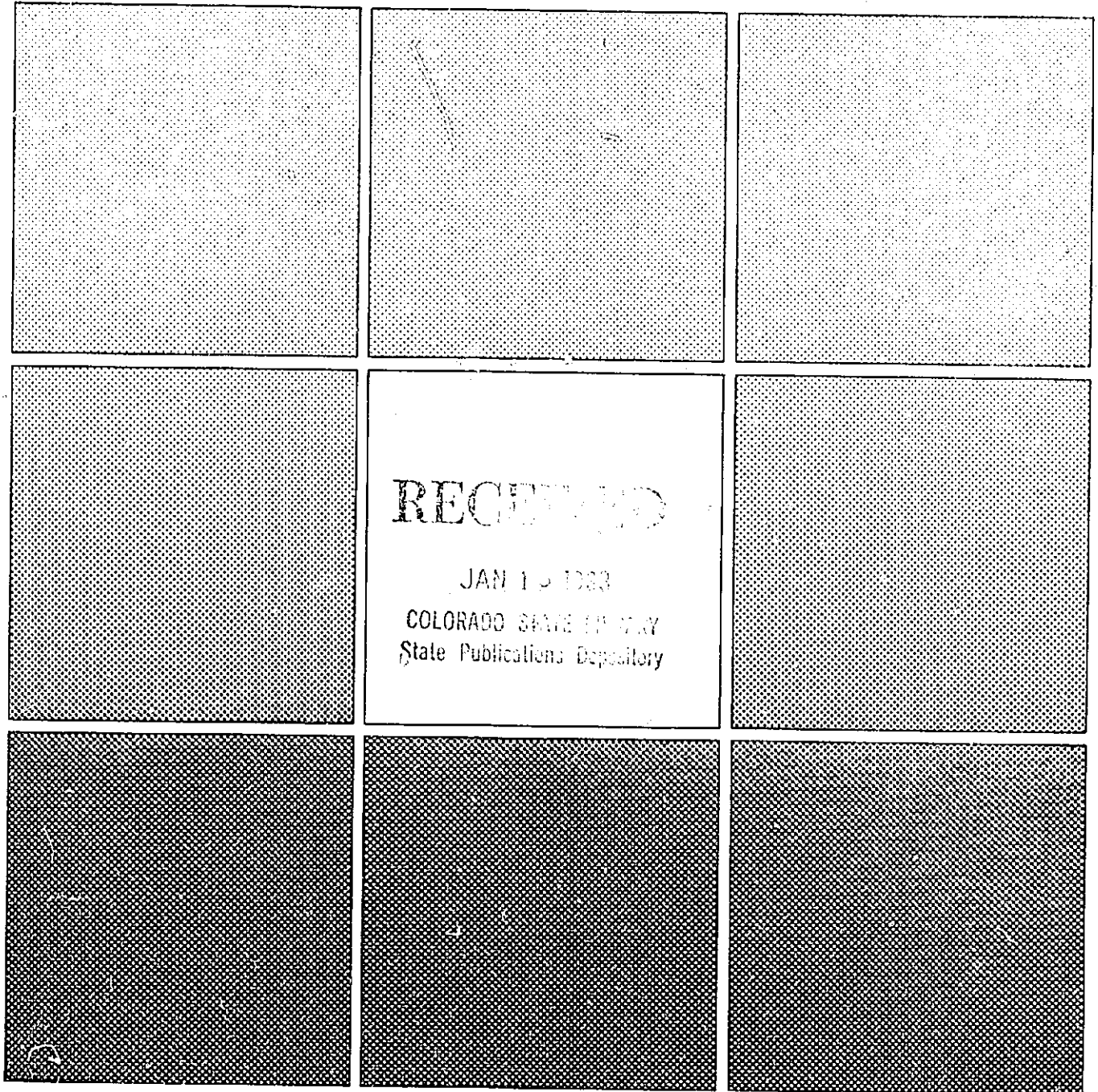


# Division of Central Services

## Annual Report Fiscal Year 1981-1982



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# Annual Report

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## Division of Central Services Department of Administration

for Year ended June 30, 1982

Prepared in compliance with Colorado Revised Statute 24-30-1109 by the  
Division of Central Services, Jack E. Keene, Director.

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**Distributed to:**

**Governor Richard D. Lamm  
Lieutenant Governor Nancy Dick**

**The Colorado General Assembly:**

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President of the Senate**

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# Profile

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The Division of Central Services is a statutory Division of the Department of Administration. It was created on June 20, 1977 when Senate Bill 285 (now CRS 24-30-1101) was signed into law by Governor Richard D. Lamm. Prior to that date, the Division operated with authority provided by an executive order, dated February 17, 1976. The Division's mission is to provide support services to executive branch agencies located in Adams, Arapahoe, Jefferson and Denver Counties. Services currently provided are: printing, mail, microfilm, word processing and graphic design services, motor pool, office copier program, and central office supply and forms storeroom. Responsibilities include the approval of service equipment acquisitions and staffing patterns for state agencies in its jurisdictional area. Central Services is a revolving fund agency; it receives no appropriated general funds. All services are sold to client agencies at competitive prices.

## Director's message

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Fiscal Year 1981-1982 was both the fifth year of operation as a statutory Division as well as the year of our first sunset audit. It was a successful end to the first five years of business, and a promising beginning for the next five years of providing centralized services for the government of the State of Colorado.

### FINANCIAL HIGHLIGHTS

In Fiscal Year 1981-1982, we generated a small profit of \$176,532, or 3% of gross revenues from business operations.

Tighter budgets in customer agencies held down gross revenues to 1980-81 levels. The dollar volume increase of 9.3% is primarily attributable to inflation, rather than increases in sales.

The Division's cash overdraft position has been significantly reduced from an end-of-month average of \$482,409 in 1980-81 to \$363,840 in 1981-82. The decreased cash needs were created by better inventory management and less equipment replacement. In addition, the Division improved its cash flow by modifying its accounts payable procedure. As a result, interest payments were reduced.

### SUNSET REVIEW

During September, 1981 to May 1982, Central Services underwent sunset review for FY 1980-81. The Division of Management Services performed the evaluation and recommended improvement in the following areas:

- o Cost accounting
- o Managing profitability
- o Engineered productivity standards

## Director's message

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### o Reporting requirements

The review was positive and stressed the cost-effective service that the Division provides to other agencies. Central Services has adopted most of the sunset recommendations. A copy of the report is available for review. On September 27, 1982 the agency's official sunset review was conducted by Legislative Council which unanimously recommended continuance of the Division.

Central Services has continued its strong emphasis on establishing and maintaining good business relations with its customers. In that regard, a survey was conducted which pointed out certain weaknesses in meeting the needs of our clientele. Based on an analysis of the survey the Division has initiated a new marketing program to meet customer needs more effectively and, as a result, to increase business. As a result, services are now provided to the Auraria Higher Education Center.

### **NEW AND/OR EXPANDED ACTIVITIES**

As mentioned previously, the Division did not experience measurable sales growth in Fiscal Year 1981-1982.

Greater attention has been devoted, however, to the service aspect of our operations, particularly facilitating customer communications and providing better feedback on their needs. In addition, more time is spent on our Quality Control program.

### **THE LAST FIVE YEARS . . . 1977 to 1982**

This Annual Report highlights the first five years of Central Services' operations. The following are some of the major events that have taken place:

- o Saved the state \$1.2 million.
- o Saved the state an additional \$97,000 per year in postage expense by presorting state mail.

## Director's message

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- o Assumed responsibility for the Department of Revenue's incoming mail operation; generated an additional \$152,00 per year in interest earnings for the State through improved cash flow.
- o Bid out on a statewide basis office copiers, resulting in savings of \$100,000 per year.
- o Initiated service equipment request program in four county area.
- o Set up an Interagency Motor Pool and installed a gasohol tank for state vehicles.
- o Produced a State organization chart, graphics standard manual, Central Stores catalogue, and annual new phone books for benefit of all state employees.
- o Computerized its billing system.

### **FUTURE CHALLENGES**

Like all American businesses, the greatest challenge in the immediate future will be to absorb increased costs while facing reduced spending by our customers. Increased overhead costs were levied against the Division, via a footnote in the current Long Bill, that added overhead of \$249 000 to cover support work performed for the Division by other divisions within the Department of Administration.

Central Services' response to this challenge was not to automatically pass on increased costs to the consumers, but rather to find ways to increase its efficiency.

Other plans are for more efficient equipment that will increase productivity.

In conclusion, the Division is in good standing as an agency of the state of Colorado. The state has benefited financially from Central Services' exist-

## Director's message

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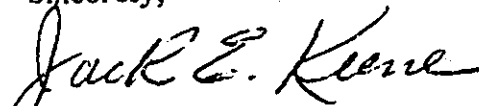
tence. The first five years of business has proven that the concept of centralizing service functions within one Division results in better utilization of the state's resources in terms of labor, equipment, material and space.

I would like to thank Management Services for its role in performing the Sunset Review audit of the Division. The favorable comments received from the Legislative Council, when it considered the audit report, were greatly appreciated.

I am especially grateful to the employees of Central Services, without whose dedication and hard work this Division's continued existence and excellent reputation would not have been possible.

Finally, we are all grateful to the Colorado General Assembly and its 100 members without whose support we could not continue to function.

Sincerely,

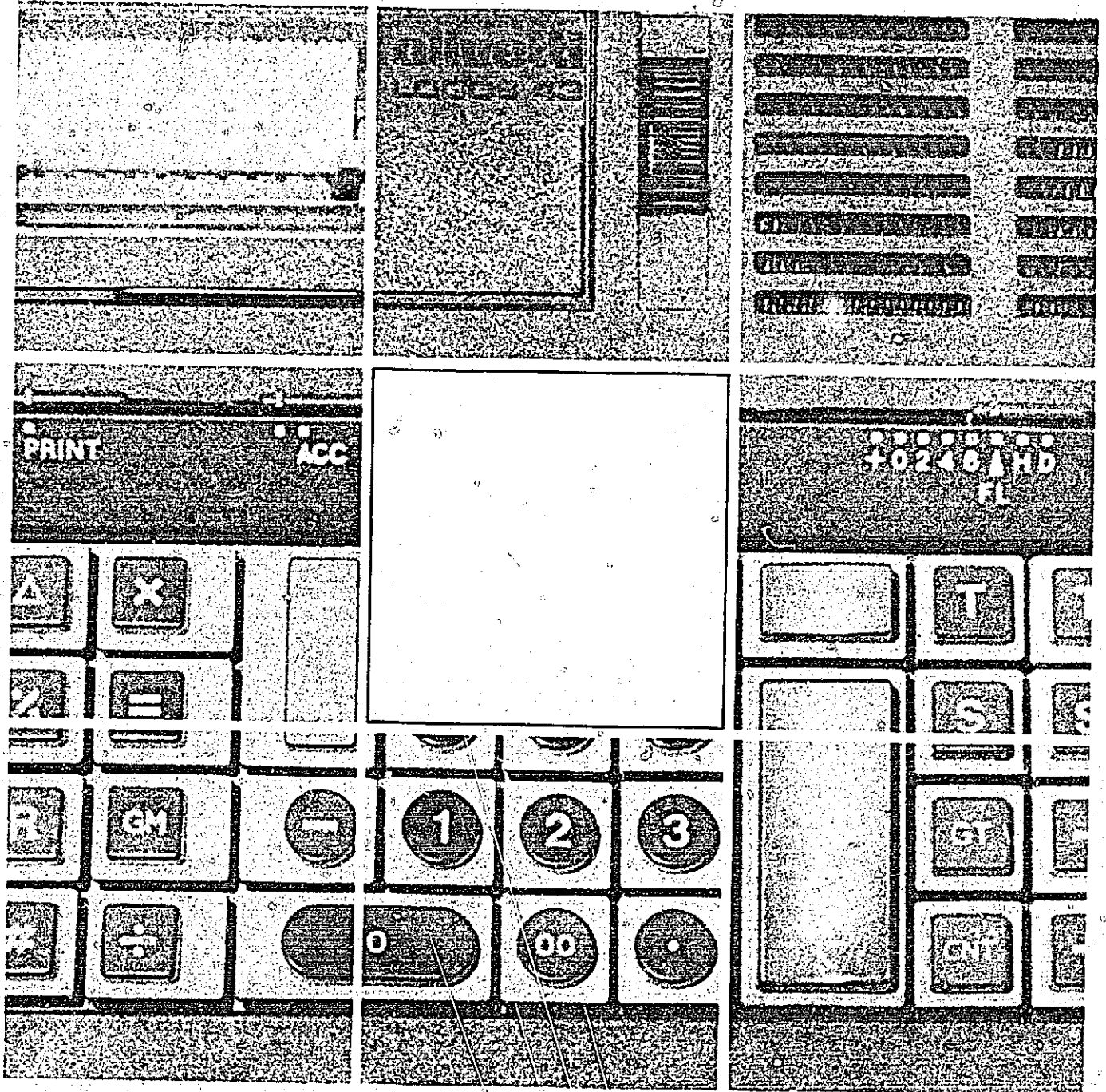


Jack E. Keene  
Director, Division of Central Services

December 1982



# Division operations





## Division operations

The Annual profit and loss statement for Overall Division Operations, page 9, shows operating revenues at \$5,792,000. Profit for the period was \$176,532, or 3% of gross revenues. As a percentage of revenues this was up from last year's 0.7%. The Division's sunset report\* (pages 23 and 24) recommended increased profit levels in order to avoid accelerating levels of indebtedness.

