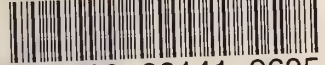


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The Annual Report
of the
Division of Central
Services
for Fiscal Year
1986-1987

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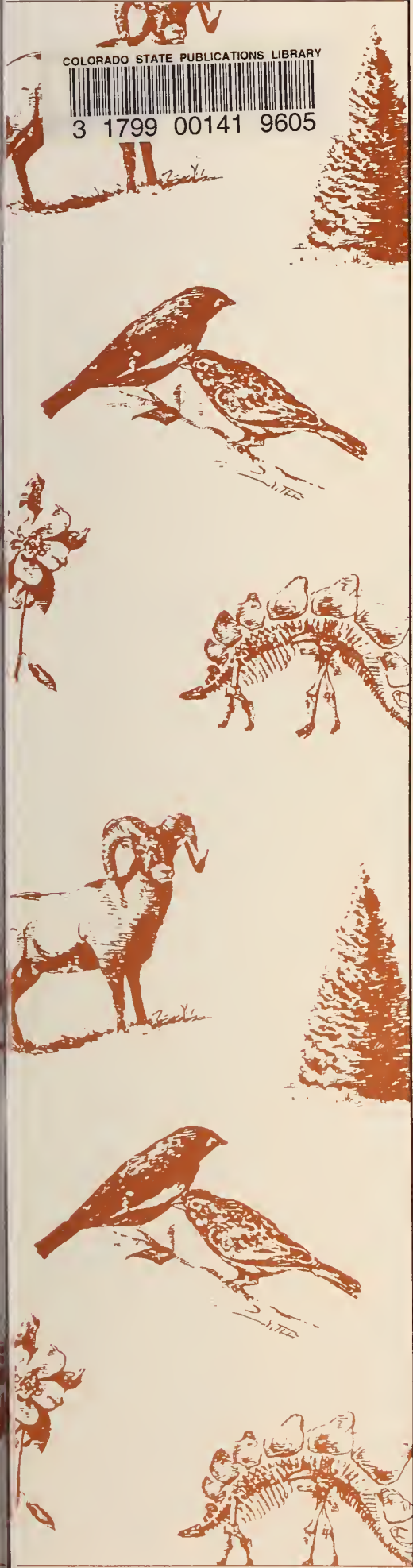


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The ANNUAL REPORT of the DIVISION of CENTRAL SERVICES

for the Fiscal Year ended June 30, 1987

December 1, 1987

DIVISION OF CENTRAL SERVICES

Department of Administration
Principal Office
1600 Sherman Street, Suite 1050
Denver, CO 80203
894-2370

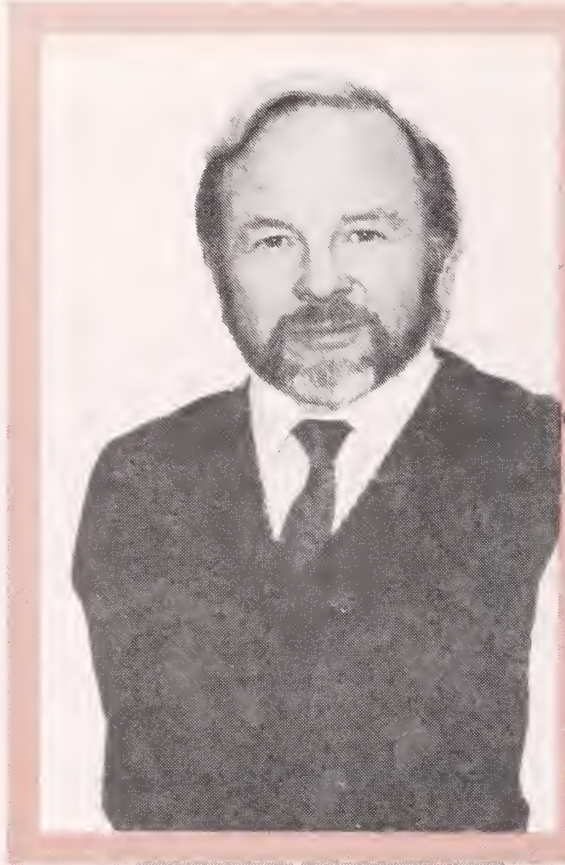
Jack E. Keene, Director of Central Services

This annual report was designed, written, set in type, printed and bound entirely by the employees of the Division of Central Services. It is published pursuant to the requirements of Colorado Revised Statute 24-30-1109.

