

## PURCHASING

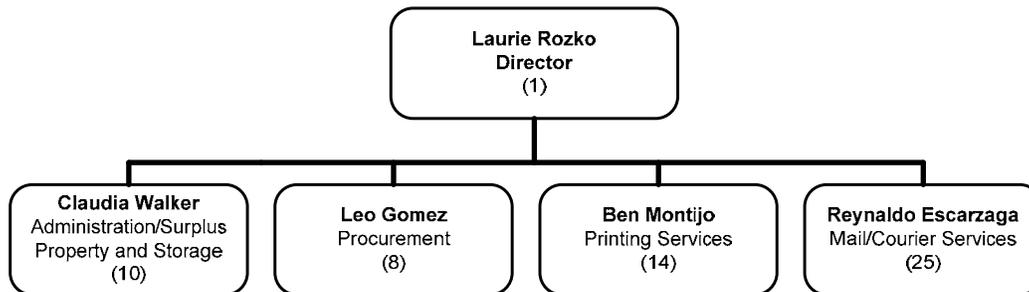
### Laurie Rozko

#### MISSION STATEMENT

*The Purchasing Department is dedicated to making government purchasing easy for businesses, while managing cost-effective and efficient acquisition of goods & services. We offer exceptional customer service, innovative processes, and proven business practices in support of County of San Bernardino goals and objectives.*



#### ORGANIZATIONAL CHART



#### 2010-11 AND 2011-12 ACCOMPLISHMENTS

- Received an “Achievement of Excellence in Procurement” Award from the National Institute for Governmental Purchasing, ranking in the top 20 percent of public agencies nationwide.
- Implemented phase one of the County of San Bernardino Electronic Procurement Network (ePro) to provide better internal controls and procurement reporting, efficient processing including a transaction charge to fund re-investment in system enhancements, and an upgraded vendor database to maximize competition and support business involvement and retention.
- Completed the solicitation, evaluation, and Best and Final Offer processes to move forward with a travel booking system upon adoption of recommended policy revisions.
- Coordinated countywide development of a Disaster Response and Recovery Services solicitation to secure contingency contracts.
- Upgraded the Department’s website to enhance versatility and content.
- Received the Equal Opportunity Commission’s “Moving Ahead” award for proactive employment activities.
- Began targeting product and service categories to aggregate demand across County departments, in order to negotiate more advantageous contracts.
- Sharpened the Department’s focus on support for small and local business initiatives, vendor shows, and training activities in general that support economic development goals to re-employ residents.
- Consolidated lease costs of production copy equipment at multiple printing locations, resulting in significant contract savings and reduced user costs.



**GOALS, OBJECTIVES, AND PERFORMANCE MEASURES**

**GOAL 1: IMPLEMENT THE COUNTY OF SAN BERNARDINO ELECTRONIC PROCUREMENT NETWORK (ePro).**

*Objective A: Initiate and process purchasing requisitions electronically.*  
*Objective B: Implement phase two of ePro including integration with the financial management system to automate encumbrances now that bidding, requisitioning, contracting, receiving, and vendor management are in use.*

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Actual	2012-13 Target
1A. Percentage of departments utilizing ePro to requisition products and services.	N/A	N/A	80%	100%	100%
1B. Percentage of reduction in cycle times for purchase orders.	N/A	N/A	N/A	N/A	20%

In April 2011, the Board of Supervisors (Board) approved an agreement for electronic procurement. The first phase of this project included vendor management, automated workflows, online bidding, electronic requisitions and purchase orders, automated receiving, and budgetary controls derived from Financial Accounting System (FAS) data extracts that populate ePro. Phase one was completed in May 2012, resulting in 5,400 registered vendors and approximately 1,100 county users. More than 800 users received hands-on training during the six-week period leading up to the rolling launch that began on March 28, 2012. Phase two will integrate ePro with FAS to eliminate dual entry of encumbrances by Purchasing staff.

**GOAL 2: DEVELOP THE COUNTY TRAVEL PORTAL WITH ONLINE BOOKING AND REPORTING.**

*Objective: Create and customize an online booking tool to generate savings and facilitate County policy compliance.*

Measurement	2009-10 Actual	2010-11 Actual	2011-12 Target	2011-12 Actual	2012-13 Target
Percentage of departments using online booking travel arrangements.	N/A	N/A	90%	N/A	90%

With recommended travel procedures in mind, the scope of work was developed for a service contract to enable implementation of online travel booking in accordance with county policy. In partnership with a travel management company, and with approval from the Board, the revised policies will be put in place along with a system that will be efficient, save money, and consolidate booking and reporting of travel arrangements.

The Department has best and final offers from the vendors who are being considered for contract award; however the Department has not yet scheduled this project due to workload related to ePro implementation.