As in the past, the Mail Services Section, in Fiscal Year 1981-1982, was the single largest contributor to the Division's revenues, - \$2,222,000.

Revenue per FTE increased, as it has in all past years, to a new high of \$66,124. FTE numbers increased to 87.6 over last year's high of 87.3.

### Revenue per FTE

Fiscal Year	FTE	Unit/% Increase	Revenue	Unit/% Increase	Revenue per FTE	Unit/% Increase
1977-1978	NA	—	NA	—	NA	—
1978-1979	74.7	—	\$3,763,997	—	\$50,591	—
1979-1980	79.3	6.2	\$4,477,030	18.9	\$56,173	11.1
1980-1981	87.3	10.0	\$5,299,272	18.4	\$60,701	8.1
1981-1982	87.6	0.3	\$5,801,475	9.5	\$66,124	8.9

Depreciation increased by \$28,000 over the previous year largely as a result of newly created depreciation schedules. These schedules were created in conformance to Internal Revenue Service guidelines in an attempt to make meaningful price comparisons for the sake of competitiveness as required in CRS 24-80-1108 (3). Depreciation is necessary for this reason as well as for insuring that new equipment acquisitions are

not expensed in the year they occur but are paid for over a period of years.

\*"Other Revenues" represents receipts from employee jury duty, the sale of overage

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\* Analysis and Evaluation of the Division of Central Services; April, 1982; Division of Management Services.

## Division operations

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vehicles, previously untaken discounts, prior year adjustments and miscellaneous sources.

Expenses for the Analysis and Evaluation of the Division of Central Services required by

the sunset laws and CRS 24-30-1110 was completed April, 1982 by the Division of Management Services for the Department of Administration. Its cost was \$20,000 in direct cash outlays.

### Short-term Debt

CPS 24-75-203 allows for interest bearing loans to be made to government agencies funded by revolving fund structures to be used as working capital. The division's short-term debt reflects borrowing made under the terms of this statute to cover cash shortages. Shortages of cash are usually due to seasonal slowdowns in demand for division services. This condition, the increasing size of division operations and extremely high commercial interest rates have combined to cause an

increase rather than a decline in short-term interest expense for the second fiscal year. A cash management system has been introduced in order to reduce interest expense. Its full impact will not be felt until next fiscal year; to date, however, interest on short-term debt has decreased dramatically. Short-term interest expenses are reported in the Profit and Loss Statement under the heading "operating expense." (p. 9).

### Short-term Debt Interest Expense

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Fiscal Year	Interest Expense	(Decline)/Increase From Prior Year
1977-1978	\$38,209	--
1978-1979	\$23,455	\$(14,754)
1979-1980	\$11,542	\$(11,913)
1980-1981	\$34,185	\$ 22,643
1981-1982	\$52,159	\$ 17,974

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## Division operations

### Annual Profit and Loss Statement For Overall Division Operations

	FISCAL YEAR				
	1981-1982	1980-1981	1979-1980	1978-1979	1977-1978
Revenue	\$5,792,445	\$5,299,272	\$4,473,191	\$3,762,453	\$3,415,109
Other Revenue	<u>9,030</u>	—	<u>3,839</u>	<u>1,544</u>	<u>14,206</u>
<b>TOTAL REVENUE</b>	<b>\$5,801,475</b>	<b>\$5,299,272</b>	<b>\$4,477,030</b>	<b>\$3,763,997</b>	<b>\$3,429,315</b>
Expenses:					
Personal Services	\$1,690,794	\$1,505,558	\$1,246,854	\$ 925,385	\$ 788,352
Cost of Goods Sold	2,604,224	2,553,078	2,172,849	1,899,235	1,709,028
Operating Expense	1,189,927	1,090,823	887,175	730,599	813,509
Depreciation Expense (Capital Outlay)	138,044	110,523	73,309	53,922	50,802
Travel Expense	<u>1,954</u>	<u>1,291</u>	<u>3,041</u>	<u>807</u>	<u>97</u>
<b>TOTAL EXPENSES</b>	<b>\$5,624,943</b>	<b>\$5,261,273</b>	<b>\$4,383,228</b>	<b>\$3,609,948</b>	<b>\$3,361,788</b>
<b>PROFIT (LOSS)</b>	<b>\$ 176,532</b>	<b>\$ 37,999</b>	<b>\$ 93,802</b>	<b>\$ 154,049</b>	<b>\$ 67,527</b>
<b>PROFIT AS A % OF REVENUE</b>	<b>3.0%</b>	<b>.7%</b>	<b>2.1%</b>	<b>4.1%</b>	<b>2.0%</b>

### Savings

Central Services is required by CRS 24-30-1109(f) to provide, in its annual report, estimates of annual and cumulative savings derived from division operations.

Program/project	Estimated Savings
Service Equipment Requests	\$ 62,541
Mail presorting	97,000
Incoming Revenue Mail Room	<u>152,000</u>
<b>TOTAL</b>	<b>\$311,541</b>

In Fiscal Year 1981-1982, the division's approval authority over service equipment acquisitions resulted in savings to the state of \$62,541. Of this amount \$19,391 is a one-time saving while recurring savings amount to \$43,150. Thirty-seven requests for service equipment were submitted to the Division, which is about half of the requests (76) considered in Fiscal Year 1980-1981.

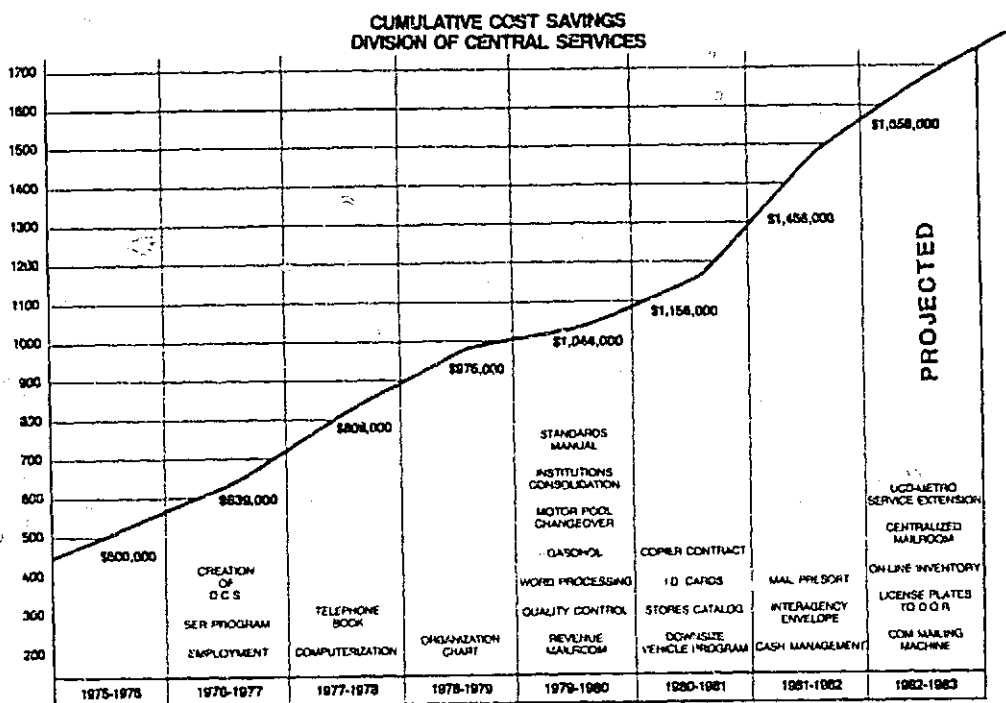
Mail presorting was responsible for an additional \$97,000 savings. Incoming Revenue

# Division operations

Mail Room operations added \$152,000 in increased interest earnings by improved cash flow.

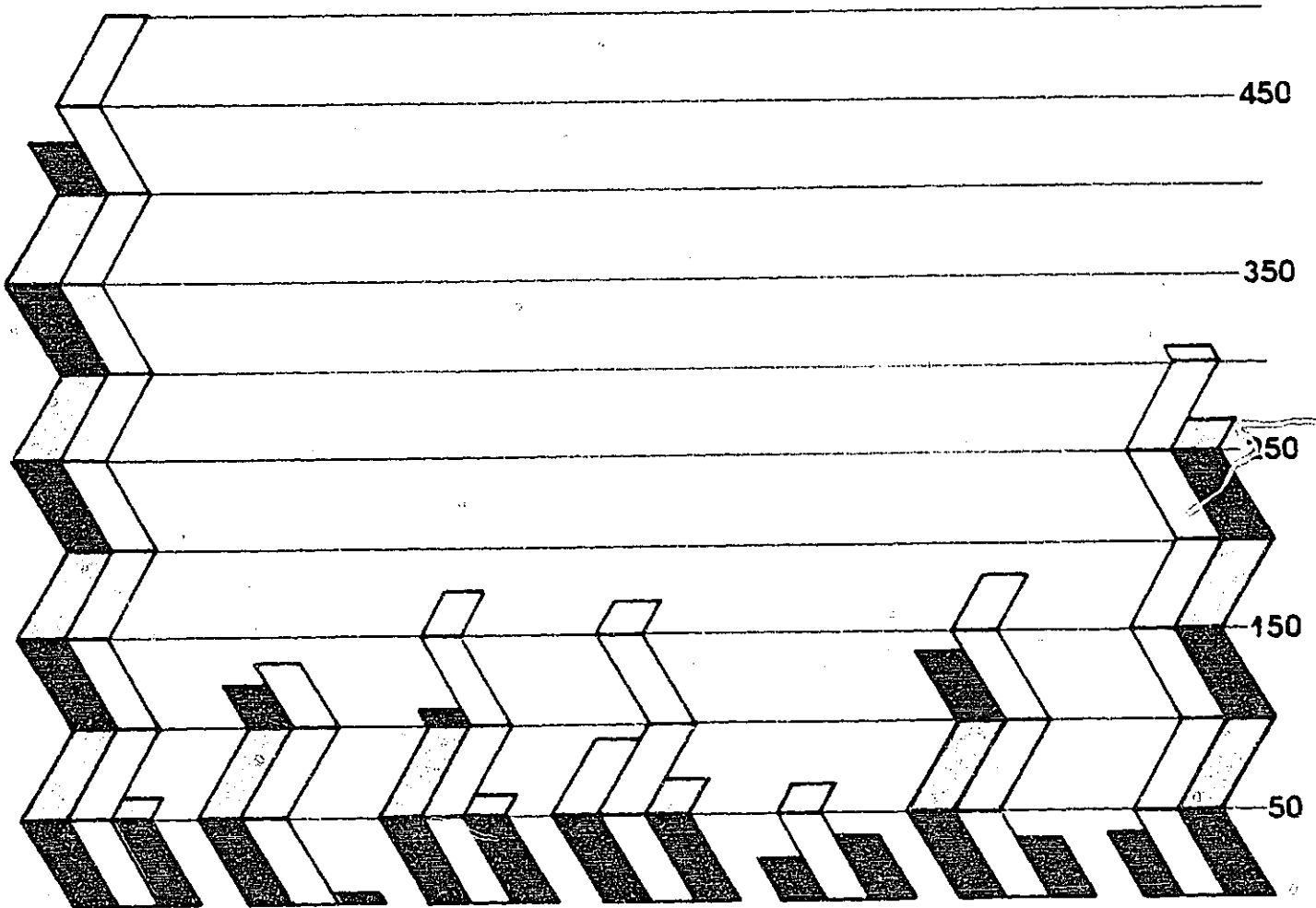
The chart on this page documents the total of savings generated by the division through the inclusive dates of this report. Accumulations of recurring savings are not included. Recurring savings are treated as one-time savings and are recorded only in the year generated.

Savings from the inception of Central Services to date exceed \$1.2 million. This figure was verified by the Division of Management Services in the Central Services sunset report. Savings were achieved mainly from consolidations of existing, decentralized service functions; cost cutting efforts; the benefits of economies of scale; and approvals, modifications and disapprovals of requests for service equipment made by other state agencies.