This report has been distributed to:

Governor Roy Romer
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The Colorado General Assembly
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Director's Message



Mr. Keene has been a State employee since July, 1973. He transferred to the Division of Central Services from the Division of Management Services (DOA) in July, 1976. Among the awards he has received are the Governor's Service Award, a citation for exceptional performance and a nomination for "Outstanding Employee in Fiscal Management." He is the State's first Director of Central Services. Mr. Keene is a resident of Longmont, Colorado.

The Division made a small profit in Fiscal Year 1986-1987. Our sales increased to a high of \$11,000,000. All Sections made a small profit with the exception of one and its loss was due to inordinate one-time expenses. Staff and management functions also lost money but these were anticipated losses. The largest contributor to the sales increase was Fleet Management even though Fleet lost money in what we regard as the short term.

Several of our section operations were enhanced during the fiscal year due to new equipment or systems. For example, the Fleet Management operation received most of its ten software modules between March and June, 1987. The ten modules are software programs that help manage and monitor costs, maintenance and utilization, etc., for the Fleet Management Program. While the modules are being debugged and made operational we are using Gelco Fleet Management Services, a fleet management contractor, to provide us with basic vehicle operational data. Fleet Management also

purchased and enrolled in the Fleet Management Program 327 vehicles in fiscal 1986-87 bringing the total number of vehicles in the Program to 1,300. While I am on the subject of Fleet Management, I would like to mention that the Program is receiving a performance audit by the State Auditor. The audit is part of a state-wide analysis of government vehicles. The audit was authorized via the Fiscal Year 1987-1988 Long Bill. During the audit period no new vehicle acquisitions for Fleet Management have been legislatively authorized. The audit appears to be going favorably for Central Services.

Mail Services has received, or will receive, some new equipment. The federal government funded the purchase of an automated Computer Output Mailing machine due for delivery in August of 1987-88. It is for use in processing Department of Labor and Employment outgoing mail. In addition, a new postage meter and several electronic mail scales were purchased. Mail Services' new computerized billing system is just

about operational after a year of dealing with electrical and mechanical equipment problems.

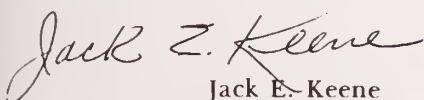
The Central Stores' operation purchased a shrink-wrap machine to prepackage forms, thus speeding up the order filling process. In addition on-line ordering software was developed allowing customers to access our inventory system via computer terminals. Paperwork and order filling time will be reduced.

The North Campus facility, 1001 East 62nd Avenue, also made some equipment purchases. A new telephone system was added to improve response to clerical and customer needs. In addition, a gate controller was added to control access to the fenced area in order to prevent vehicle theft and pilferage.

Another major task accomplished in Fiscal Year 1986-1987 was the bidding out to private sector businesses some of our service functions to insure that our prices were competitive. The services bid were mail metering, motor vehicle maintenance and repair, microfilm duplicating, and bindery operations. In all cases, our prices were lower than those bid by the private sector.

The travel program ended March 1, 1987, due to the loss of a legislative bill to continue it. The program was fully implemented and had provided approximately \$109,000 in cost avoidance through December, 1986 to the State. However, pressures from private sector travel agents and institutions of higher education caused its demise. The credit card part of the travel program remains in effect until June 30, 1990.