**SUMMARY OF BUDGET UNITS**

2012-13						
	Appropriation	Revenue	Net County Cost	Fund Balance	Net Budget	Staffing
<b>General Fund</b>						
Purchasing	1,684,799	498,168	1,186,631			17
Total General Fund	1,684,799	498,168	1,186,631			17
<b>Internal Service Funds</b>						
Printing Services	3,453,878	3,369,329			(84,549)	14
Surplus Property and Storage Operations	372,721	268,045			(104,676)	2
Mail/Courier Services	6,601,187	6,452,587			(148,600)	25
Total Internal Service Funds	10,427,786	10,089,961			(337,825)	41
<b>Total - All Funds</b>	<b>12,112,585</b>	<b>10,588,129</b>	<b>1,186,631</b>		<b>(337,825)</b>	<b>58</b>

**5-YEAR APPROPRIATION TREND**

	2008-09	2009-10	2010-11	2011-12	2012-13
Purchasing	1,436,783	1,350,519	1,301,517	1,308,823	1,684,799
Printing Services	4,138,244	4,607,561	4,220,738	3,837,528	3,453,878
Surplus Property and Storage Operations	371,827	265,654	403,885	363,796	372,721
Mail/Courier Services	7,442,365	6,892,716	6,321,743	6,646,394	6,601,187
<b>Total</b>	<b>13,389,219</b>	<b>13,116,450</b>	<b>12,247,883</b>	<b>12,156,541</b>	<b>12,112,585</b>

**5-YEAR REVENUE TREND**

	2008-09	2009-10	2010-11	2011-12	2012-13
Purchasing	184,143	431,428	413,692	500,198	498,168
Printing Services	4,159,689	4,033,168	4,669,935	3,756,976	3,369,329
Surplus Property and Storage Operations	372,700	286,870	253,411	271,856	268,045
Mail/Courier Services	7,386,411	6,887,926	6,186,936	6,495,026	6,452,587
<b>Total</b>	<b>12,102,943</b>	<b>11,639,392</b>	<b>11,523,974</b>	<b>11,024,056</b>	<b>10,588,129</b>

**5-YEAR NET COUNTY COST TREND**

	2008-09	2009-10	2010-11	2011-12	2012-13
Purchasing	1,252,640	919,091	887,825	808,625	1,186,631
<b>Total</b>	<b>1,252,640</b>	<b>919,091</b>	<b>887,825</b>	<b>808,625</b>	<b>1,186,631</b>

**5-YEAR NET BUDGET TREND**

	2008-09	2009-10	2010-11	2011-12	2012-13
Printing Services	21,445	(574,393)	449,197	(80,552)	(84,549)
Surplus Property and Storage Operations	873	21,216	(150,474)	(91,940)	(104,676)
Mail/Courier Services	(55,954)	(4,790)	(134,807)	(151,368)	(148,600)
<b>Total</b>	<b>(33,636)</b>	<b>(557,967)</b>	<b>163,916</b>	<b>(323,860)</b>	<b>(337,825)</b>

Note: Beginning in fiscal year 2012-13, Capital Expenditures have been included and Depreciation has been excluded in appropriation in enterprise and internal service funds for budgetary purposes. In the table above, prior years have been restated for consistency.

Purchasing's internal service funds are anticipated to use approximately \$337,825 in unrestricted net assets (UNAs) in 2012-13. Within the Printing Services and Mail/Courier Services Divisions, the use of UNAs includes the purchase of various fixed assets. Expenses within the Surplus Division are anticipated to outpace revenues and result in the use of UNAs for operating costs in 2012-13. The Department is planning to restructure the rate strategy in order to address the consistent under-funding of this budget unit.



# Purchasing

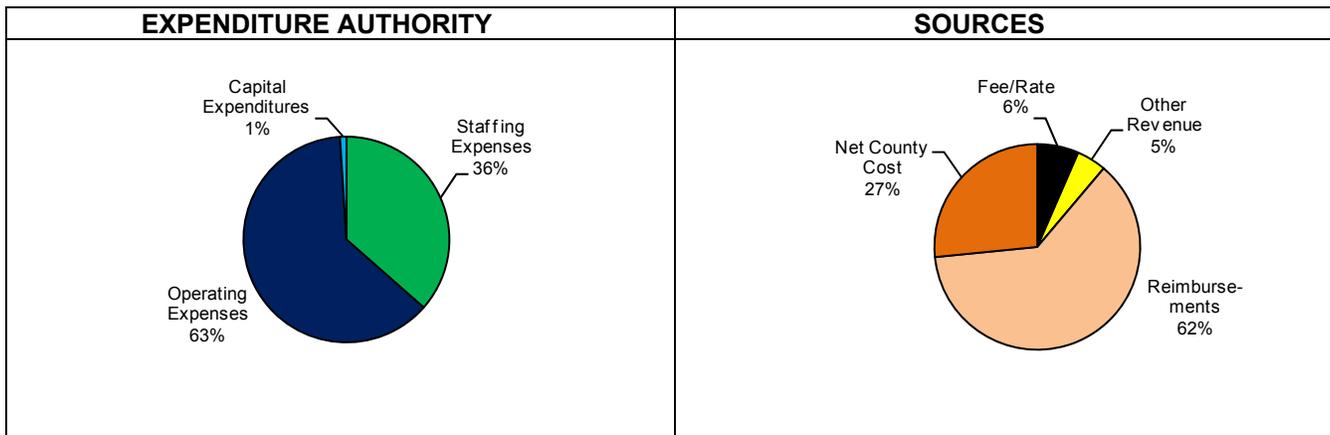
## DESCRIPTION OF MAJOR SERVICES

The Purchasing Department manages vendor relationships and acquires equipment, services, and supplies used by County departments and Board-governed districts. Staff facilitates the procurement process, administers contracts and the CAL-Card program, and promotes cost-saving initiatives throughout the county. In addition, the Department provides in-house printing, mail, surplus property, and storage services which are accounted for in the Department's three internal service funds.