# Division operations

Annual Savings  
DOLLARS IN THOUSANDS

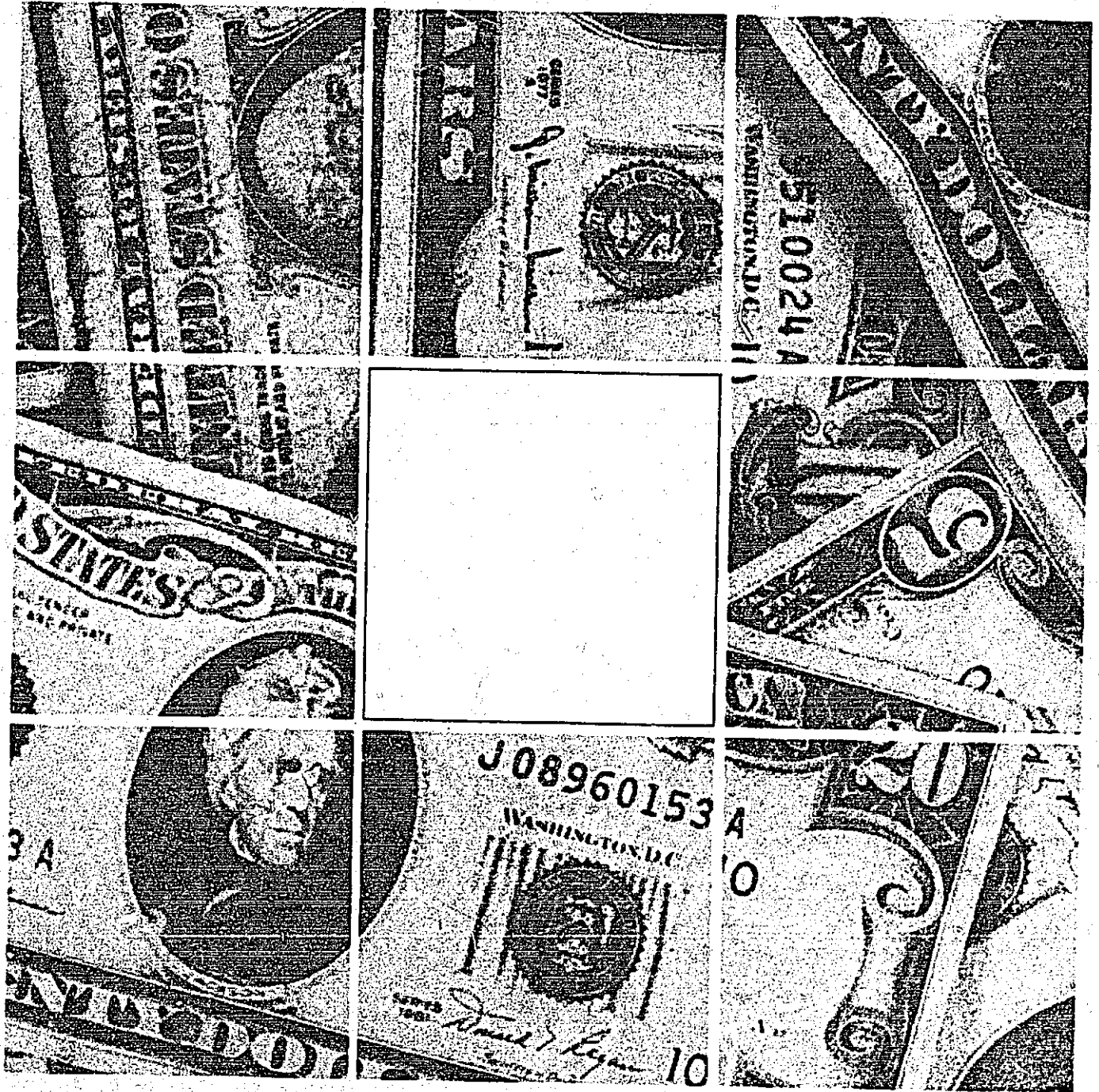


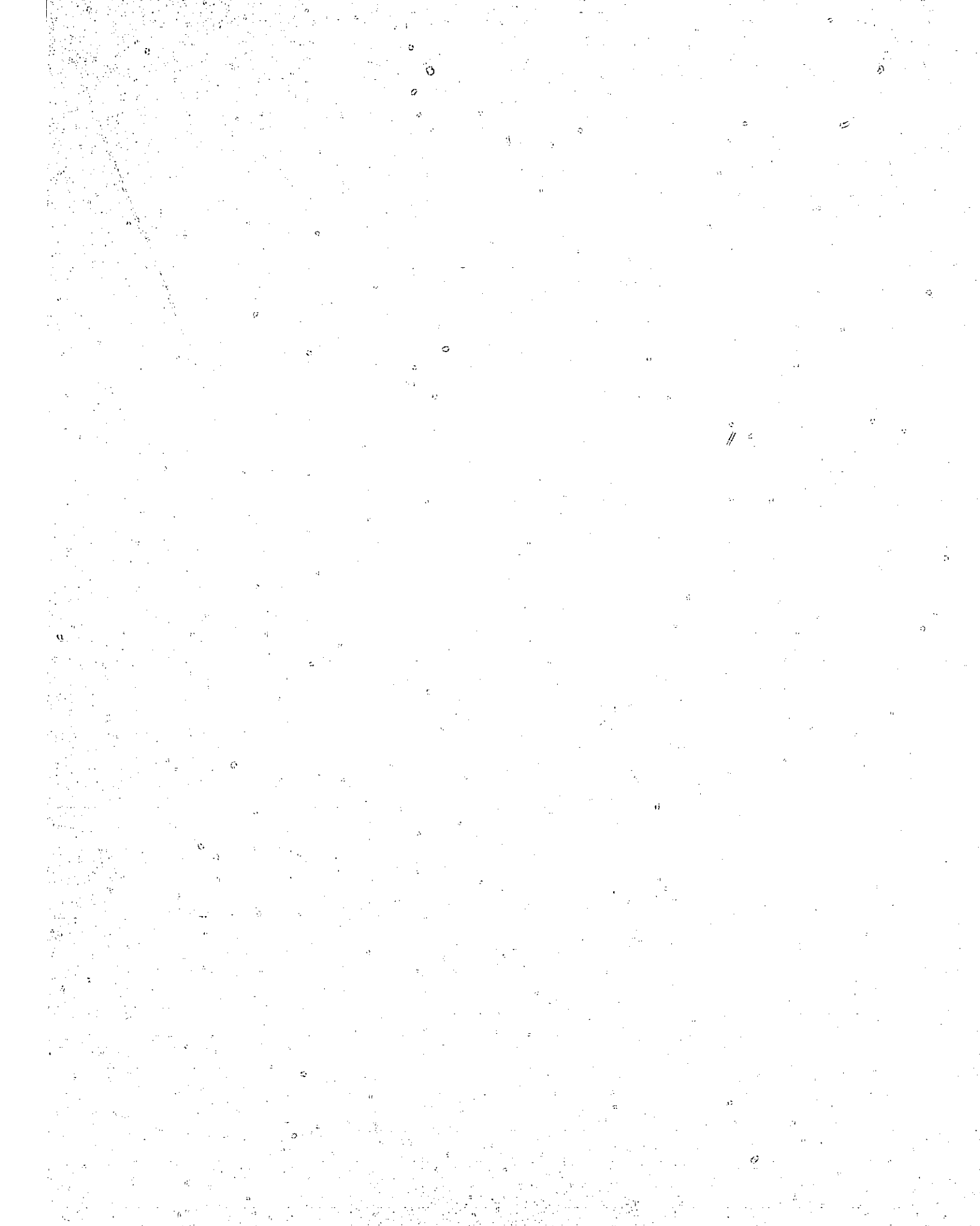
	75-76	76-77	77-78	78-79	79-80	80-81	81-82
Recurring	435	134	108	94	25	140	43
One-Time	65	5	62	72	43	44	270





# Financial statements





# Financial statements

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## Summary of Significant Accounting Policies

The accounting policies of the Division conform to generally accepted accounting principles as applicable to governmental units.

In order to insure observance of limitations and restrictions placed on the use of resources, accounts are maintained in accordance with the principles of "fund accounting." Resources intended for various purposes are classified for accounting and reporting purposes into funds that operate in accordance with activities or objectives specified. The accrual basis of accounting is followed.

Central Services receives cash funded appropriations from the General Assembly.

Cash funds are appropriated as "augmenting revenues." Unexpended appropriations at year-end are recorded as unearned revenue.

This fund is a statutory revolving fund which operates within the confines of the revenue it generates. Using agencies are charged for the cost of goods, services and supplies.

General fixed assets are recorded as assets at the time of acquisition. Depreciation has been computed and recorded as current expense and appears under the heading "Capital Outlay" in the appropriation.

# Financial statements

## Balance Sheet

<u>ASSETS</u>	<u>1981-1982</u>	<u>1980-1981</u>
Cash on hand	61,549*	320
Accts. Receivable	12,939**	335,104
Total Inventory	563,385	653,817
Prepaid Expenses	939	4,371
Equipment	1,053,109	988,234
Less Accumulated Depreciation	<u>314,809</u>	<u>208,241</u>
Depreciated Equip. Value	738,300	779,993
Leasehold Improve- ments	<u>26,672</u>	<u>31,102</u>
<b>TOTAL ASSETS</b>	<b>1,403,784</b>	<b>1,804,707</b>
 <u>LIABILITIES</u>		
Cash due Dept. of Treasury	—	537,586
Accounts Payable	450,702	493,541
Accrued payroll	<u>17,424</u>	<u>14,455</u>
<b>TOTAL LIABILITIES</b>	<b>468,126</b>	<b>1,045,582</b>
 <u>FUND BALANCE</u>		
Fund Balance	935,658	759,125
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u><b>1,403,784</b></u>	 <u><b>1,804,707</b></u>

\* Interagency vouchers processed after the end of the fiscal year by the official closing date of the books in August were credited to the Division as income on the last day of the fiscal year. This figure does not reflect the true cash balance on June 30, 1982 and should be regarded as revenue in transit.

# Financial statements

<u>1979-1980</u>	<u>1978-1979</u>	<u>1977-1978</u>
120	120	
419,087	331,797	FIGURES
574,772	477,536	NOT
3,870	7,500	AVAILABLE
821,920	502,765	
<u>202,099</u>	<u>133,112</u>	
619,821	369,653	
<u>34,426</u>	<u>—</u>	
1,652,096	1,186,606	
356,999	245,608	
551,531	300,914	
<u>22,440</u>	<u>14,514</u>	
930,970	561,036	
721,126	625,570	
<u>1,652,096</u>	<u>1,186,606</u>	

\*\* Improvements made to the State's accounting system are responsible for the dramatic decrease to Accounts Receivable. Vouchers were allowed to clear the system up to the official closing date in August. This figure represents accounts not received rather than accounts not cleared as was the case previously.

# Financial statements

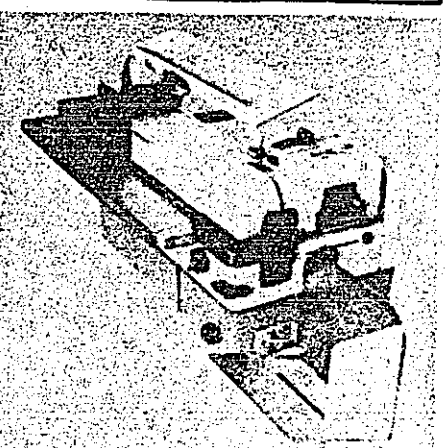
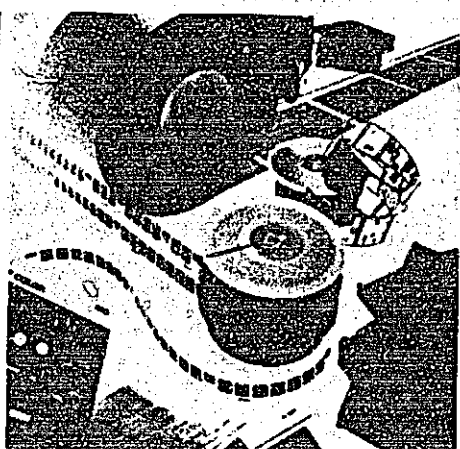
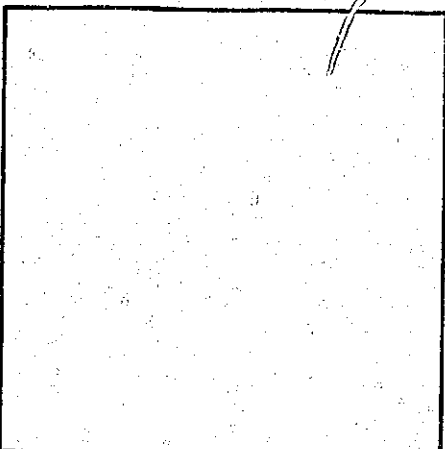
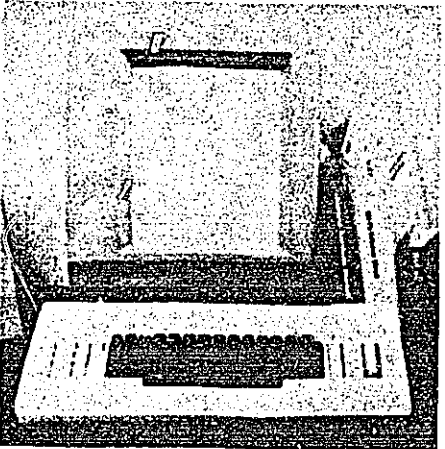
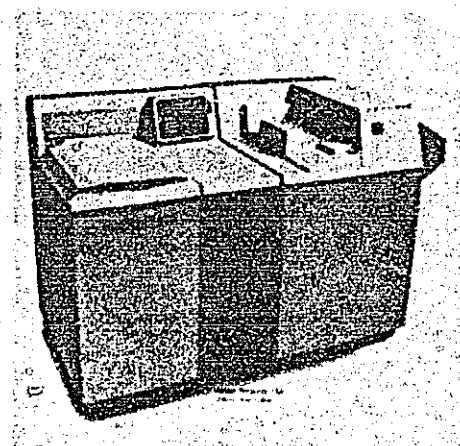
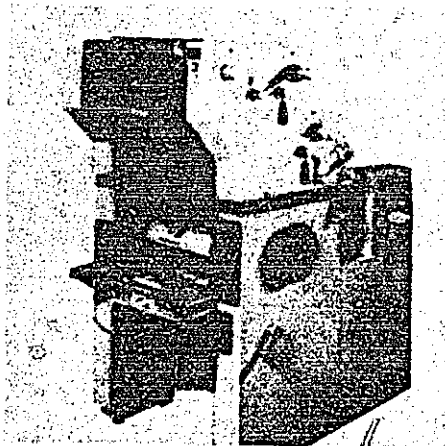
## Changes in Fund Balance