Finally, I would like to conclude by saying that the Division's success is due to the efforts of all Central Services' employees. They continually go beyond their normal job duties to fulfill customer needs. I sincerely thank them for their fine efforts!



Jack E. Keene
Director of Central Services

December 1, 1987

Introduction

Profile

The Division of Central Services is a statutory division of the Department of Administration created on June 20, 1977. Enabling legislation is contained in Colorado Revised Statute 24-30-1101 *et seq.* Previous to its legislative creation, the Division operated with authority extended through the executive order of February 17, 1976.

This annual report has been prepared pursuant to the provisions of Colorado Revised Statute 24-30-1109. This report reflects Division operations for Fiscal Year 1986-1987 and includes, but is not limited to, financial statements, equipment and personnel inventories, present and planned services.

History

A limited, centralized service function existed in 1948 as part of the Division of Purchasing. Regulation of service functions in other executive branch agencies was not one of the charges of this early service function. Approval of service equipment acquisitions by State agencies, likewise, was not part of the operation's authority. The establishment in 1967 of six other government print shops in the Capitol Complex is mute evidence of a limited authority level. The mission of this early service organization had severe limits. Printing seems to have been the core of the mission, but mail services were also furnished beginning in 1948.

In November, 1963, Management Study, Report No. 4, *Operational Reporting and Publication Control* placed in motion concepts that led to statutes and rules that provided for:

- a. Imposition of centralized control of State printing.
- b. Standardized operational reporting on printing operations.
- c. Forms management.

The Division of Accounts and Control (DOA) was given the function of coordinating and controlling operational and administrative reports and information.

References to "Central Duplicating" (Division of Purchases) exist in *Printing, Duplicating and Photocopying in Colorado State Government*, April, 1967. During fiscal 1965-1966, thirteen Denver area agencies had in-house printing facilities. Overall equipment utilization was an estimated 23.4 percent of capacity. Analysts suggested an expanded role for the "Central Duplicating Section" and recommended its relocation in the subbasement of the State Services Building, 1525 Sherman Street, Denver. Control of the operation was to remain with the "State Purchasing Agent." Centralized control of existing service (printing) equipment owned by all other agencies was formally proposed for the first time.

In January, 1975 another study recommending centralized control of service functions was completed. *Management Study of Selected State Services* by the Division of Management Services (DOA) was the blueprint for the present Division of Central Services. This study differed from all previous proposals in both scope and in the degree of control suggested. In addition to the task of furnishing support services for other agencies, central planning, control and coordination of all aspects of support service activities were recommended.

On June 20, 1977, Governor Lamm signed into law Senate Bill 285. This bill created the Division of Central Services under the provisions of Colorado Revised Statute 24-30-1101 *et seq.*

The enabling legislation carried with it a July 1, 1983 sunset date. An analysis of Division operations titled *Analysis and Evaluation of the Division of Central Services* was completed in April, 1982. It was submitted to the Legislative Council in June, 1982 and subsequently approved. The Council's recommendations to the General Assembly for an expanded service role for the Division and a variety of technical changes in Division enabling legislation were not, however, adopted.

Mission

The Division has a two-part mission. Most apparent is the mission to furnish commonly used support services to agencies of the executive branch of State government located in Adams, Arapahoe, Jefferson, and Denver counties. Support services currently offered include: offset printing, mail and messenger services, microfilm exposure and duplication, graphic design, and typographic services. The Division also operates a motor pool, vehicle repair service, office supply and forms warehouse and it vends motor fuel.

Simply furnishing commonly used support services is not the sole justification for Central Services. Effective management of the service resources of the State of Colorado completes the Division's mission. By statute, Central Services is charged to establish central planning, control, and coordination of service activities. The Division has established several management programs: the Office Copier Management Program, the Fleet Management Program and the Service Equipment Request Program.