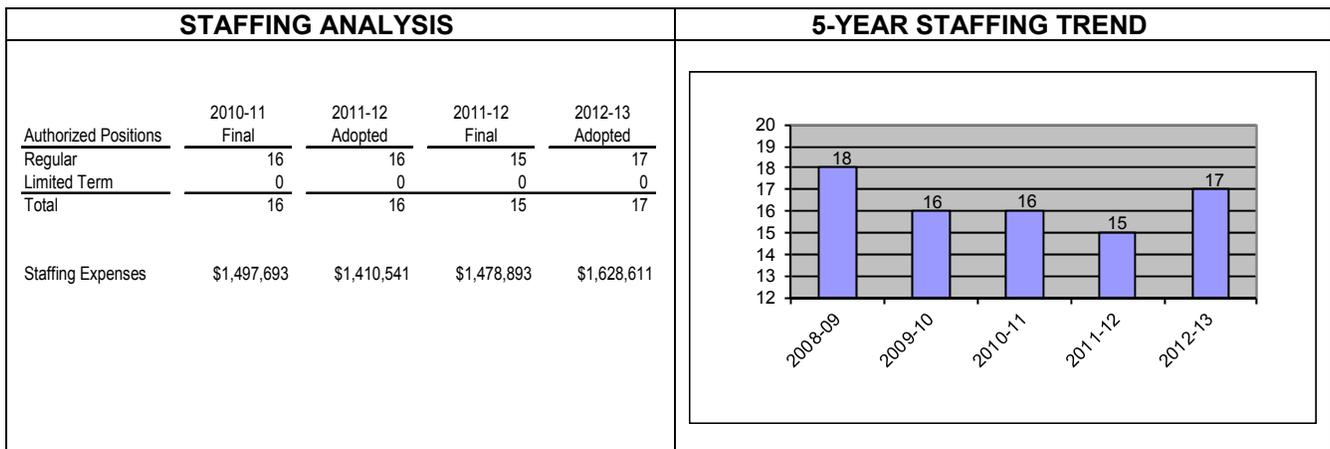
Budget at a Glance	
Total Expenditure Authority	\$4,463,756
Total Sources	\$3,277,125
Net County Cost	\$1,186,631
Total Staff	17
Funded by Net County Cost	27%

The Purchasing Department values integrity, and strives to: source quality products with reasonable prices and timely deliveries; offer progressive services through the efficient use of automation; give all willing vendors the opportunity to provide their products and services in a fair, open, and competitive environment; and treat each department, employee, and vendor with respect and understanding. By meeting these objectives, the Department fulfills its purchasing obligations and the legal requirements of San Bernardino County.

## 2012-13 ADOPTED BUDGET



## BUDGETED STAFFING



## ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Administration  
DEPARTMENT: Purchasing  
FUND: General

BUDGET UNIT: AAA PUR  
FUNCTION: General  
ACTIVITY: Finance

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
<b>Appropriation</b>							
Staffing Expenses	1,509,903	1,474,553	1,497,693	1,415,613	1,478,893	1,628,611	149,718
Operating Expenses	3,278,860	2,653,542	2,635,555	2,768,865	2,814,390	2,789,765	(24,625)
Capital Expenditures	0	13,319	216,937	162,829	163,116	45,380	(117,736)
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	4,788,763	4,141,414	4,350,185	4,347,307	4,456,399	4,463,756	7,357
Reimbursements	(3,334,325)	(2,803,918)	(3,048,672)	(3,074,099)	(3,147,576)	(2,778,957)	368,619
Total Appropriation	1,454,438	1,337,496	1,301,513	1,273,208	1,308,823	1,684,799	375,976
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	1,454,438	1,337,496	1,301,513	1,273,208	1,308,823	1,684,799	375,976
<b>Departmental Revenue</b>							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	1,246	0	255	0	0	0	0
Fee/Rate	386,831	320,480	293,606	305,248	364,317	290,982	(73,335)
Other Revenue	124,778	110,949	119,827	181,800	135,881	207,186	71,305
Total Revenue	512,855	431,429	413,688	487,048	500,198	498,168	(2,030)
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	512,855	431,429	413,688	487,048	500,198	498,168	(2,030)
Net County Cost	941,583	906,067	887,825	786,160	808,625	1,186,631	378,006
				Budgeted Staffing	15	17	2

## BUDGET CHANGES AND OPERATIONAL IMPACT

Overall appropriation will increase \$375,976 for implementation of phase two of ePro, including a one percent contract transaction charge (CTC) on eligible contracts in the system. As CTC revenue is realized net county cost requirements will decrease.

Appropriation for ePro includes completion of the current contract to integrate ePro with the financial accounting system (FAS), along with ongoing vendor help desk, system support, software maintenance, and hosting by the Information Services Department. In 2012-13, it is also expected that the Department will complete the ePro failover capacity plan which includes the deployment of additional servers in the High Desert Government Center to allow for normal functions to be maintained despite interruptions caused by problems with equipment or emergencies at the local data center. Additional enhancements that can be considered include a module to certify local vendor preference eligibility, ePayables (invoice matching for electronic payment), an inventory module, tracking of insurance certificates, and punch-put catalog capability.

Accomplishing FAS integration will further reduce workload related to manual entry of encumbrances by both Purchasing and Auditor-Controller/Treasurer/Tax Collector staffs.

## MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Operating expenses make up the majority of the Department's expenditures within this budget unit for 2012-13. These expenses include approximately \$2.3 million in general office expense which covers countywide office supply orders. These expenditures are offset by reimbursements of \$2.3 million from County departments. Other major expenses include staffing which is required to provide adequate procurement services countywide as well as staff to support the continued implementation of ePro. Departmental revenue of \$498,168 includes \$290,982 from the service charge for administering the County office supply program and consolidated billing, as well as \$207,186 from various rebate agreements associated with other countywide procurement programs.



### STAFFING CHANGES AND OPERATIONAL IMPACT

As a result of reductions in the Printing Services Division, 1 Office Assistant II position is to be transferred to Purchasing Administration in 2012-13 to assume additional fiscal responsibilities while continuing to perform work for printing services. The cost for this position is partially offset by reimbursements from the Department's three internal service funds for services provided.

Following the launch of ePro, job duties changed for certain positions in the Department due to automated systems replacing previously manual processes. In addition, the Department has new needs to draft protocols and procedures, track and reconcile vendor remittances, and develop and utilize custom reports. As a result of these changes, the Department added 1 Accounting Technician position in 2012-13.

### 2012-13 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Director	1	0	1	1	0	0	1
Administration	8	0	8	7	0	1	8
Procurement	8	0	8	8	0	0	8
<b>Total</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>16</b>	<b>0</b>	<b>1</b>	<b>17</b>

Director	Administration	Procurement
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Director of Purchasing	1 Executive Secretary II	1 Supervising Buyer
1 Total	1 Business Systems Analyst III	2 Buyer III
	1 Administrative Supervisor I	4 Buyer II
	1 Staff Analyst II	1 Office Specialist
	2 Accounting Technician	<u>8 Total</u>
	1 Fiscal Assistant	
	1 Office Assistant II	
	<u>8 Total</u>	



## Printing Services

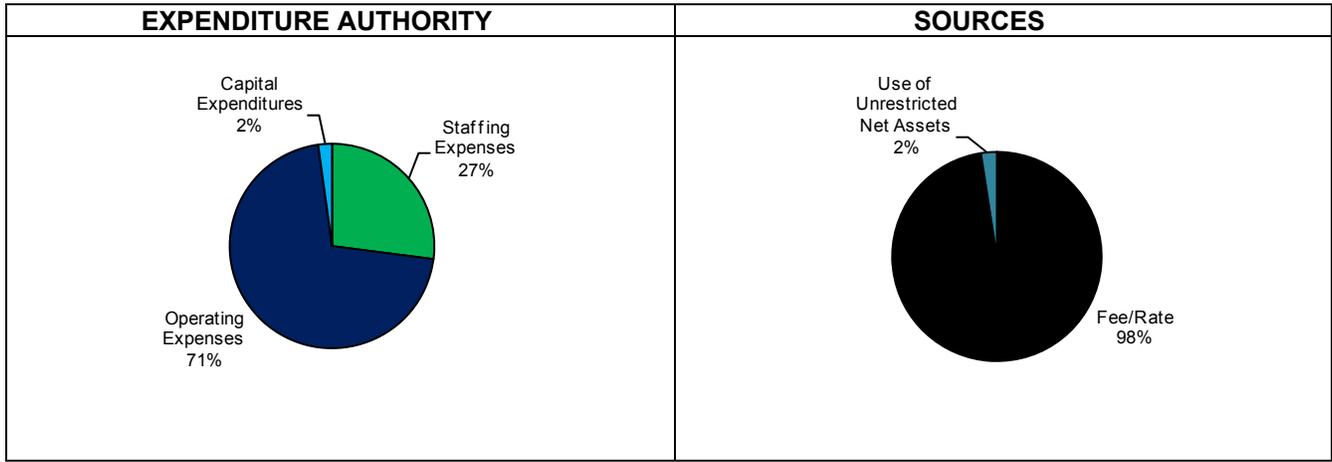
### DESCRIPTION OF MAJOR SERVICES

Printing Services designs, prints, and finishes high quality print production materials using the latest technology, and operates three locations for Quick Copy services.

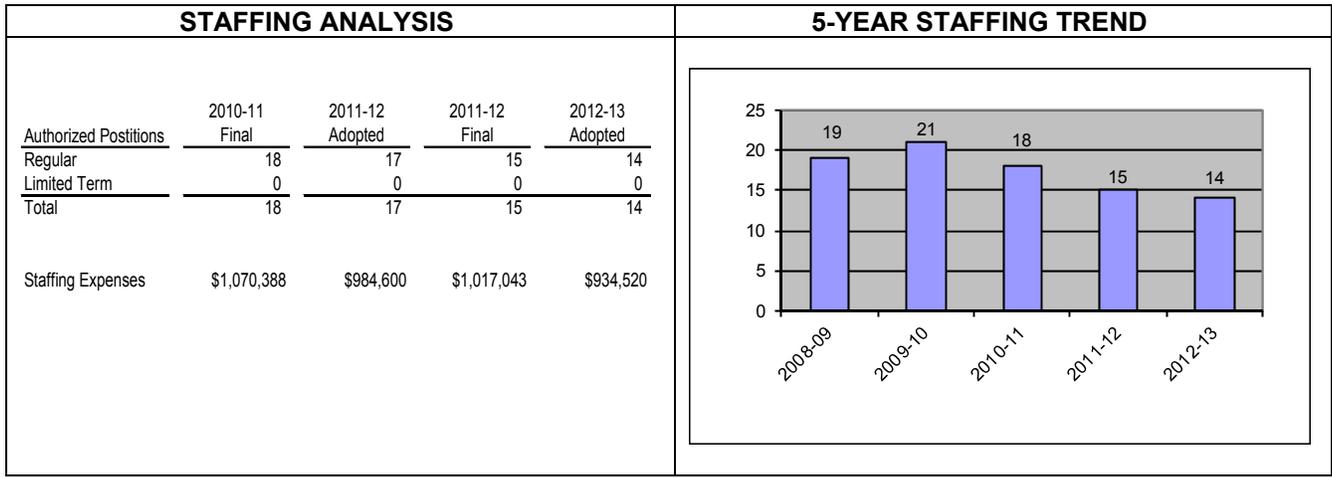
As an Internal Service Fund (ISF) of the Purchasing Department, operational costs of this program are managed through user rates. Unrestricted net assets available at the end of a fiscal year are carried over for working capital or equipment replacement. Any excess or shortage in fund balance is reviewed and incorporated into the rate structure for the following fiscal year.