	FISCAL YEAR				
	1981-1982	1980-1981	1979-1980	1978-1979	1977-1978
Fund Balance, July 1	\$759,125	\$721,126	\$625,570	\$404,870	\$ 337,343
Profit on Operations for Year Ended June 30	\$176,532	\$ 37,999	\$ 93,802	\$154,049	\$ 67,527
Prior year adjustments			\$ 1,754	\$ 66,651	
Fund Balance, June 30	<u>\$935,657</u>	<u>\$759,125</u>	<u>\$721,126</u>	<u>\$625,570</u>	<u>\$404,870</u>

## 1981-1982 Augmenting Revenue

	Long Bill 1981-1982	Supplemental Appropriations	Increase Authorized By Attorney General's Opinion	Total Available Appropriation	Expenditures	Unused Appropriation
Personal services	1,447,773	(20,175)	263,300	1,690,898	1,690,794	104
Operating expenses	3,843,062	20,000	131,100	3,794,162	3,794,151	11
Travel	833		1,500	2,333	1,954	379
Depreciation expense (Capital outlay)	112,521		25,530	138,051	138,044	7
<b>TOTAL</b>	<b>5,204,189</b>	<b>(175)</b>	<b>421,430</b>	<b>5,625,444</b>	<b>5,624,943</b>	<b>501</b>

# Unit operations





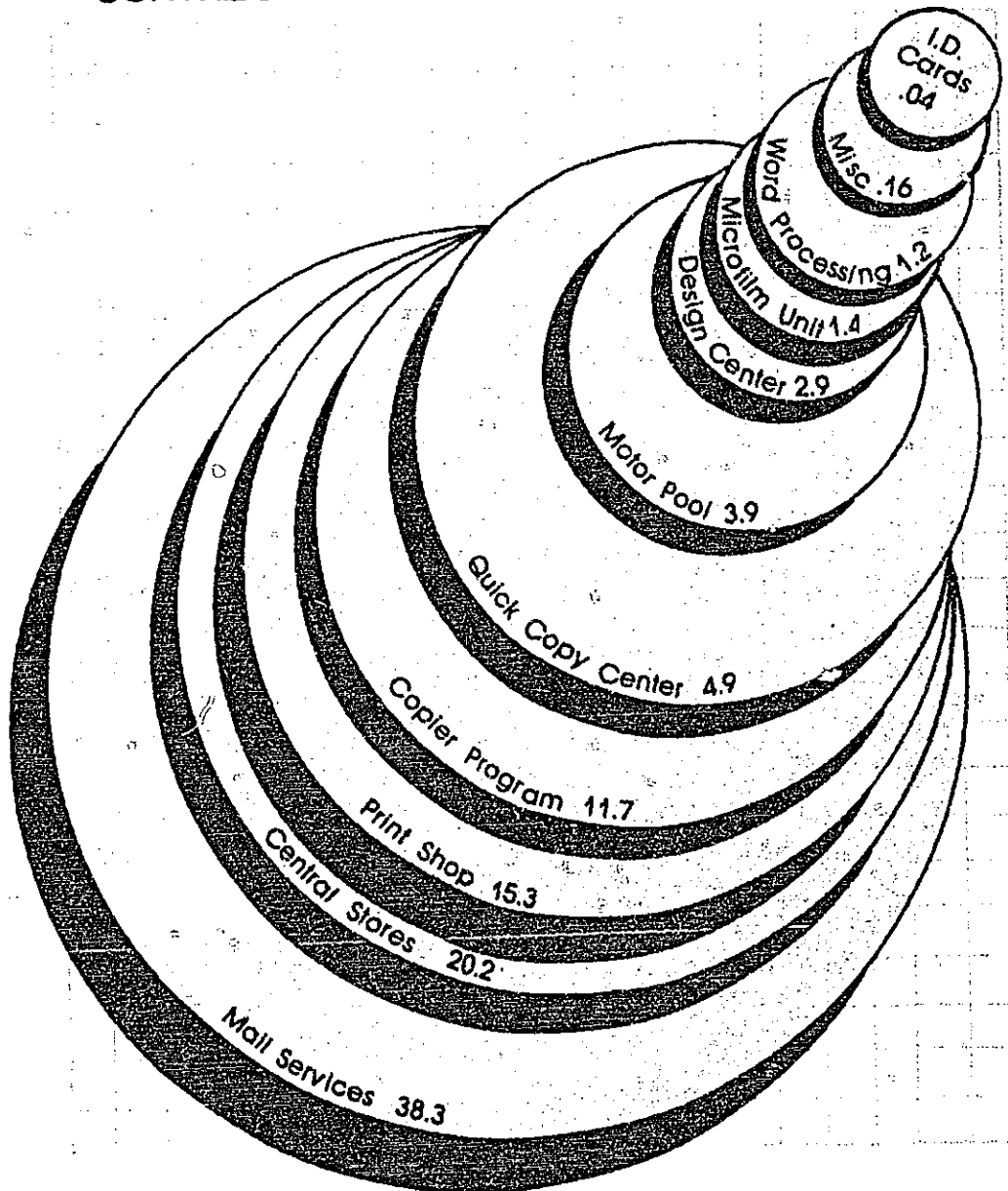


# Unit operations

Each of the division's cost centers has its own accounting structure independent of other cost centers. All work is charged to customers at the prevailing and established rates. All purchases of goods and services between costs centers are made at undiscounted rates. Full costs including costs of all materials, labor and overhead are charged for all services.

Units are listed in this part of the report in order of their contribution to Central Services gross revenues.

## CONTRIBUTIONS TO GROSS REVENUES 1981-82



# Unit operations

## Annual Profit and Loss Statement For Each Service Function

	Mail Services Section	Central Stores	Main Print Shop	Office Copier Program
<b>1981-1982</b>				
Revenue	2,222,101	1,172,439	888,162	678,319
Expenses	2,193,680	1,164,611	813,324	626,832
Surplus (Deficit)	28,421	7,828	74,838	51,487
<b>1980-1981</b>				
Revenue	1,888,725	1,257,048	788,842	617,290
Expenses	1,920,912	1,283,052	724,417	602,038
Surplus (Deficit)	(32,187)	(26,004)	64,425	15,252
<b>1979-1980</b>				
Revenue	1,513,375	1,073,381	694,740	556,770
Expenses	1,580,363	1,033,120	635,895	543,326
Surplus (Deficit)	(66,988)	40,261	58,845	13,444
<b>1978-1979</b>				
Revenue	1,221,996	918,728	606,020	530,093
Expenses	1,215,335	875,785	547,563	497,281
Surplus (Deficit)	6,661	42,943	58,457	32,812
<b>1977-1978</b>				
Revenue	1,101,340	843,541	577,560	471,044
Expenses	1,118,581	805,648	532,851	430,908
Surplus (Deficit)	(17,241)	37,893	44,709	40,136

# Unit operations

	Quick Copy Center	Interagency Motor Pool*	Design Center	Graphics Unit	Microfilm Center	Word Processing Unit	ID Card Program**
<b>1981-1982</b>							
Revenue	287,157	222,657	168,379		81,013	69,970	2,248
Expenses	251,939	229,857	144,751		104,077	83,816	1,245
Surplus (Deficit)	35,218	(7,200)	23,628		(23,064)	(13,846)	1,003
<b>1980-1981</b>							
Revenue	268,421	225,966	32,950	81,552	91,666	43,509	5,803
Expenses	251,179	209,416	30,008	86,744	96,072	56,039	1,396
Surplus (Deficit)	17,242	16,550	2,942	(5,192)	(4,906)	(12,530)	2,407
<b>1979-1980</b>							
Revenue	264,429	161,555	18,513	71,113	97,309	22,006	
Expenses	236,429	125,935	19,506	56,138	96,750	28,695	
Surplus (Deficit)	28,000	35,620	(993)	14,945	559	(6,689)	
<b>1978-1979</b>							
Revenue	236,673	83,661		66,661	96,885		
Expenses	211,990	105,002		59,393	91,095		
Surplus (Deficit)	24,773	(21,341)		7,268	5,790		
<b>1977-1978</b>							
Revenue	218,836	91,408		41,288	70,091		
Expenses	234,273	102,300		59,996	77,229		
Surplus (Deficit)	(15,437)	(10,892)		(18,708)	(7,138)		

\* Includes gasohol sales.

\*\* Discussion is contained under the heading Miscellaneous Services.

# Unit operations

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## Mail Services Section

**MISSION.** The mission of Mail Services is to perform such functions as envelope addressing and inserting, Postage metering, commercial freight dispatching, including United Parcel Service, processing and delivery of U.S. Mail, interagency mail and packages. It is the largest of all of the division's functions in terms of both FTE assigned and total revenues. It has been a service of Central Services since the division's inception.

**HIGHLIGHTS.** During this fiscal year, Mail Service implemented a labeling service. Equipment was purchased in March to automatically affix computer generated pressure sensitive address labels. Approximately 100,000 pieces of mail were addressed for four agencies during this start-up period of service. Labels are furnished by customers. No capability for label creation exists.

This was the first full year of operation for the presorting service. To qualify for U.S. Postal Service discounts, the state's mail was sorted by addressee's zip code. Not only does this speed mail processing, it also results in a rebate of \$.03 per piece. About 3.6 million pieces of mail were presorted—2.8 million pieces by Central Services and an additional 782,000 pieces by vendors hired to handle overload workloads after January, 1982. Approximately 98% of all mail handled by Mail

Services was presorted during the period of this report. Savings to the state amounted to \$97,000. Time lost to presorting activities is compensated for by savings and by the swift distribution of the presorted mail through USPS channels to final destination.

The interagency mail envelope and charge back system was a major change this year. A DuPont Tyvek<sup>®</sup> envelope was introduced along with prepaid address slips. The envelope is a tough, long-wearing synthetic fiber to allow for extended wear and multiple reuse. The prepaid address slips were initiated to eliminate the previous, cumbersome interagency mail billing process. Under the new system, the prepaid address slips are, in effect, postage stamps and mailing fees are paid at the time of purchase. The major benefit of this new system has been the increased accuracy of delivery of mail through the reduction of improperly addressed mail which was common under the old system.

**PERFORMANCE.** In Fiscal Year 1981-1982 approximately 5,000,000 pieces of mail were mailed through USPS. This figure does not include federal permit mail amounting to approximately 2,000,000 pieces. About 270,000 pieces of interagency mail and 65,000 interdepartmental packages are handled each year. Slightly more than 100,000 miles per year are driven by Mail Services employees in half

# Unit operations

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dozen light utility vehicles for delivery of mail and packages.

**PROFIT/LOSS DISCUSSION.** Mail Services earned a profit of \$28,000 in Fiscal Year 1981-1982. This figure is 1.3% of gross revenues. The profits this year represent an achievement when compared to the \$32,000 loss reported for Fiscal Year 1980-1981. The change from a loss to a profit status is due to increases in volume, pricing adjustments and changes in operating procedures.

**FUTURE IMPROVEMENTS.** Plans are being made for the consolidation of various mail-room functions into a centralized location. The consolidation will result in a reduction of FTE requirements by better utilization of personnel. Anticipated savings of \$30,000 will be realized in personnel reductions through normal attrition of employees. No decrease of services is anticipated.

## Central Stores

**MISSION.** The mission of Central Stores is to sell office supplies and forms to all state agencies. Stores maintains inventories in a central warehouse. It has been part of Central Services since 1976.

**HIGHLIGHTS.** During Fiscal Year 1980-1981, inventory management procedures were improved and the Economic Order Quantity (EOQ) formula was adopted. Fiscal Year 1981-1982 saw the refinement of these procedures.

**PERFORMANCE.** There has been a marked improvement in the inventory turnover rate from 1.8 last year to 2.7 this year. Further improvements in this performance measure are expected as the full effect of the Economic Order Quantity model is felt and existing inventory levels decline.

Sales per FTE have shown continued improvement.

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<u>FISCAL YEAR</u>	<u>SALES PER FTE</u>
1979-1980	\$119,265
1980-1981	\$179,578
1981-1982	\$181,420

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The above is considerably better than the national average of about \$55,000 in sales per employee.

# Unit operations

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**PROFIT/LOSS DISCUSSION.** Revenues decreased from \$1,257,000 in Fiscal Year 1980-1981 to \$1,172,000. This decrease was less than anticipated and resulted from reductions in federal funding to state agencies. The liquidation of about \$10,000 worth of obsolete inventories was completed during this fiscal year.

**FUTURE IMPROVEMENTS.** Next fiscal year we plan to install an on-line computer terminal to control inventories. This will allow tighter control of commodities and improved service to the customer. It is expected that another \$15,000 worth of obsolete items will be removed from the inventory. Methods for improving the speed of wrapping packages will be examined. A system of storing the inventory of high demand items in one area, in close proximity to the shipping area, will be tested to improve efficiency of filling orders.

## Main Print Shop

**MISSION.** The mission of the Main Print Shop is to provide complete printing and binding services to agencies of state government. The shop specializes in limited run, short turnaround jobs in standard format with limited use of colored inks. Large production runs are also handled but are not the norm. The shop is one of the core functions of the division—it has been part of the division since the onset of division operations. Small offset or lithographic applications are its area of specialization. The present capability was created through the amalgamation of all shops that previously existed in the Capitol Complex in 1977.