Division responsibilities include the approval of all service equipment acquisitions and staffing patterns of service functions for State agencies in its four-county service area. Funding is earned by charging user agencies for goods delivered and services rendered. State law requires that all such charges be made at competitive rates. As a revolving fund agency, Central Services receives no appropriated general funds of any kind; the Division operates as an enterprise.

To achieve its mission, the Division plans, coordinates, controls and/or furnishes these support services through what may be described broadly as two types of programs: (1) consolidated service programs, and (2) management programs.

Consolidated service programs are those in which Central Services furnishes a good or service to its customers. Two examples of this type of program are the State Print Shop and the State Motor Pool. In management programs Central Services oversees the pur-

veyance of a service by another supplier. Often the Division's role is one of contract administration/enforcement. Examples of management programs include the Copier Management Program and the Fleet Management Program.

Goal

The goal of the Division of Central Services is to reduce the State's cost for commonly used support services. The means of achieving the Division's goal are always evaluated by a study before any management decision is considered. Alternatives considered are: leaving the existing service structure intact; consolidating the existing service structure with that of the Division or some other service structure; creating a new service structure; and, contracting privately for the needed service.

Additional goals include controlling the proliferation of service equipment and operating personnel or planning rates of equipment proliferation that are consistent with planned growth. The measurement of benefits to Division customers is very straightforward in our consolidated service programs. Benefits are measured in terms of cost, delivery time, and quality of good or service.

In management programs monetary benefits are delivered to the State while such benefits to individual State agencies are less evident. Such benefits can sometimes be gauged in terms of fiscal measurements but often require assessment in less tangible terms such as:

- a. Fraud prevention and control.
- b. Cost avoidance.
- c. Recirculation of State funds within the government framework.
- d. Avoidance of the cost of doing business within the private sector.
- e. Increased levels of service.
- f. Ancillary savings implied by furnishing a particular service. Intensive microfilming of documents, for example, implies savings in the areas of file cabinets, storage facilities, and custodial personnel.

Highlights

On June 20, 1987 Central Services celebrated its tenth anniversary as a statutory member of the Department of Administration's family of divisions. It was at 1:40 o'clock on a warm afternoon in 1977 that Governor Richard D. Lamm signed into law Senate Bill 285. The Bill had been sponsored by Senator Joseph B. Schieffelin and Representative A.J. "Mick" Spano.

Central Services finished Fiscal Year 1986-1987 with a modest \$29,646 profit. Unrecovered expenses that occurred as a result of the termination of the Travel Management Program and seed work expenses on the State organization chart update were conspicuous contributors to profit erosion. Unrecovered utility and maintenance expenses from our North Campus location also diminished profits.

The Microfilm Center generated an \$11,000 profit. This is the first time in several years that microfilm has been a profitable operation. New management was responsible for the soundness of our microfilm operation. Sustained sales volume as evidenced particularly by last quarter operations is anticipated for the Microfilm Center.

Microfilm Center gains were offset by anticipated losses in the operations of the new Fort Logan Copy Center, Motor Pool, Fleet Management and Central Stores. Stores' losses were the result of moving Stores from 1685 Pennsylvania Street, Denver, to its present location—1001 East 62nd Avenue, Denver (formerly the North Campus of the Community College of Denver). Moving and renovation expenses totaled approximately \$44,000 and were handled, for accounting purposes, as an operational cost.

Discontinued Operations

On February 12, 1986, the House Business Affairs and Labor Committee voted to postpone indefinitely House Bill 1104. This bill would have continued the Travel Management Program beyond the March 1, 1987, termination date mandated by CRS 24-

102-301. Central Services was thus required to discontinue the Travel Management Program and the Travel Oversight Office. In addition the Division's contract with its supplier of travel services was terminated. Recourse to the Denver District Court by the supplier was of no avail.

When the Travel Program was launched, it was determined that the State could benefit from a travel and entertainment credit card. Central Services initiated a contract on behalf of the entire State with Citicorp Diners Club to obtain the benefits of Diners Club cards for the State. That Contract continues to be maintained and administered on behalf of the State by Central Services. It will expire June 30, 1990. The cost of this function was offset by rebates from our supplier of travel services. Since these rebates are no longer available, contract administration is an uncompensated and continuing expense.