Budget at a Glance	
Total Expenditure Authority	\$3,453,878
Total Sources	\$3,369,329
Net Budget	(\$84,549)
Estimated Unrestricted Net Assets	\$2,534,532
Use of Unrestricted Net Assets	\$84,549
Total Staff	14

### 2012-13 ADOPTED BUDGET



### BUDGETED STAFFING



## ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Administration  
 DEPARTMENT: Purchasing  
 FUND: Printing Services

BUDGET UNIT: IAG PUR  
 FUNCTION: General  
 ACTIVITY: Printing

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
<b>Appropriation</b>							
Staffing Expenses	1,192,904	1,123,607	1,070,388	983,869	1,017,043	934,520	(82,523)
Operating Expenses	3,386,528	3,241,560	3,081,818	2,677,276	2,773,485	2,444,358	(329,127)
Capital Expenditures	(224)	0	67,632	0	20,000	75,000	55,000
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	4,579,208	4,365,167	4,219,838	3,661,145	3,810,528	3,453,878	(356,650)
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	4,579,208	4,365,167	4,219,838	3,661,145	3,810,528	3,453,878	(356,650)
Operating Transfers Out	0	0	0	0	27,000	0	(27,000)
Total Requirements	4,579,208	4,365,167	4,219,838	3,661,145	3,837,528	3,453,878	(383,650)
<b>Departmental Revenue</b>							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	4,745,298	4,485,828	4,451,608	4,187,887	4,191,976	3,369,329	(822,647)
Other Revenue	0	0	54	0	(435,000)	0	435,000
Total Revenue	4,745,298	4,485,828	4,451,662	4,187,887	3,756,976	3,369,329	(387,647)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	4,745,298	4,485,828	4,451,662	4,187,887	3,756,976	3,369,329	(387,647)
Net Budget	166,090	120,661	231,824	526,742	(80,552)	(84,549)	(3,997)
				Budgeted Staffing	15	14	(1)

### BUDGET CHANGES AND OPERATIONAL IMPACT

Overall appropriation reflects a decrease of \$383,650 due to savings in equipment leases and reduction in 1 position due to the elimination of the warehouse inventory function.

Departmental revenue is decreasing by \$387,647 to reflect reduced workload and a rate decrease for color copies.

### MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Operating expenses make up the majority of the Department's expenditures. These expenses include the direct costs of materials, outside printing and lease costs for printing equipment.

Expenses are charged to County departments and outside agencies through the rates that the department prepares annually. In 2012-13, the Department has recommended a reduction in the rates for color copies based on a reduction in overall lease costs for copiers located at county Quick Copy centers. Departmental revenue of \$3,369,329 represents the projected revenue from the collection of rates for color copies, black and white copies, graphic design services and outside printing.

In 2012-13, the Division plans to purchase a two-color press to replace an aging fixed asset that is fully depreciated. This is being funded by unrestricted net assets and will be depreciated over the useful life of the machine. Operating expenses and continued application development for web-based billing comprise the balance of the budget.



**STAFFING CHANGES AND OPERATIONAL IMPACT**

The staffing changes reflect the transfer of 1 Office Assistant II in 2012-13 to Purchasing Administration in order to assume additional fiscal responsibilities.

**2012-13 POSITION SUMMARY**

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Printing Services Manager	1	0	1	1	0	0	1
Graphic Arts	3	0	3	3	0	0	3
Quick Copy and Print Shop	10	0	10	10	0	0	10
<b>Total</b>	<b>14</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>14</b>

Printing Services Manager		Graphic Arts		Quick Copy and Print Shop	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
1	Printing Services Manager	2	Graphic Designer I	1	Binder Equipment Operator
1	Total	1	Graphic Designer II	7	Reproduction Operator I
		3	Total	2	Reproduction Operator II
				10	Total



## Surplus Property and Storage Operations

### DESCRIPTION OF MAJOR SERVICES

Surplus Property and Storage Operations manages county storage and excess property, internally reallocating used items to departments, distributing equipment to approved community-based organizations, and contracting with auctioneers and recyclers. Detailed reporting is required under county policy and state law.