**HIGHLIGHTS.** During the year a variety of printed matter was produced for the Governor's Blue Ribbon Panel and the Front Range Projects. In addition, this year an increase in business from regional governments also occurred.

**PERFORMANCE.** Total annual impressions were 65,531,863. Monthly production ranged from 4,600,000 to 6,200,000 impressions. This production represents an improvement over last fiscal year by 2.4 million impressions.

**PROFIT/LOSS DISCUSSION.** The Main Print Shop performance reflected a sound and profitable fiscal year. Profits of \$74,838 were

## Unit operations

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generated on earnings of \$888,162. This compares favorably with Fiscal Year 1980-1981 profits of \$64,425. Current profits are 8.4% of revenues in 1981-1982.

**FUTURE IMPROVEMENTS.** A continued strong demand for Main Print Shop services is projected for the first half of next fiscal year. Demand in the second half will probably level off to that of Fiscal Year 1981-1982.

### Office Copier Program

**MISSION.** The mission of the Office Copier program is to manage copiers for state agencies within Central Services' area. The management process includes: approving office copier acquisition by state agencies, establishing and monitoring business relations and performance with vendors, encouraging appropriate copier use by client agencies, and acquiring ownership of copiers where there is advantage to the state.

A policy of shared use is pursued in order to reduce the cost per copy and make the equipment available to all agencies. At present 85 copiers are under the division's control.

**HIGHLIGHTS.** During the fiscal year, Central Services pursued a new management initiative by creating a single contract for all copiers in the 1,000 to 30,000 copy-per-month volume range. Twenty vendors responded to the invitation to bid; three were selected. The resulting contract of one year's duration, reduced the state's copying bill by \$100,000. Forty-two machines under Central Services' direct control were replaced by those of the selected vendors; an additional 38 machines were also replaced.

# Unit operations

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**PROFIT/LOSS DISCUSSION.** Though office copy volume decreased by 1.9 million copies, from 18.7 million copies in 80-81 to 16.8 million copies in Fiscal Year 1981-82, the program finished the year with a profit of \$51,487. Price per copy was \$.039 during the period of this report.

**FUTURE IMPROVEMENTS.** The division will pursue additional statewide contracts for broad use categories similar to that described above. Anticipated savings are \$20,000. Multi-year contracts will also be utilized to reduce costs. By the end of the fiscal year we hope to have all copiers of the 30,000 and fewer copies-per-month range under contract.

## Quick Copy Centers

**MISSION.** The mission of the Quick Copy Centers is to provide limited reproduction and bindery services on a quick turnaround basis. The services offered are less sophisticated than those offered in the Main Print Shop and more complex than those available from office copiers. Prices, are less than those charged for office copier use, but more than the print shop. Three decentralized copy centers are located throughout the capitol complex in locations convenient to the greatest concentrations of customers. One FTE is employed in each quick copy center. Delivery time is eight hours or less. This service contrasts with the six working days required for print shop services.

**PERFORMANCE.** Total annual production for the copy centers in Fiscal Year 1981-1982 was 16,100,000 copies. Gross revenues increased about \$18,000 for the copy centers over that for Fiscal Year 1980-1981.

**PROFIT/LOSS DISCUSSION.** The above resulted in profit levels of \$35,218 in Fiscal Year 1981-1982. Profits in Fiscal Year 1980-1981 were \$17,242. A volume increase of 1.2 million copies is responsible for the increase in profits.

**FUTURE IMPROVEMENTS.** Each center is equipped with Xerox 9200 or 9400 equipment.

# Unit operations

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In Fiscal Year 1981-1982 an advanced version, the Xerox 9500, will be evaluated. No other changes in operations are planned. Efforts will be made to satisfy customer needs and to educate them on the uses of the copy centers. The expected result is greater customer satisfaction and an increase in the demand for this service.

## Interagency Motor Pool

**MISSION.** The mission of the Motor Pool is to provide motor vehicles to state agencies on a rental basis for short or extended time periods. Secondary missions include the vending of gasohol to state agencies, the operation of a Colorado AIR\* Program facility and a scheduled vehicle maintenance service named, the Professional Fleet Maintenance Program.

The 46 vehicle inventory includes a number of service vehicles in addition to passenger vehicles. Vans, station wagons, and a pickup truck are among the vehicles.

The Motor Pool garage has been operated by the Division of Central Services since January 1979. Previous to 1979 the Motor Pool was operated by a private sector garage.

**HIGHLIGHTS.** During the period of this report, the Interagency Motor Pool has become a certified Colorado Automobile Inspection and Readjustment Program station. AIR inspections were performed on 108 vehicles from January 1 to June 30, 1982. In April, the Professional Fleet Maintenance Program was introduced. This is a preventive maintenance program, scheduling vehicle maintenance rather than reacting after breakdown occurs.

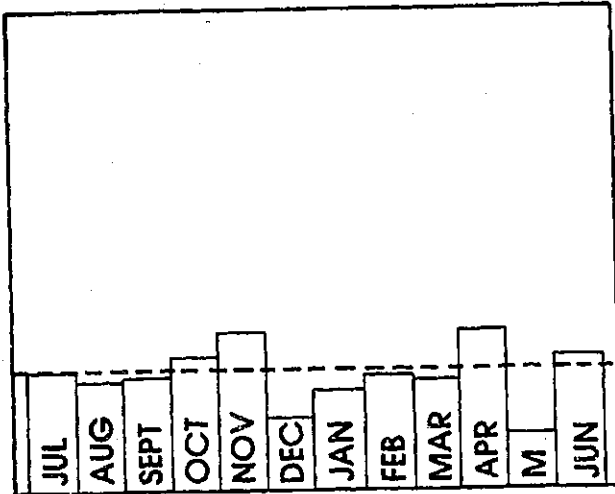
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\* Automobile Inspection and Readjustment

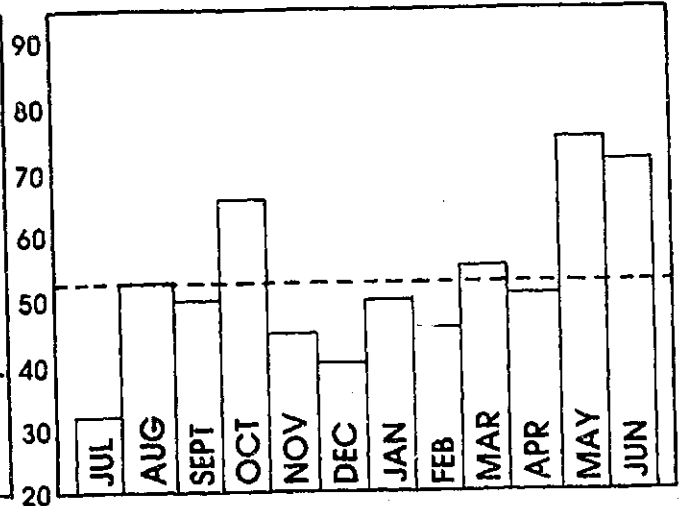


# Unit operations

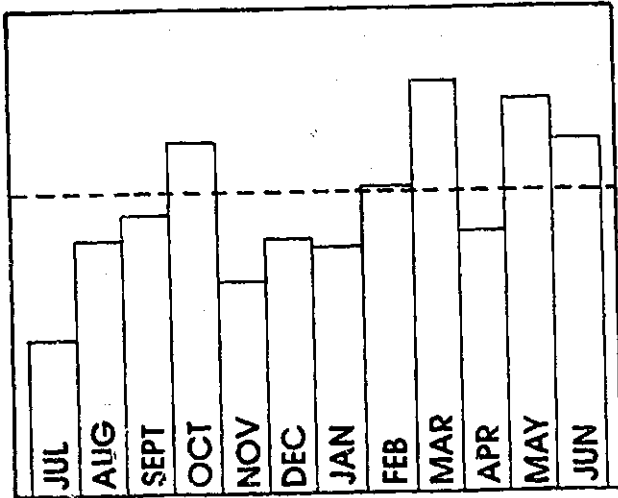
Motor Pool Miles Driven  
1978-79



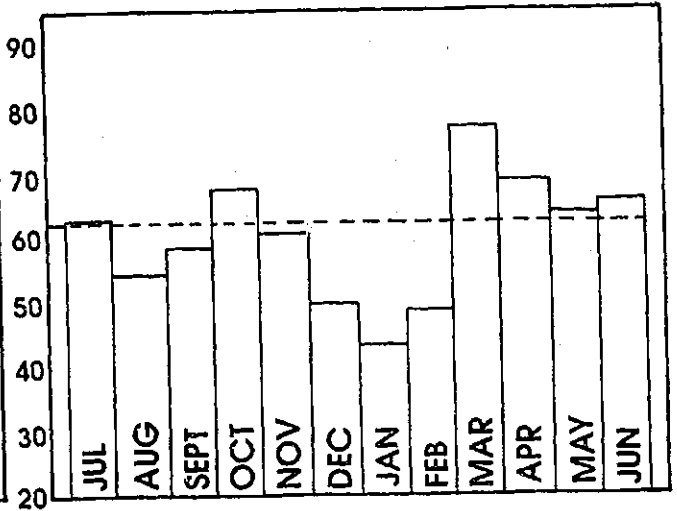
----- Average (Monthly Total)  
1979-80



1980-81



1981-82



Two of the unit's 2.5 maintenance personnel have been certified in all but one N.I.A.S.E. \* category.

**PERFORMANCE.** Fleet vehicles averaged 16,190 miles each in Fiscal Year 1981-1982 at an average cost per mile of \$.225. This figure reflects all operating and overhead costs of

the Motor Pool. By comparison, the average number of miles driven annually for all other state owned vehicles was 11,100 during the same period.

Cost per mile is up over the preceding year by \$.0083. Average mileage is down by 1,472 miles per vehicle.

\* National Institute for Automotive Service Excellence

## Unit operations

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Total miles driven for all fleet vehicles declined for the first time since 1979 to 812,447 miles.

Gasohol sales are a part of the motor pool operations. Extensive promotional effort led to total consumption of 37,056 gallons or slightly less than four inventory turnovers during the year. Five inventory turnovers are predicted next fiscal year.

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### GASOHOL PROFITS

Income	\$44,400
Expenses	
Cost of gasohol sold	\$41,281
Depreciation	328
Operating Expense	629
Intersectional Adjustment	<u>1,275</u>
TOTAL EXPENSES	<u>43,513</u>
PROFIT	<u>\$ 887</u>

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**PROFIT/LOSS DISCUSSION.** Motor Pool operations generated a loss of \$7,200 during Fiscal Year 1981-1982. The loss occurred during the first six months of the fiscal year and was due to decreased usage and rising fuel costs. On January 1, 1982, a rate increase was implemented. The operation recovered in the last two quarters but recovery was not strong enough to offset first-half losses.

**FUTURE IMPROVEMENTS.** A car wash facility is planned for next fiscal year. Gasohol sales will continue to be promoted to all state agencies in the Denver Metropolitan area. In light of tightening budgets, statewide fleet operations are expected to experience no growth next fiscal year.

# Unit operations

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## Design Center

**MISSION.** The mission of the Design Center, founded in 1980, is to offer comprehensive graphic design services to all state agencies. Services are offered in order to augment the products and operations of the Main Print Shop. In this close support role, the Design Center accomplishes basic paste up, typographic specification, photo cropping and scaling, graph and chart making, illustration and other related graphic design services.

**HIGHLIGHTS.** During Fiscal Year 1981-1982 the Design Center developed a photography service. Projects designed and developed during this fiscal year include: Colorado Driver's Manual, Colorado Truck and Bus Supplemental Driver's Manual, and complete information publication campaigns for the Low Income Energy Assistance Program, Office of Regulatory Reform (Business Start-up Kit) and the Office of Energy Conservation (Renewable Resources in Colorado, Solar Handbook, Energy You Can Bank On). In addition, Energy Notes, a series of six winterization pamphlets for homeowners was produced.

A slide show for the Colorado Civil Rights Division entitled Housing Discrimination and a training slide show for the Department of Social Services were produced. Graphics for television were produced to support Office of

Energy Conservation's public service commercial on home winterization and various Department of Labor and Employment television spots.

News releases, public relations photos, flip charts and posters were developed during the fiscal year.

**PERFORMANCE.** During the Fiscal Year, 1,294 jobs were handled by three FTE.

**PROFIT/LOSS DISCUSSION.** Unit operations showed a profit of \$23,628. This profit is contrasted to a loss of \$2,250 for the previous fiscal year. Demand for design services continues to increase and the outlook is excellent for another profitable year.

**FUTURE IMPROVEMENTS.** Typesetting capability has been under study and will be developed during Fiscal Year 1982-1983. Adoption of equipment, compatible with currently owned word processing equipment, will mean significant savings to Central Services' customers.

## Unit operations

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### Microfilm Unit

**MISSION.** The mission of the Microfilm Center is to produce documentary microfilm in 16mm and 35mm formats for state and local government agencies. Local governments have constituted about 60% of the center's business. Film applications include both records management and archival retention. This fact has necessitated close support of the Division of Archives and Public Records. Microfilm processing and duplication services are also offered to client agencies. The center was transferred, by a Long Bill Footnote, from the Division of Archives to Central Services in August, 1976.

**PERFORMANCE.** During the period of this annual report, the Microfilm Center processed about 4,000,000 documents and produced 6,002 rolls of original film, 2,000 rolls of diazo duplicate film and 400 positive duplicate film rolls.