Correctional Industries

Central Services has contributed \$115,163 to the sales of the Division of Correctional Industries (DOC). These funds were expended by the Division both as an end user of Correction's goods and services and as a seller of Correction's wares.

Notes To Financial Statements

Summary of Significant Accounting Policies

The accounting policies of the Division conform to generally accepted accounting principles as applicable to governmental agencies. In order to insure observance of limitations and restrictions placed on the use of fiscal resources, accounts are maintained by the Department of Administration 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 specified activities or objectives. The accrual basis of accounting is followed.

Central Services receives cash-funded appropriations from the General Assembly. Cash funds are appropriated as "augmenting revenues." Actual revenues are recorded as they are earned. Central Services is a statutory revolving fund (CRS 24-30-1108) which operates within the confines of the revenue it generates. Users of Division services are charged the full cost of all materials, labor and overhead attributable to the service used. Prices charged by all of the Division's service operations are competitive with those of private industry as required by Colorado Revised Statute 24-30-1108(3).

Revenue Recognition

In government accounting, expenses and revenues are matched to the period in which earned or incurred. All revenue for services performed or goods delivered before the close of the fiscal year is recognized in the reporting for that fiscal year. Revenue is recognized whether or not it is collected and whether or not its collection date falls within the fiscal year in which it is reported. Collection costs are not a consideration except when collections are performed and accomplished by the Collections Unit of the Division of Accounts and Control (DOA).

Research and Development Costs

Research and development costs principally for management studies conducted in-house or with contracted specialists are recorded as an expense as incurred, and are carried as administrative expenses to the Division. Recovery of these expenses from operating revenues that accrue as a direct result of the research is never required. Customers therefore bear an insignificant burden for the Division's researches and product/service prices to users are maintained at the lowest possible level.

Other Income

"Other income" consists of revenue receipts from a variety of sources other than Division operations. Jury duty, overage equipment sales and prior year adjustments to include previously untaken discounts are some sources of "other income."

Liquidity and Capital Resources

The Division's working capital requirements are met by short-term loans. Debt service has grown to an all time high with no relief in sight. This is a reflection of the Division's lack of capitalization at the Division's inception. No liquid assets were used to capitalize the Division with the result that the Division is cast eternally in the role of the borrower. Naturally the cost of debt service is passed on to Division customers with the less than desirable consequence of increased prices for goods, services, and participation in management programs.

| For year ended June 30 | Interest Expense | Increase (Decrease) from prior year |
|------------------------------|---------------------|--|
| 1983 | \$23,447 | (\$27,712) |
| 1984 | \$47,196 | \$22,749 |
| 1985 | \$74,814 | \$29,618 |
| 1986 | \$154,607 | \$78,793 |
| 1987 | \$312,083 | \$157,476 |

SHORT-TERM DEBT INTEREST EXPENSE

The Fleet Management Program is essentially a "pay as you go" leasing program. As such it is, unlike most other Division management programs, capital intensive. Because Central Services does not have significant capital resources of its own, the capital required to initiate the Fleet Management Program must be borrowed. The level of capital needed is reflected in the unprecedented levels of debt service expense reached during the period of this report.

Central Service's short-term debt reflects loans and advances made under the provisions of Colorado Revised Statute 24-75-203. Interest bearing loans from the Department of Treasury to agencies funded by revolving funds may be made for purposes of assisting cash flows. Cash shortages are produced by cyclic demand for or by dramatic expansion of Division services. Central Services is without capital resources of its own and is thus a borrower under the above citation.

