

ATTACHMENT C
2020-21 Proposed Rates
Purchasing Department

The Purchasing Department supports County departments in the procurement of goods and services, and provides in-house printing, mail, surplus property disposition, and storage services.

Mail/Courier Services (Internal Service Fund 4008)

Mail/Courier Services provides mail handling and interoffice courier service, including the U.S. Postal Service and various expedited shipping contracts for County departments, Superior Court, and some municipalities. This internal service fund also provides automated mailing services such as folding, tabbing, perforation and labeling. Postage costs are passed directly to departments and are not included when calculating rates.

The Department recommends no changes to the established rates for Automated Mail, Mail Delivery, and Packaged Mail ('Flats'). A rate increase is recommended for Other Mail Handling, from \$0.077 to \$0.088 per piece in order to ensure full cost recovery. Proposed changes in rates are expected to result in an increase in revenue of \$125,206.

Service	Current Rate	Proposed Rate
Mail Automated Handling (fold/tab/label/Perf)	\$0.025 per piece	\$0.025 per piece
Other Mail Handling	\$0.077 per piece	\$0.088 per piece
Mail Delivery	\$6.50 per stop	\$6.50 per stop
Packaged Mail ('Flats')	\$0.94 per piece	\$0.94 per piece

2019-20 Rate Revenue	2020-21 Rate Revenue	Change	User Department Cost Impact
\$1,899,080	\$2,024,286	\$125,206	\$0.011 increase per piece for non-automated mailing services

Printing Services (Internal Service Fund 4000)

Printing Services provides digital, offset, and wide-format printing, Quick Copy centers, graphic design and videography services. The five cost centers within Printing Services that establish rates are: printing labor, rush labor, black and white copies, color copies, and Outside Services.

Purchasing recommends a decrease of \$0.05 in color copy, reducing the rate from \$0.25/sheet to \$0.20/sheet, and a decrease of \$0.005 in black/white copy, from \$0.030/sheet to \$0.025/sheet. The rates for printing, rush printing, and graphics are recommended to remain unchanged. Proposed changes in rates are expected to result in a decrease in revenue of \$67,803.

Service	Current Rate	Proposed Rate
Labor per hour (Printing)	\$96/hour	\$96/hour
Labor per hour (Graphics)	\$90/hour	\$90/hour
Rush labor per hour	\$120/hour	\$120/hour
Black/white copy	\$0.030/copy	\$0.025/copy
Color copy	\$0.25/copy	\$0.20/copy
Outside services	3%	3%

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Estimated 2019-20 Rate Revenue	Estimated 2020-21 Rate Revenue	Change	User Department Cost Impact
\$2,658,000	\$2,590,197	(\$67,803)	\$0.05 and \$0.005 decrease per sheet for color copy and black/white copy, respectively

Surplus Property and Storage Operations (Internal Service Fund 4004)

Surplus Property and Storage Operations (Surplus) manages storage and disposition of property for County departments. This division reallocates used items, distributes surplus furniture and computer equipment to approved community-based organizations, and contracts with auctioneers and recyclers to maximize returns on County assets. This is a mandated function of the Purchasing Agent under County Code Section §14.0110.

Purchasing recommends a change to the Surplus disposition rate in 2020-21 due to one-time facility improvement costs at the newly acquired warehouse. This rate change will result in an estimated increase in revenue by \$307,314.

Service	Current Rate	Proposed Rate
Storage	\$0.59 per cubic foot (Monthly)	\$0.59 per cubic foot (Monthly)
Disposition	2.08% on selected commodities	2.38% on selected commodities

Service	Estimated 2019-20 Rate Revenue	Estimated 2020-21 Rate Revenue	Change	User Department Cost Impact
Storage	\$88,500	\$88,500	\$0	No rate impact
Disposition	\$1,123,200	\$1,430,514	\$307,314	Increase in rate by 0.32% on selected commodities

Procurement (Department-Fund: 761-1000)

Purchasing (Procurement) is funded by a combination of Discretionary General Funding (Net County Cost), rate revenue, and rebate revenue. No rate changes are proposed for the Office Supply Desktop Delivery Program in 2020-21, and revenue is expected to increase by \$31,443 due to an increase in the cost of office supplies and amount of countywide purchases.

Service	Current Rate	Proposed Rate
Office Supply Desktop Delivery Program	12% markup	12% markup

Service	Estimated 2019-20 Rate Revenue	Estimated 2020-21 Rate Revenue	Change	Total Net County Cost Impact
Office Supply Desktop Delivery Program	\$468,360	\$499,803	\$31,443	\$0