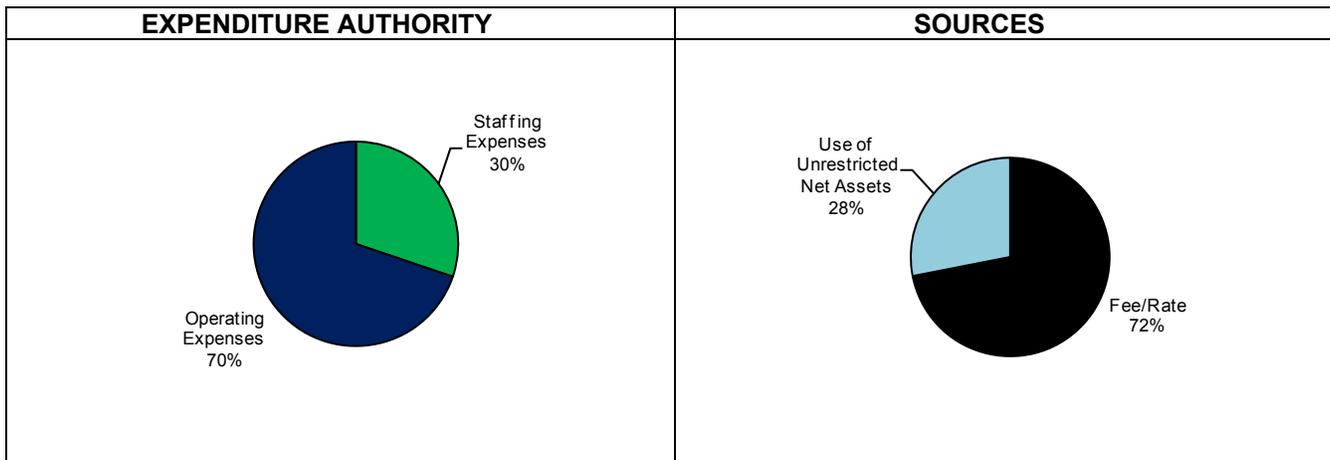
#### Budget at a Glance

Total Expenditure Authority	\$372,721
Total Sources	\$268,045
Net Budget	(\$104,676)
Estimated Unrestricted Net Assets	\$82,796
Use of Unrestricted Net Assets*	\$104,676
Total Staff	2

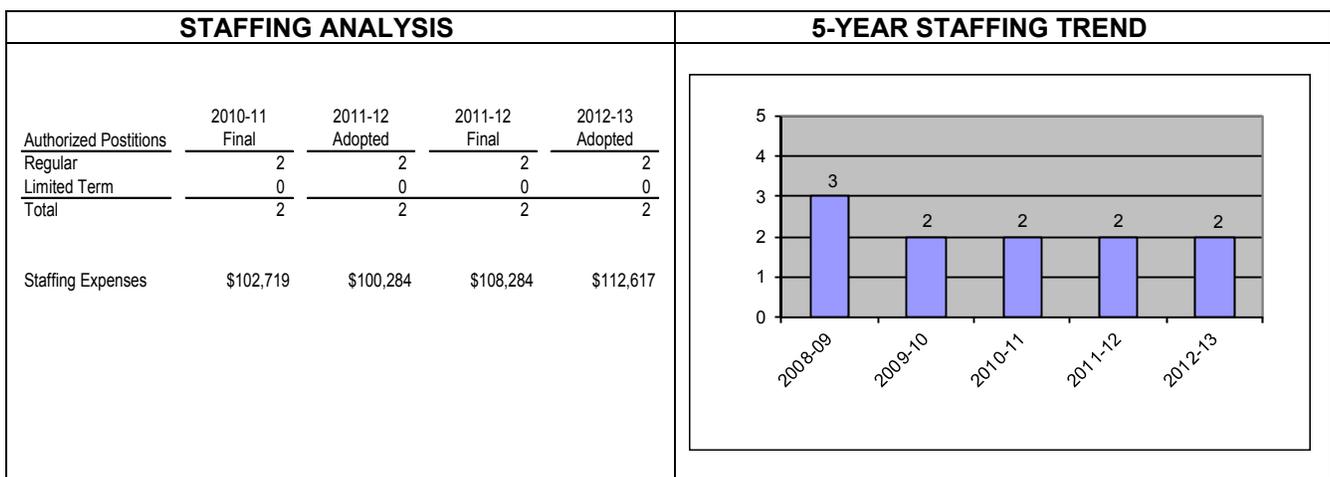
As an Internal Service Fund (ISF) of the Purchasing Department, operational costs of this program are managed through user rates. Unrestricted net assets available at the end of a fiscal year are carried over for working capital or equipment replacement. Any excess or shortage in fund balance is reviewed and incorporated into the rate structure for the following fiscal year.

*\*Department will address the projected overspending of unrestricted net assets via a mid-year rate adjustment and plans for any significant discretionary expenditures will be monitored closely and perhaps delayed until the underfunding of this budget unit can be addressed.*

### 2012-13 ADOPTED BUDGET



### BUDGETED STAFFING



### ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Administration  
 DEPARTMENT: Purchasing  
 FUND: Surplus Property and Storage Operations

BUDGET UNIT: IAV PUR  
 FUNCTION: General  
 ACTIVITY: Surplus and Storage

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
<b>Appropriation</b>							
Staffing Expenses	140,468	98,737	102,719	107,184	108,284	112,617	4,333
Operating Expenses	235,789	143,947	301,165	244,293	255,512	260,104	4,592
Capital Expenditures	5,663	0	0	0	0	0	0
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	381,920	242,684	403,884	351,477	363,796	372,721	8,925
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	381,920	242,684	403,884	351,477	363,796	372,721	8,925
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	381,920	242,684	403,884	351,477	363,796	372,721	8,925
<b>Departmental Revenue</b>							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	355,051	333,042	360,903	332,148	332,032	268,045	(63,987)
Other Revenue	0	(489)	0	0	(60,176)	0	60,176
Total Revenue	355,051	332,553	360,903	332,148	271,856	268,045	(3,811)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	355,051	332,553	360,903	332,148	271,856	268,045	(3,811)
Net Budget	(26,869)	89,869	(42,981)	(19,329)	(91,940)	(104,676)	(12,736)
Budgeted Staffing					2	2	0