**ANNUAL PROFIT
AND LOSS
STATEMENT FOR
OVERALL
DIVISION
OPERATIONS**
for year ended June 30,

| | 1987 | 1986 | 1985 | 1984 | 1983 |
|-------------------------------------|---------------------------|---------------------------|--------------------------|--------------------------|--------------------|
| REVENUES: | | | | | |
| Income from operations ¹ | \$11,643,031 | \$10,350,931 | \$8,397,147 | \$8,057,961 | \$6,678,339 |
| Other income | NA | NA | 14,462 | 14,606 | 21,982 |
| TOTAL REVENUES | \$11,643,031 | \$10,350,931 | \$8,411,609 | \$8,072,567 | \$6,700,321 |
| EXPENSES: | | | | | |
| Personal services | \$ 3,026,762 ⁷ | \$ 2,807,051 ^b | \$2,376,100 ⁵ | \$2,135,035 ⁴ | \$1,916,563 |
| Cost of goods sold | 4,944,358 | 4,787,151 | 4,243,280 | 4,755,051 | 3,163,625 |
| Operating expense ³ | 3,091,491 | 2,009,501 | 1,511,463 | 988,024 ² | 1,522,009 |
| Depreciation expense | 538,721 | 470,911 | 179,624 | 127,664 | 145,370 |
| Travel expense | 12,053 | 4,186 | 7,388 | 1,953 | 2,997 |
| TOTAL EXPENSES | 11,613,385 | 10,078,840 | 8,317,855 | 8,007,727 | 6,750,564 |
| PROFIT (LOSS) | \$ 29,646 | \$ 272,091 | \$ 93,754 | \$ 68,840 | \$ (50,243) |
| Profit (loss) as a % of | | | | | |
| Income from operations | 0.25% | 2.63% | 1.11% | 80% | (.75%) |
| Personal services as a % | | | | | |
| Income from operations | 25.9% | 27.1% | 28.3% | 26.5% | 28.7% |

¹Eliminates intersectional sales (at cost). For 1986 this amount was \$459,526.

²A change in the method of makeup of Cost of Goods Sold which had previously been presented as Operating expense has resulted in the decline of Operating expense and the increase in Cost of Goods Sold expense.

³Includes indirect costs.

⁴Does not include \$ 74,615 of compensated absences recorded in Fiscal Year 1984 for 1984 and all prior periods.

⁵Includes \$33,562 for compensated absences liability attributable to Fiscal Year 1984-1985 only.

⁶Includes \$113,116 for compensated absences liability attributable to Fiscal Year 1985-1986 only.

⁷Includes \$124,949 for compensated absences liability attributable to Fiscal Year 1986-1987 only.

15 Accrued Liabilities

Compensated absences for the period of this report amount to \$11,833. "Compensated absences" is an accounting recognition of the costs associated with accumulated annual and sick leave. Such leave is recognized as compensated absences and has been earned by employees during the period of this report but has not been used during the period of this report.

16 Depreciation

General fixed assets are recorded as assets at the time of acquisition. Depreciation is then computed and recorded as current expense. Assets are carried at actual cost and depreciated on a straightline basis over useful life spans prescribed in guidelines promulgated by the Internal Revenue Service of the Government of the United States.

Central Services leases certain of its equipment and real property. Leased equipment is routinely reported in Division inventories including the equipment inventory that appears in this annual report. The majority of the Division's contracts are classified as lease-purchase contracts (time-payment contracts). All pieces of equipment thus acquired are appropriately annotated in the Division's depreciation accounts. Where consistent with the terms of the contract, ownership—if not vested in Central Services—is reported to the appropriate tax enforcement authorities for tax liability enforcement.

17 Rental Equipment

Rental equipment costs for all Division operating units totaled \$533,269 in this fiscal year and include land, buildings, equipment, and fixtures. Of this amount, \$81,874 was spent for buildings, space and land. The largest category of rented equipment is office copiers. Physical plant maintenance and leasehold improvements at the Old North Campus amounted to \$35,744. About \$2,790 was spent to improve loading dock facilities for Central Stores.