**PROFIT/LOSS DISCUSSION.** The combination of rising overhead costs and cutbacks in the level of federal government support to local government resulted in the Center's overall loss on operations of \$23,000 for the Fiscal Year. Most of the impact of the federal cutbacks was felt among the Center's State agency customer.

**FUTURE IMPROVEMENTS.** In the coming fiscal year an aggressive promotional campaign will be launched. Contact with potential customers will complement increases in printed promotional materials. The objective is to increase gross revenues in order to bring about break-even operating status by the end of Fiscal Year 1982-1983.

# Unit operations

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## Word Processing Unit

**MISSION.** The mission of the Word Processing Center is to make available automated typing services to state agencies. Agencies may acquire the benefits of state-of-the-art word processing without major capital investments. The Word Processing Center has been in existence since July, 1979.

**HIGHLIGHTS.** During the period of this report, in order to reduce expenses the Center purchased two pieces of word processing equipment previously under rental agreement. The equipment is 3 keyboards, and 2 Xerox 860 word processors and 1 Xerox 850. The staff consists of three FTE.

**PERFORMANCE.** In Fiscal Year 1981-1982 the Word Processing Center had 5,362 man-hours available for production purposes. Actual productive man-hours totalled 5,115. The utilization level for the fiscal year was 95%.

**PROFIT/LOSS DISCUSSION.** Center revenues increased by 61% during the Fiscal Year. Revenues of \$43,509 were reported in FY 80-81; \$69,970 was earned in FY 81-82. Expenses, however, kept pace with revenues resulting in a net loss of \$13,846. The Unit's loss in Fiscal Year 1980-1981 was 28.8% of its gross revenues. Current loss figures are 19.9% of gross revenues and represent a significant

improvement in this Unit's management and operations.

**FUTURE IMPROVEMENTS.** A change in billing rates has been implemented in the current fiscal year. The new rates will reflect the Division's effort to maintain a competitive rate and operate the unit on a break-even basis. Rate changes had not been made in Word Processing during the three-year period preceding this report.

## Unit operations

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### Miscellaneous Services

Four miscellaneous services are performed by the division's Administrative Clerical Section: issuance of gasoline credit cards, the identification card program, state license tag issuance, and the states master vehicle inventory. Because of the small demand for each of these services, and limited revenues, no personnel are assigned to any one program on a full time basis. No attempt is made to generate profits. The costs reported here are estimates since the dollar volumes associated with these services are too small to justify cost accounting.

Present plans include the transfer of both the license tag issuing function and the state vehicle inventory to the Department of Revenue, Motor Vehicle Division in Fiscal Year 1982-1983.

Through Fiscal Year 1981-1982, Central Services performed all administrative tasks associated with the vehicle inventory and license plate programs. New license plates issued, totalling 435, resulted in revenues of \$1,350, while expenses came to \$1,685. Net cost to the division was \$335.

The I.D. Card program resulted in \$2,248 in revenues and \$1,246 in expenses. A profit of \$1,003 was generated on the issuance of 817 identification cards and badges. Existing expense figures represent supply and

depreciation costs. This practice will be changed in Fiscal Year 1982-1983 at the suggestion of the Division of Management Services made in Central Services sunset report, April, 1982.\*

In Fiscal Year 1981-1982, Central Services embossed and issued 638 gasoline credit cards. Pursuant to the sunset report, full expenses will be reported next Fiscal Year. Revenues and surpluses this Fiscal period were \$638.

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\* Analysis and Evaluation of the Division of Central Services; April 1982; Division of Management Services.

# Unit operations

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## Quality Assurance Program

**MISSION.** The mission of the Quality Assurance Manager's position is to improve customer relations. One of the division's prime obligations is to continually assess changes in the needs of its market and the effectiveness of its services.

The Quality Assurance Office develops programs to test the products and services offered by the division. Major objectives include the development and enforcement of internal quality control programs, an ombudsman function to assist customers in a positive way to resolve complaints against the division and an information program aimed at improving customer knowledge of division activities.

**HIGHLIGHTS.** In Fiscal Year 1981-1982 the Quality Assurance Office developed quality programs for all sections of the division. Additionally, changes in procedures were implemented to accumulate the costs of resolving customer problems. Fiscal 1983 will provide the first full year reporting of these costs.

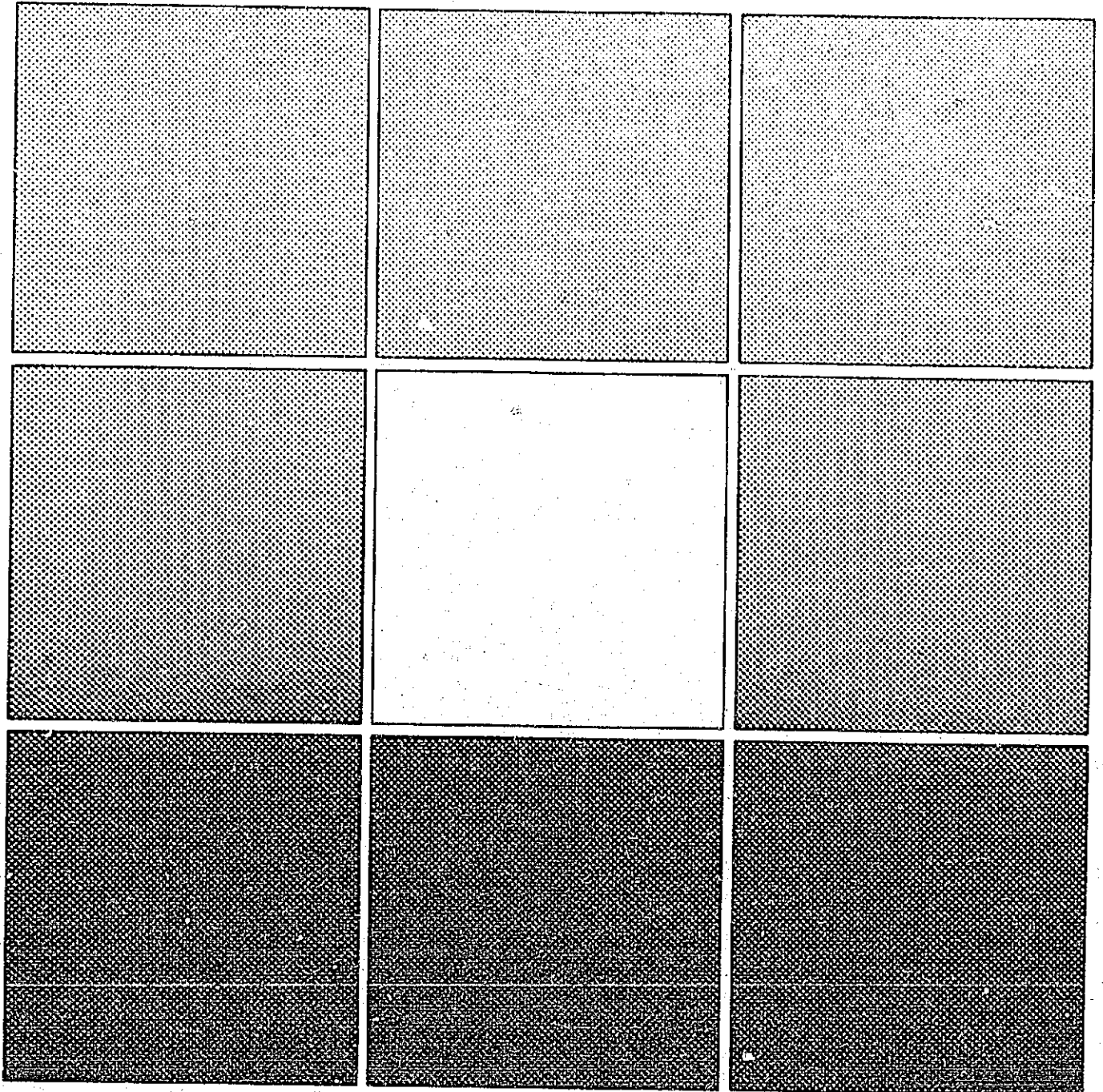
**PERFORMANCE.** The office handled in excess of 100 of the 134 customer complaints lodged with the division. All complaints are analyzed to determine cause and identify patterns of occurrence. Programs are developed or procedures revised, where needed, to prevent recurrences. Complaints are speedily investigated to assure customer's satisfaction.

**FUTURE IMPROVEMENTS.** The coming fiscal year will see quality assurance programs in all operating sections and units of Central Services.

A marketing program will be in place and operating by the end of next Fiscal Year.

# Appendix

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## Major Equipment Inventory

This appendix identifies all major pieces of service equipment in the possession and control of the Division on June 30, 1982. Acquisition may have been by direct purchase, lease purchase, or rental. This appendix is furnished pursuant to the requirements of CRS 24-30-1109(1)(c).

### ADMINISTRATIVE CLERICAL SECTION

- 1 Dymo Credit Card Embosser
- 1 Polaroid 103 Model #703

### CENTRAL STORES

- 1 Electronic Scale/Forms Counter
- 1 Pallet Jack

### DESIGN CENTER

No major equipment inventory.

### INTERAGENCY MOTOR POOL

- 46 Motor Vehicles
- 1 Port-a-built Building
- 1 Bulk Storage Motor Fuel Tank with Dispenser
- 1 Automatic Tire Changer
- 1 Infa-red Exhaust Gas Analyzer
- 1 Dalton Garage Pool (Door)
- 1 Pickup Truck
- 1 3/4 Ton Van

### MAIL SERVICES SECTION

- 1 Pitney Bowes Addressing Machine
- 1 ABE Perforator
- 1 Pitney-Bowes Folder Inserter
- 1 Pitney-Bowes Inserter
- 1 Singer Electric Scale
- 1 Friden Electric Scale
- 7 Pitney-Bowes Mailing Machines
- 3 Folding Machines
- 2 3/4 ton Vans
- 4 Light Utility Pickup Trucks
- 6 Passenger Vehicles
- 2 Bell & Howell Documail S-2 Sorters
- 1 Docutronix Mail Document Detector
- 3 Opex Mail Opener/Counters
- 1 Pitney-Bowes Meter Model 4385 and Stacker
- 1 Pitney Bowes Meter, Model #4371
- 3 Mailex Letter Opener 1800
- 2 Docutronix Letter Opener Cutters

### MAIN PRINT SHOP

- 1 Pallet Jack
- 1 Robertson (401) Film Camera
- 2 AM 1250 Offset Press
- 1 Davidson (700) Perfector Offset Press
- 2 A.B. Dick 360T Offset Press
- 1 Challenge Paper Drill
- 2 AM 2850 Offset Press

# Appendix

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- 1 AM 1275 Offset Press
- 2 Norfin 104 Sorters
- 1 AM 2300 Electric Plate Maker
- 2 Challenge Paper Cutters
- 2 Pitney-Bowes Folding Machines
- 1 Velo Binder
- 1 GBC Punch
- 1 Bostich Power Stitcher
- 1 Interlake Power Stitcher
- 1 Pitney-Bowes R-30 Collator/Stapler/  
Folder
- 1 A.B. Dick 7124 collator
- 1 A.B. Dick Stitcher
- 1 A.B. Dick Folder
- 1 Brown Plate Burner
- 1 O & M Profold Folder
- 1 Velo Puncher/Binder
- 1 Standard-Bourg Collator/Sticker/Folder
- 1 3-Spindle Paper Drill
- 1 3-M, 412 Film Processor
- 1 Standard-Bourg Trimmer
- 1 A.B. Dick 360 Offset Press
- 1 NU-ARC RR41F Light Table
- 2 Pitney-Bowes Collators, A-10

## MICROFILM CENTER

- 1 Reliant 600 Microfilmer
- 1 Reliant 700 Microfilmer
- 1 Reliant 750 Microfilmer
- 1 Recordak RV-2 Microfilmer

- 2 Kodak Prostar Film Processors
- 1 Automated Editor/Loader
- 1 MacBeth TD500 Densitometer
- 1 16mm and 35mm Silver Film Duplicator
- 1 35mm MRD Microfilmer
- 1 16mm Microfilm Reader/Printer
- 1 Diazo Duplicator
- 1 Bell & Howell Intercom Microfilmer
- 1 Replenisher
- 1 Extex 3100

## OFFICE COPIER PROGRAM

- 27 Office Copiers

## QUICK COPY CENTERS

- 2 Xerox 9200 Printer/Collators
- 3 Xerox 920 Stitchers
- 1 Motor Vehicle
- 1 9400 Xerox Printer/Collator

## WORD PROCESSING UNIT

- 1 Xerox 850 Word Processor
- 2 Xerox 860 Word Processors

## Personnel Inventory

As required by C. R. S. 24-30-119(1)(c), this chart reflects the division's personnel inventory as of the last day of Fiscal Year 1981-1982. All reporting is done in terms of FTE's. From January to April, 1982, Central Services employed the equivalent of 14 full time personnel, or 56 part time employees, in

the Mail Services' section for the Department of Revenue incoming mail room. This temporary increase is necessary to process seasonal taxes, such as income tax returns. Mail Services permanent crew in the Revenue mail room is 10.5 FTE.