### BUDGET CHANGES AND OPERATIONAL IMPACT

The Department is expecting a slight increase in staffing expense due to increased retirement costs. Departmental revenue is slightly less than last year. Proceeds from live auctions have declined, most likely due to recycling more e-waste. Handling charges have increased, likely due to departments looking for cost-effective solutions to replenish equipment, computers, and supplies. Toner rebates have also increased somewhat. However, expenses for this mandated function continue to outpace revenue, despite staffing at a minimum level. Therefore, in 2012-13 the department plans to restructure the rate strategy in order to address the consistent under-funding of this budget unit.

### MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Staffing expenses of \$112,617 fund two positions. Operating expenses of \$260,104 includes COWCAP, insurance charges, facilities charges, professional services and transfers for a share of administrative staff budgeted in Purchasing's general fund budget unit. Departmental revenue of \$268,045 includes auction revenue, handling charges billed to county departments, and proceeds from recycling.

### STAFFING CHANGES AND OPERATIONAL IMPACT

There are no changes to budgeted staffing within this budget unit. Two positions operate the surplus property and storage operations.

### 2012-13 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Surplus Property and Storage	2	0	2	2	0	0	2
Total	2	0	2	2	0	0	2

Surplus Property and Storage	
Classification	
1	Stores Supervisor I
1	Storekeeper
2	Total



## Mail/Courier Services

### DESCRIPTION OF MAJOR SERVICES

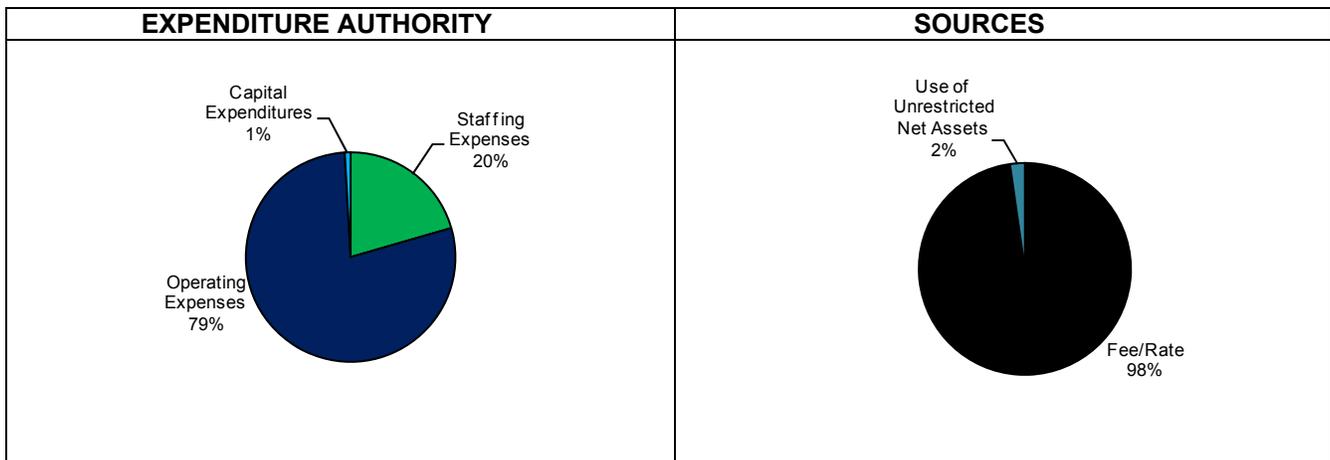
Mail/Courier Services provides mail handling and interoffice mail delivery. Mail handling includes various expedited shipping services, along with automated mail duties. There are 10 courier routes, four postage meter stations, two interoffice mail sorters, and a certified mail post.

#### Budget at a Glance

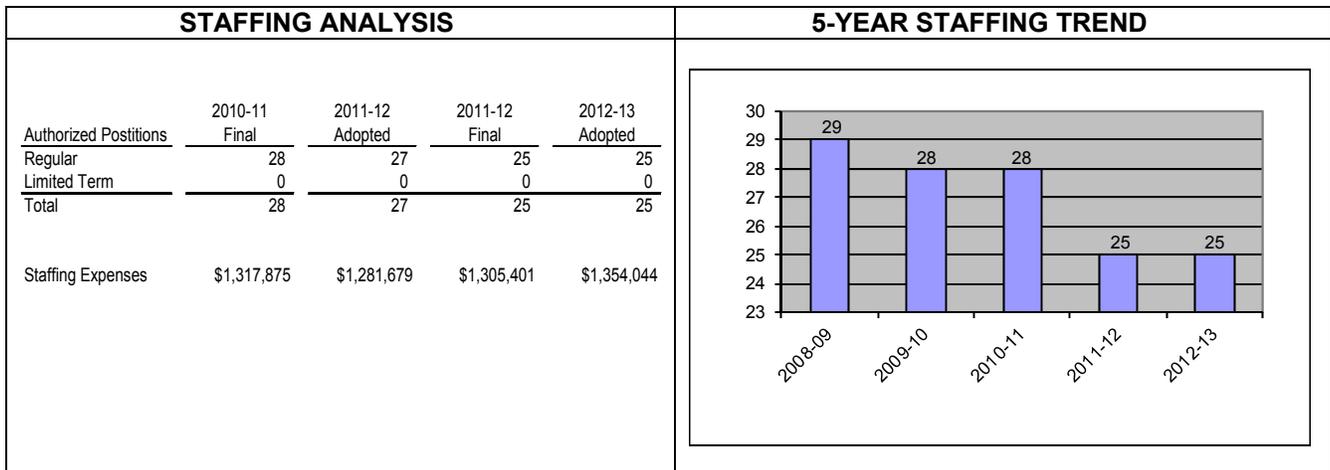
Total Expenditure Authority	\$6,601,187
Total Sources	\$6,452,587
Net Budget	(\$148,600)
Estimated Unrestricted Net Assets	\$1,556,843
Use of Unrestricted Net Assets	\$148,600
Total Staff	25