18 Inventory

Central Services' inventories are computerized. The inventory chart reflects inventories at the close of the fiscal year as reconciled with actual physical counts. Often these counts are taken under supervision of the State Auditor. It is considered that all required adjustments in inventory accounting are the result of record keeping errors. No corrective procedures are, therefore, necessary.

| <u>Operating Unit</u> | <u>Inventory</u> |
|------------------------|------------------|
| Central Stores | \$530,817 |
| Fleet Management | 1,638 |
| State Motor Pool | 4,932 |
| State Print Shop | 66,092 |
| Quick Copy Centers | 12,886 |
| State Microfilm Center | 11,789 |
| Mail Services Section | |
| Postage | 54,713 |
| United Parcel Service | 6,227 |
| TOTAL | \$689,094 |

**CLOSING
INVENTORY
BALANCES**
for year ending
June 30, 1987

19 Indirect Costs

"Indirect Costs" are the Division's contribution to Department of Administration operating costs. Assessments are made by the Joint Budget Committee of the General Assembly on a pro rata liability basis determined by the number of employees in each revolving (cash) fund agency. General Fund agencies are not similarly assessed. Central Services assessment for the period of this report was \$253,408. This expense is reported with other expenses under the heading "Operating expense" in the Annual Profit and Loss Statement For Overall Division Operations.

ANNUAL PROFIT
AND LOSS
STATEMENT FOR
EACH SERVICE
FUNCTION

for year ended June 30,

| | Mail Services Section | Fleet Management Program | Central Stores | State Print Shop | Copier Services Program | Quick Copy Centers |
|---------------|-----------------------------|--------------------------------|-------------------|------------------------|-------------------------------|--------------------------|
| 1986-87 | | | | | | |
| Income | \$ 3,413,488 | \$ 2,541,647 | \$ 2,047,700 | \$ 1,234,921 | \$ 883,400 | \$ 566,476 |
| Expenses | <u>3,350,853</u> | <u>2,587,502</u> | <u>2,063,249</u> | <u>1,190,259</u> | <u>860,877</u> | <u>540,952</u> |
| Profit (loss) | \$ 62,635 | \$ (45,855) | \$ (15,549) | \$ 44,662 | \$ 22,523 | \$ 25,524 |
| 1985-86 | | | | | | |
| Income | \$ 3,311,063 | \$ 1,023,319 | \$ 2,339,157 | \$ 1,213,017 | \$ 964,257 | \$ 514,359 |
| Expenses | <u>3,217,464</u> | <u>976,298</u> | <u>2,275,674</u> | <u>1,143,615</u> | <u>964,783</u> | <u>437,430</u> |
| Profit (loss) | \$ 93,599 | \$ 47,021 | \$ 63,482 | \$ 69,402 | \$ (526) | \$ 76,929 |
| 1984-85 | | | | | | |
| Income | \$ 3,129,457 | | \$ 2,002,770 | \$ 1,037,589 | \$ 875,834 | \$ 468,812 |
| Expenses | <u>3,054,023</u> | | <u>2,001,609</u> | <u>1,018,628</u> | <u>837,589</u> | <u>429,771</u> |
| Profit (loss) | \$ 75,434 | | \$ 1,161 | \$ 18,961 | \$ 38,245 | \$ 39,041 |
| 1983-84 | | | | | | |
| Income | \$ 3,274,031 | | \$ 1,925,526 | \$ 938,806 | \$ 793,388 | \$ 379,339 |
| Expenses | <u>3,222,217</u> | | <u>1,937,669</u> | <u>963,921</u> | <u>768,955</u> | <u>337,853</u> |
| Profit (loss) | \$ 51,814 | | \$ (12,143) | \$ (25,115) | \$ 24,443 | \$ 41,486 |
| 1982-83 | | | | | | |
| Income | \$ 2,449,613 | | \$ 1,588,905 | \$ 934,665 | \$ 738,263 | \$ 330,985 |
| Expenses | <u>2,450,837</u> | | <u>1,540,897</u> | <u>962,277</u> | <u>754,862</u> | <u>332,119</u> |
| Profit (loss) | \$ (1,224) | | \$ 48,008 | \$ (27,612) | \$ (16,599) | \$ (1,134) |