Position Title	Class Code	Administration and Administrative Clerical Section		Central Stores and Forms		Design Center		Inter-agency Motor Pool		Mail Services Section		Main Print Shop		Micro-film Unit		Office Copier Program		Quick Copy Centers		Word Processing Unit		TOTAL	
		P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T
Accounting Tech	11101	1	0																			1	0
Administrative Clerk		3	0	1	0					5	0	1	0									10	0
Typist	22312	0	1																			0	1
Administrative Officer	11008	2	0							2	0					1	0					3	0
Automotive Serviceman	14261							1	0													1	0
Bindery Equipment Operator	22621	0	1									1	1									1	1
Clerical Assistant	22301							0	1	19	13											19	13
Clerical Supervisor	22332	1	0							7	0											8	0
Duplicating Equipment Operator	22601													1	0							1	0
Graphic Designer	22682					2	0															2	0
Graphic Design Technician	22880					1	1															1	1
Motor Pool Coordinator	44310							1	0													1	0
Public Service Career Trainee	99502									1	0											1	0
Printers	22630											11	1					1	0			15	1
Printing Plant Manager	22626	1	0																			1	0
Printing Plant Supervisor	22635											1	0									1	0
Director of Central Services	11013	1	0																			1	0
Staff Assistant	11001			1	0																	1	0
Storekeeper	22404			3	0																	3	0
Supply Officer	22408			1	0																	1	0
Vehicle Driver	44501									5	0											5	0
Word Processing Operator	22047																			2	1	2	1
<b>TOTAL BY UNIT</b>		<b>9</b>	<b>2</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>39</b>	<b>13</b>	<b>18</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>35</b>	<b>20</b>
P = Permanent Employees		Permanent Employees 85																					
T = Temporary Employees		Temporary Employees 20																					

# Appendix

## Accountant's Letter of Certification

### STATE OF COLORADO

DEPARTMENT OF ADMINISTRATION  
1525 Sherman Street, 7th Floor  
Denver, Colorado 80203  
Phone (303) 866-3221



Richard D. Lamm  
Governor

R. Garrett Mitchell  
Executive Director

A. Y. Levine  
Deputy Director

August 26, 1982

James E. Stroup, State Controller  
Division of Accounts and Control  
7th Floor, State Services Building  
1525 Sherman Street  
Denver, Colorado 80203

Dear Sir:

The undersigned certify to the following statements regarding the Division of Central Services, Department of Administration (Agency 22-05-00; Fund 7001):

- A. The agency is in compliance with applicable headnotes, footnotes, and FTE in the Long Bill. In addition, the agency has complied with applicable "C" and "M" constraints of the Bill and with the legislative intent as purported to be therein.
- B. The agency is in compliance with applicable statutes of a fiscal nature and the State Controller's Fiscal Rules. NO LINE ITEM OVEREXPENDITURES OCCURRED OR EXISTED AT JUNE 30, 1982.
- C. The agency is utilizing correct titles and classification of accounts in accordance with the chart of accounts prescribed for the Central Accounting System.
- D. Those activities unrelated to the General Fund are properly reflected in other funds in the Central Accounting System.
- E. The account balances reflected in the General Ledger Trial Balance Final for June 30, 1982, are correct as stated. Proper classification has been made of short checks, abnormal balances, etc.

In accordance with the Fiscal Rules, bank account balances recorded on the Central Accounting System in Enterprise Funds and Trust and agency funds are in agreement with the amount of cash in the bank.  
(Not Applicable)

- F. Appropriate accruals have been recorded, including accounts receivable and accounts payable.

- G. A review has been made as to the collectibility of accounts receivable and adequate allowance for doubtful accounts has been recorded in account 138XX.
- H. Inventory account balances have been adjusted to reflect physical inventory figures.
- I. There has been a proper recognition of revenue between fiscal years.
- J. Those net cash collections which are restricted to future appropriation availability are reflected in a Reserve of Fund Balance (31XXX). (Not Applicable)
- K. Necessary corrective action has been taken where indicated by the accountant's check-off list. The year-end check-off list is attached.
- L. There have been no entries made to fund balance accounts except those specifically approved by the State Controller.
- M. Contingent Liabilities - None
- N. A payroll distribution verification procedure has been conducted during the fiscal year in accordance with CAS Alert #64 and Chapter 2, Section 9.30 of the Fiscal Rules.
- O. Any report of expenditures submitted to the JBC or Office of State Planning and Budgeting are in agreement with CAS figures or an explanation of any difference has been provided those agencies and the Controller in the reconciliation of financial statements to the CAS final trial balance.
- P. The State Auditor completed an audit of the Department of Administration for the fiscal period ended June 30, 1981. Copies have been issued to Accounts and Control.

Q. Leases

Capital Leases

- 1. Gross amount of assets under capital leases at June 30, 1982. \$302,669.49
- 2. Future minimum lease payments, in aggregate for each of five succeeding fiscal years, with separate deductions for amount representing executory costs and for imputed interest.

	TOTAL	PRINCIPAL	INTEREST
1982-83	\$70,442.22	\$57,452.97	\$12,989.25
1983-84	60,333.80	52,289.62	8,044.18
1984-85	42,000.14	38,841.67	3,158.47
1985-86	9,720.99	8,783.04	937.95
1986-87	4,507.40	4,281.22	226.18

# Appendix

3. Total of minimum sublease rentals. (Not Applicable)

## Operating Leases

1. Term of more than one year:


(a) Future minimum rental payments required at June 30, 1982 in aggregate and for each of five succeeding fiscal years.

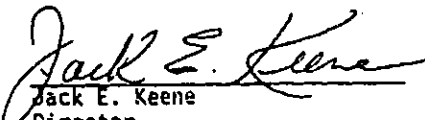
1982-83	\$48,000
1983-84	56,000
1984-85	60,000
1985-86	60,000
1986-87	30,000 (expires 12/31/86)

2. For all operating leases:

(a) Rental expense for fiscal year ended June 30, 1982 - \$52,944.96.

R. Attached is a schedule of fund by dollar of intra-fund and inter-fund payments made by warrant instead of by inter-agency voucher.

  
William F. Archambault  
Controller  
Department of Administration

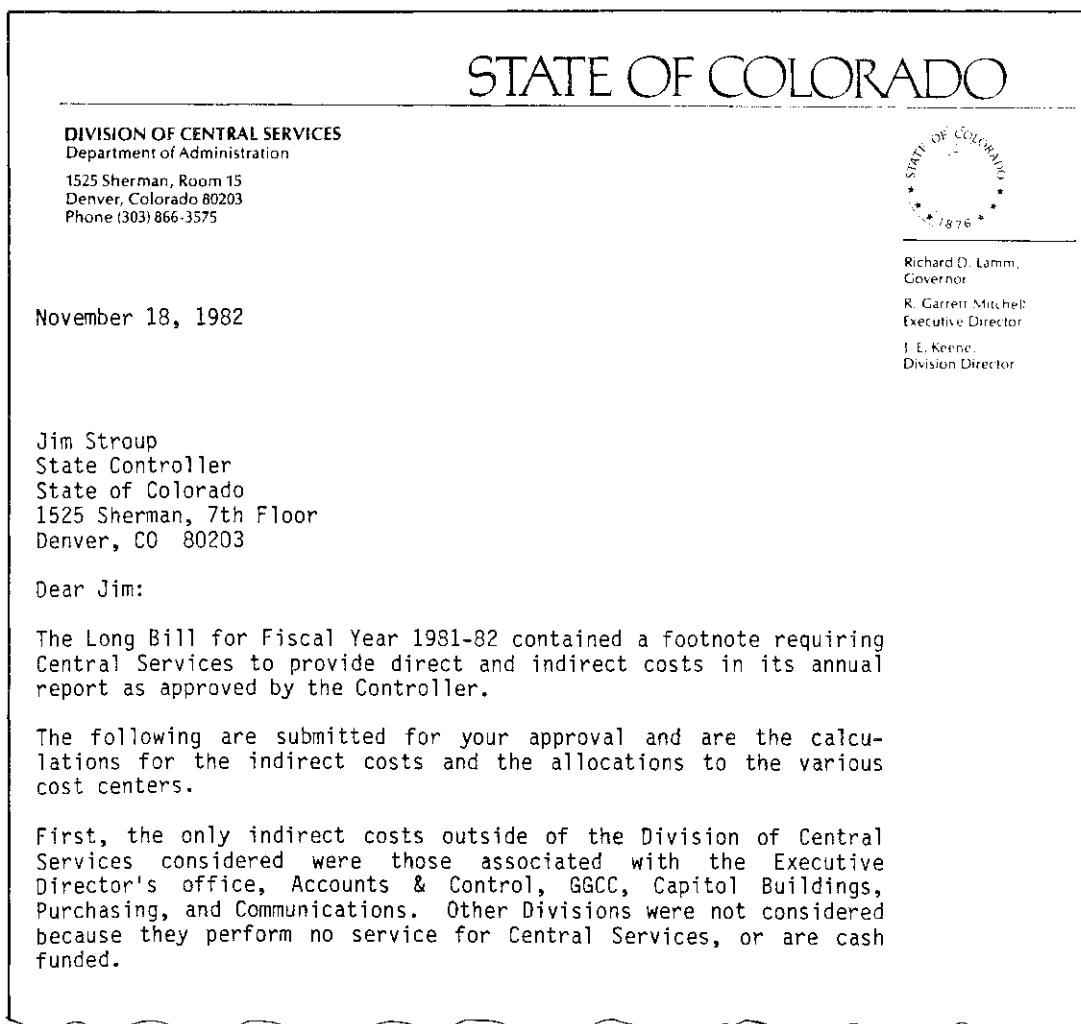
  
Jack E. Keene  
Director  
Central Services

## Indirect Costs

The following indirect cost information is provided pursuant to requirements contained in footnote 3 (page 228) of the Long Bill (SB 513), Fifty-third General Assembly, First Regular Session in 1981.

include in its annual report for the fiscal year ending June 30, 1981, and each year thereafter, all direct and indirect costs, as approved by the Controller, for each service provided to users."

The footnote states "...It is the intent of the General Assembly that Central Services in-





# Appendix

a. Executive Director's Office	\$ 45,514
b. Accounts & Control	5,221
c. GGCC	44,000
d. Capitol Buildings	77,083
e. Purchasing	11,351
f. Communications	5,800
	<u>\$188,969</u>

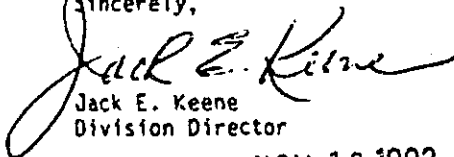
The above amounts were calculated in some cases, considering how much time is spent on activities for Central Services or a measure of activity such as number of purchase orders issued for Central Services compared to total number issued by the Division of Purchasing.

The above total of \$188,969 was allocated to the various cost centers in Central Services based on annual sales. (See allocations below).

AREA	SALES 1981-82	PERCENT OF TOTAL SALES	INDIRECT ALLOCATIONS
Printing	\$ 888,162	15.3%	\$ 28,912
Quick Copy	287,157	5.0	9,448
Microfilm	81,013	1.4	2,646
Stores	1,172,439	20.2	38,172
Mail/Messenger	2,222,101	38.4	72,564
Graphics	168,379	2.9	5,480
Motor Pool	222,657	3.8	7,181
Word Processing	69,970	1.2	2,268
Copiers	678,319	11.7	22,109
Miscellaneous	<u>2,248</u>	<u>.1</u>	<u>189</u>
	\$5,792,445	100%	\$188,969

The above figures have to be included in our December 1, 1982 annual report; therefore, please review as soon as possible and, if okay, approve below.

Sincerely,

  
 Jack E. Keene  
 Division Director

Approved NOV 19 1982  
 (date)

  
 Jim Stroup  
 State Controller

JEK:nh  
 cc: Al Levine

## PRICING POLICY

Information reflecting the division's pricing policy survey is provided pursuant to the requirements of footnote 4 (page 229) of the Long Bill (SB 513), Fifty-third General Assembly, First Regular Session in 1981.

The footnote states "...It is the intent of the General Assembly that Central Services in-

clude in its annual report for the fiscal year ending June 30, 1981, and each year thereafter, the results of surveys demonstrating that the Division's pricing policy remains competitive with or at a lower rate than private industry in the operation of each service function it has established."

## Central Stores Price Comparisons

The table below shows price comparisons of 28 randomly selected commodities. Some ven-

dors do not offer the specified commodities for retail sale hence the "N/A" notations.

