344	-	6,975	515	7.98%
317	VALLEY-WIDE REC & PARK DIST.	939	86	60	1,085	939	224	-	1,163	78	7.18%
472	Housing Authority	200	18	-	218	200	48	-	247	29	13.42%
638	SHERIFF'S STATION	8,893	818	489	10,199	8,893	2,121	-	11,014	815	7.99%
780	Western Riverside Council of Gov'ts 2	116	11	10	137	116	28	-	144	7	5.01%
	Total	2,480,357	228,979	118,708	2,827,144	2,480,357	591,694	46,351	3,118,402	291,258	10.30%

Notes:

- 1 Delivery charges for FY19/20 are based on actual percentages of office and janitorial product sales in FY17/18.
- 2 Delivery charges for FY19/20 do not include special requests including moving services and pick-up of surplus. Departments will be billed the hourly rate for special pick-up and delivery requests.
- 3 Delivery charges for FY18/19 were based on projected percentages of office and janitorial product sales in FY17/18.