As an Internal Service Fund (ISF) of the Purchasing Department, operational costs of this program are managed through user rates. Unrestricted net assets available at the end of a fiscal year are carried over for working capital or equipment replacement. Any excess or shortage in fund balance is reviewed and incorporated into the rate structure for the following fiscal year.

### 2012-13 ADOPTED BUDGET



### BUDGETED STAFFING



## ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Administration  
DEPARTMENT: Purchasing  
FUND: Mail/Courier Services

BUDGET UNIT: IAY PUR  
FUNCTION: General  
ACTIVITY: Mail/Courier Services

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
<b>Appropriation</b>							
Staffing Expenses	1,342,193	1,306,725	1,317,875	1,223,699	1,305,401	1,354,044	48,643
Operating Expenses	5,243,551	5,017,325	4,951,443	5,132,730	5,340,993	5,187,543	(153,450)
Capital Expenditures	64,131	0	0	0	0	59,600	59,600
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	6,649,875	6,324,050	6,269,318	6,356,429	6,646,394	6,601,187	(45,207)
Reimbursements	(36,772)	0	0	0	0	0	0
Total Appropriation	6,613,103	6,324,050	6,269,318	6,356,429	6,646,394	6,601,187	(45,207)
Operating Transfers Out	0	0	40,000	0	0	0	0
Total Requirements	6,613,103	6,324,050	6,309,318	6,356,429	6,646,394	6,601,187	(45,207)
<b>Departmental Revenue</b>							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	6,921,662	6,358,703	6,279,024	6,323,760	6,320,026	6,452,587	132,561
Other Revenue	0	0	0	0	175,000	0	(175,000)
Total Revenue	6,921,662	6,358,703	6,279,024	6,323,760	6,495,026	6,452,587	(42,439)
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	6,921,662	6,358,703	6,279,024	6,323,760	6,495,026	6,452,587	(42,439)
Net Budget	308,559	34,653	(30,294)	(32,669)	(151,368)	(148,600)	2,768
				Budgeted Staffing	25	25	0

### BUDGET CHANGES AND OPERATIONAL IMPACT

Decreases in appropriation totaling \$45,207 include reduced costs as a result of reduction in operating expenses.

Departmental revenue is decreasing by \$42,439 and reflects the reduction in billable costs through reduced operating expenses.

In 2011-12, the Department reorganized the rate structure for the mail/courier function to improve cost accounting and use by departments. This included consolidating various mail handling functions into one rate which has allowed the department to process billing faster and also to provide for a simplified rate calculation. As of June 30, 2011, this blended rate has improved the cost accounting methodology for the Department and revenues have come further in line with expenditures. According to the June 30, 2011 financial statements prepared by the Auditor-Controller/Treasurer/Tax Collector, the unrestricted net assets in excess of working capital has increased to \$123,070. The rates for 2012-13 were constructed in order to maintain this level of unrestricted net assets throughout the coming year.

### MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Operating expenses represent the majority of this budget unit's expenditures totaling \$5,187,543. This includes direct postage expenses, equipment leases and maintenance, postal software upgrades, application development for web-based billing, and other related services and supplies. In 2012-13, the division plans to purchase four new postage meter machines and replace four old meter machines that are fully depreciated. This is being funded by retained earnings and will be depreciated over the useful life of the machine.

Departmental revenue totaling \$6,452,587 represents payments from departments for mail handling and mail delivery.



**STAFFING CHANGES AND OPERATIONAL IMPACT**

There are no staffing changes in 2012-13.

**2012-13 POSITION SUMMARY**

<u>Division</u>	<u>Regular</u>	<u>Limited Term</u>	<u>Total</u>	<u>Filled</u>	<u>Vacant</u>	<u>New</u>	<u>Total</u>
Mail Services Manager	1	0	1	1	0	0	1
Mail/Courier	20	0	20	20	0	0	20
Automated Mail	4	0	4	4	0	0	4
<b>Total</b>	<b>25</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>25</b>

<b>Mail Services Manager</b>		<b>Mail/Courier</b>		<b>Automated Mail</b>	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
1	Mail Services Manager	17	Mail Processor II	2	Mail Processor II
1	Total	2	Mail Processor III	1	Mail Processor III
		1	Mail Services Supervisor I	1	Mail Services Supervisor I
		20	Total	4	Total