	COMMODITY NO.	UNIT	CENTRAL STORES	AWARD VENDOR	AWARD VENDOR RETAIL	MILE HI OFFICE SUPPLY	KWIL
Adding machine tape 2 1/4"	615-03-76-1019	Each	.3061	Pap. Unlim.	.49	.59	.89
Tablet, yellow 8 1/2 x 11"	615-63-41-1059	Each	.443	Commercial	.85	.87	.87
Tablet, yellow 8 1/2 x 14"	615-63-41-3055	Each	.486	Commercial	.87	.95	.95
Stenographer pad	615-15-31-0037	Each	.524	Capitol	.94	1.10	.95
Paper clips, standard	615-58-21-1215	Box/100	.174	Empire	.42	.45	.55
Marker—black	620-90-01-0158	Each	.378	Empire	1.00	.61-.82	.61-.82
Correction fluid, white solvent	615-29-06-0016	Each	.678	Capitol	1.35	1.35	1.35
Hanging folders, letter	615-40-01-1022	Box	5.760	Commercial	9.75	9.75	9.75
Hanging folders, legal	615-40-01-3028	Box	6.541	Commercial	11.60	11.75	11.75
Stapler, standard desk model	605-88-48-4372	Each	5.025	Commercial	9.50	9.50	9.75
Staples 1/4" leg, standard	615-81-05-1218	SM/Box	.512	Capitol	2.00	2.25	2.00
Hi-liters	620-90-06-0187	Each	.356	Empire	.50	.60	.69
Rubber bands, #19	615-75-19-4172	1/4 lb/Box	.922	Empire	2.00	2.05	1.95
Pens, ball point, fine, black	620-80-42-0151	Box/12	8.45	Capitol	12.50	13.50	13.95
Week-at-a-glance #6-250	615-20-01-1000	Each	2.080	Aarons	3.55	3.90	NA
Post-it-notes	615-63-42-7055	Each	.830	CHB	.89	1.05	1.16
Typewriter ribbon, Selectric II	610-32-24-3810	Box/6	7.834	Frankel	15.95	19.95	19.95
Typewriter ribbon, lift-off tape	610-33-40-4908	Box/6	2.829	Coumbine	8.35	13.95	14.50
Tape, mending, transparency 3/4 x 300"	615-88-02-6205	Roll	.742	Nationwide	N/A	1.20	1.15
Pencils, #2	620-60-01-2150	Box/Doz	.699	Blackfeet	N/A	2.46	2.49
Binder, J-ring, black	615-09-15-4029	Each	2.161	Media Pal	N/A	6.25	4.95
Xerographic paper, 8 1/2 x 11, 20#	645-11-01-1013	Ream	2.732	Nationwide	3.75	N/A	3.60
U.S. flag, nylon, 3 x 5'	350-70-10-4514	Each	12.337	Betsy Ross	N/A	27.50	N/A
Colorado flag, nylon, 3 x 5'	350-70-10-3516	Each	17.408	Betsy Ross	N/A	29.85	N/A
Colorado flag, cotton, 3 x 5'	350-70-10-3524	Each	16.640	Corrections	13.24	13.24	N/A
File folders, 1/3 cut, letter	615-45-03-1363	Box	6.234	Capitol	10.49	9.95	11.95
Student portfolios	615-46-02-1017	Each	.218	CHB	N/A	.34	.35
Cheesecloth (86 yd. bolt)	850-16-01-8013	Bolt	17.101	Hy DOR.	N/A	N/A	35.00

# Appendix

## Mail Services Section Price Comparisons

Some services performed for state agencies by the Mail Services Section are unique -- no parallel services exist in the private sector.

	Central Services	Direct Mail Services	Zipco	Data Lists	Colorado Presort	Pony Express
1. Folding						
a. Manual	N/A	30.00 to 50.00/1000	10.00/1000 and up	25.00/1000	N/A	N/A
b. Machine	4.00/1000	3.00/1000	4.50/1000	2.50/1000	N/A	N/A
1. set-up	-0-	-0-	-0-	-0-	N/A	N/A
2. minimum #	-0-	5000	-0-	2000	N/A	N/A
2. Inserting						
a. Manual	N/A	N/A	14.00 to 24.00/1000		N/A	N/A
b. Machine	7.50/1000	8.75/1000	7.50/1000	12.50/1000	N/A	N/A
1. set-up	-0-	-0-	5.00	-0-	N/A	N/A
2. minimum #	1000	5000	-0-	2000	N/A	N/A
3. Multiples	-0-	-0-	each 1.00/1000	-0-	N/A	N/A
4. Metering	1.00/1000	3.00/1000	-0-	5.00/1000	N/A	N/A
3. Labeling						
a. Manual	20.00/1000	N/A	N/A	20.00/1000	N/A	N/A
b. Cheshire	N/A	5.50/1000	6.00 to 8.00/1000	7.50/1000	N/A	N/A
1. set-up	N/A	-0-	15.00	-0-	N/A	N/A
2. minimum #	N/A	5000	-0-	2000	N/A	N/A
c. Pressure Sensitive	8.00/1000	10.00/1000	7.50/1000	N/A	N/A	N/A
1. set-up	-0-	-0-	-0-	N/A	N/A	N/A
2. minimum #	-0-	5000	-0-	N/A	N/A	N/A
4. Presorting						
a. Zip Order						
1. 1st Class	5.50/1000	3.25/1000	10.00/1000	7.50/1000	N/A	N/A
2. Bulk	5.50/1000	6.25/1000	5.50 to 9.50/1000	7.50/1000	N/A	N/A
b. Random Order						
1. 1st Class	N/A	N/A	14.50/1000	N/A	10.00/1000	N/A
2. Bulk	15.00/1000	N/A	14.50/1000	N/A	N/A	N/A
5. Lead Time	2000 same day 2000 next day	1 1/2 to 2 days	2 days	3 days	next day	N/A
6. Minimum \$	-0-	5000 pieces	\$40.00	2000	N/A	N/A
7. Messenger						
a. Vehicle	179.25/mo.	N/A	N/A	N/A	N/A	210.00
b. Walking	80.00/mo. or 15.2¢	N/A	N/A	N/A	N/A	N/A

## Printing Price Comparisons

Central Services' Main Print Shop specializes in the production of low volume, quick delivery printing jobs. Commercial printers pre-

fer longer run jobs with extended delivery times. This fact explains the lack of commercial sector data in parts of the table below.

JOB	CENTRAL SERVICES	QUALITY PRESS	PREMIER PRINTING	A.D. NIX & SONS	MOSS PRINTING	MINUTEMAN
Job #300—23 pages, 10 sheets, 8½ x 11 front and back (11,500 copies), + 70# gold, front cover printed, front and back cover printed inside only.	\$2,874.77	\$2,933.00	\$4,700.00	\$4,979.00	\$4,115.68	NB
Job #381—25 pages, 22 sheets, 8½ x 11, 20# white (2,500 copies), 8½ x 11 70# gold, front cover printed, front and back, back cover printed inside only.	347.83	886.50	1,083.75	1,147.50	949.88	NB
Job #217—23 pages (1,500 copies) 70 # ivory cover, green ink, green 20#, 2 sheets front and back, white 20#, 9 sheets front and back, buff 20#, 1 sheet F/O with 1,000 extra sheets trim size 5½ x 8½ with face trim.	589.03	566.00	1,138.00	989.00	1,636.00	1,860.22
Job #301—8 pages, 4 sheets front and back, 70# (5,000 copies), ivory/liberty blue ink - CS/SF 3½ x 8½ face trim.	580.22	585.80	1,175.64	1,022.12	1,696.80	1,923.04
Job #3401—198 pages, 125 white sheets +2 covers, 8½ x 11, 72 sheets front and back, 53 sheets F/O, collate and velo-bind (300 copies).	1,130.72	NB	NB	3,672.00	1,751.15	2,182.80
Job #312—93 pages, 89 white 20# sheet F/O (80 copies), 3 yellow 20# sheet F/O, 1 cover F/O, collate and velo-bind.	230.58	NB	NB	460.86	237.15	276.68

# Appendix

## Microfilm Price Comparisons

Commercial microfilm rates are extremely competitive among the larger Metro Denver service agencies. The service agencies listed below rank among the largest in Central

Services' jurisdictional area. Original films created by Central Services are automatically deposited with the State Archivist.

	MICROGRAPHIC SALES	DAKOTA GRAPHICS	AMERICAN MICRODATA		EASTMAN KODAK	CENTRAL SERVICES
<u>Processing</u>						
16mm x 100'	2.65	3.75	1-10	9.00	2.85	1-49 rolls 2.50
			11-100	8.10		50+ rolls 2.25
16mm x 200'	4.85	--	100+	7.65	--	1-49 rolls 4.50
			1-10	18.50		50+ rolls 4.25
35 mm x 100'	--	4.25	11-100	17.50	6.05	1-49 4.50
			100+	16.75		50+ ea. 4.25
			1-10	18.50		
			11-100	17.50		
<u>Diazao Duplication</u>						
16mm x 100'	7.70	10.00	1-10	9.00	--	1-99 6.40
			11-100	8.10	--	100+ 6.00
			100+	7.65		
16mm x 215'	12.50	--	1-10	18.50	--	1-99 11.50
			11-100	17.50		100+ 10.50
			100+	16.75		
35mm x 100'	--	12.00	1-10	18.50	--	1-99 9.25
			11-100	17.50		100+ 8.25
<u>Silver Duplication</u>						
<u>Positive</u>						
16mm x 100'	--	12.00	1-10	12.00	1 roll 72.25	1-99 9.50
			11-100	10.90	2-24 7.94	100+ 8.75
			100+	9.95	25+ 6.57	
16mm x 215'	--	--	1-10	25.00	--	
			11-100	22.50		1-99 14.00
			100+	21.25		100+ 13.75
35mm x 100'	--	17.50	1-10	22.00	1 roll 16.46	1-99 13.00
			11-100	20.80	2-24 12.05	100+ 12.50
			100	19.45	25+ 10.29	
<u>Direct</u>						
16mm x 100'	--	21.00	1-10	14.50	1 roll 12.25	1-99 9.75
			11-100	13.25	2-24 7.94	100+ 9.00
			100+	12.35	25 6.57	
16mm x 215'	--	--	1-10	30.00	--	1-99 13.75
			11-100	27.00		100+ 13.25
			100+	25.00		
35mm x 100'	--	--	1-10	30.00	16.46	1-99 12.50
			11-100	27.00	12.05	100+ 12.00
			100+	25.00	10.29	

## Quick Copy Price Comparisons

Central Services' prices include collating and stapling whereas all other prices do not include these services. Central Services does

not run more than 500 copies per original in its Quick Copy Centers.

COPIES	*CENTRAL SERVICES	SPEEDY COPY	DODGE PRINTING	QUALITY PRINTING	QUICK PRINT	MOSS PRINTING	PIP PRINTING
25	.65	2.55	1.25	3.70	3.75	1.70	4.95
50	1.10	3.10	1.85	4.20	4.25	2.45	5.50
75	1.65	3.65	2.63	4.80	4.95	2.95	—
100	2.20	4.20	3.40	5.25	5.45	3.45	6.00
200	4.40	6.40	6.80	6.85	7.70	4.70	9.70
300	6.60	8.60	10.20	9.75	9.95	5.95	12.60
400	8.80	10.80	13.60	11.20	12.20	7.20	15.50
500	10.10	17.65	17.00	12.75	14.45	8.45	18.10

## Motor Pool Price Comparisons

The below comparisons are very favorable to Central Services because of the greater age of the division fleet—one to four years—high division utilization and modest division fleet size. Commercial rates are frequently dis-

counted; Central Services' rates are never discounted. All division vehicles are depreciated at rates compatible with guidelines suggested by the Internal Revenue Service.

	Daily Rates			
	Station Wagon	Van	Compact	Mid Size
Central Services' Interagency Motor Pool	20.00	28.00	19.00	19.00
Hertz	80.00	100.00	49.00	51.00
Budget	59.95	N/A	44.95	46.95
Agency	N/A	N/A	N/A	21.00
Alamo	49.00	69.00	25.00	29.00
Avis	63.00	N/A	49.00	51.00

# Appendix

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## Design Center Price Comparisons

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Art Only Inc.	\$40.00/hr.
Partnership	\$45.00/hr.
Lambda Graphics	\$35.00/hr.
Compo Craft	\$50.00/hr.
Central Services' Design Center	\$25.00/hr.

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## Word Processing Price Comparisons

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Scre-Help Secretarial Services  
\$20.00/hr.

Trajan Services Ltd.  
\$15.00/hr.

The Headquarters Companies  
\$24.00/hr.

Aorist Business Services  
\$20.00/hr.

Away with Words  
\$20.00/hr.

Central Services' Word Processing Unit  
\$20.00/hr.

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## Office Copiers Price Comparisons

No price comparison is possible other than to note that the use of private sector copiers by state employees would run \$.10 per copy whereas Central Services' costs range from \$.033 to \$.040 per copy including all supplies.

Division of Central Services Employees  
June 30, 1982

Jack Keene, Director

Penny Adkins  
Jamil Ahmed  
Anna Anderson  
Marge Atherholt

Peggy Barber  
Bob Barefield  
Thomas Bainton  
Richard Barnes  
Anthony Baros  
Oscar Beardsley  
Maria Burns  
Juanita Bordoni  
Jean Borland

Victoria Capra  
Li Fen Chang  
Lorraine Chavez  
Phyllis Chavez  
Joe Christenson  
Patty Cisneros  
Doris Couturier  
Frank Cozine

Kathryn Dickerson  
Paul Dickerson  
Daniel Dominguez

Elizabeth Evans

Daniel Fallon  
Glenn Fox  
Carmen Freeman

Gib Gilbert  
Denise Gomez  
Irene Gutierrez

Nanette Hagerty  
Lila May Hann  
Roselyn Hicks  
Barbara Hood  
Denise Huntsinger

J. J. Jackson  
Vangie Jaramillo

Lloyd Kellems  
Nora Kellems  
Aly Kewan

John Lawless  
Jim Lewis  
Eloy Lucero

Geri Madril  
Cheryl McHugh

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Frank O'Callahan  
Bob O'Lear  
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Kathleen Pennucci  
Erlinda Perez

Felix Quintana

Mike Renth  
Josefina Riggs  
Dale Rodriguez  
Lydia Rodriguez  
Karen Romero  
Bob Romero  
Sue Roybal

Joan Sanchez  
Cecil Sharp  
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Steve Slane  
Paul Stempien  
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