Service Equipment Management Program

The Division's authority, as contained in Colorado Revised Statutes 24-30-1104(1)(h) and 24-30-1107, to approve or disapprove acquisition of service equipment by State agencies resulted in 54 Service Equipment Requests being processed by the Division during the period of this report. Disapproved or amended requests resulted in a total savings to the State of \$71,192. This amount includes \$17,706 in current year savings and \$53,486 in annual recurring savings. The number of requests for service equipment received this year is 54 compared to 73 received last fiscal year.

The Cumulative Cost Savings chart, reflects the history of this program in terms of annual savings to the State in both one-time and recurring savings. The overall total of all savings throughout the life of the SER program is \$2,069,390. Recurring savings are, as a matter of policy, counted only in the year during which they first occurred, they are not accumulated in years following their introduction. The chart reflects both SER savings and other cost avoidances. During the fiscal year Mail Services Section avoided \$160,000 in costs through its USPS mail pre-sorting program.

| Design Center | State Motor Pool | State Microfilm Center | North Campus | Travel Management Program | Misc. Services | Telephone Directory |
|----------------|------------------|------------------------|----------------|---------------------------|----------------|---------------------|
| \$ 306,757 | \$ 289,293 | \$ 241,714 | \$ 79,129 | \$ 32,046 | \$ 7,749 | \$ 1,363 |
| <u>304,012</u> | <u>276,010</u> | <u>230,661</u> | <u>121,019</u> | <u>52,292</u> | <u>3,959</u> | <u>34,392</u> |
| \$ 2,745 | \$ 13,283 | \$ 11,053 | \$ (41,890) | \$(20,246) | \$ 3,790 | \$(33,029) |
| \$ 354,473 | \$ 366,313 | \$ 183,881 | \$ 61,395 | \$ 2,973 | \$ 13,183 | \$ 3,541 |
| <u>337,543</u> | <u>364,373</u> | <u>190,312</u> | <u>67,150</u> | <u>64,727</u> | <u>4,894</u> | <u>34,577</u> |
| \$ 16,930 | \$ 1,940 | \$ (6,431) | \$ (5,755) | \$(61,754) | \$ 8,289 | \$(31,035) |
| \$ 348,143 | \$ 423,834 | \$ 108,708 | | -0- | \$ 7,776 | \$ 8,684 |
| <u>338,328</u> | <u>501,427</u> | <u>107,532</u> | | <u>(1,561)</u> | <u>7,013</u> | <u>20,371</u> |
| \$ 9,815 | \$ (77,593) | \$ 1,176 | | \$ (1,561) | \$ 763 | \$(11,687) |
| \$ 242,957 | \$ 348,418 | \$ 124,103 | | | \$ 31,093 | |
| <u>221,628</u> | <u>345,496</u> | <u>168,963</u> | | | <u>40,727</u> | |
| \$ 21,329 | \$ 2,922 | \$ (44,860) | | | \$ (9,634) | |
| \$ 187,139 | \$ 299,307 | \$ 99,363 | | | \$ 4,244 | |
| <u>177,160</u> | <u>296,764</u> | <u>134,380</u> | | | <u>5,431</u> | |
| \$ 9,979 | \$ 2,543 | \$ (35,107) | | | \$ (1,187) | |

North Campus

"North Campus" is an accounting classification that reflects rental income earned on State-owned property located at 1001 East 62nd Avenue. Central Services acts as the host organization to several agencies. Central Stores, Fleet Management and State Microfilm Center are among the operations housed at the North Campus. The Division of Central Services assumed responsibility for the facility as of December 1, 1985.

COMBINED
STATEMENT OF
CHANGES IN
FINANCIAL
POSITION

for year ending June 30

23

SOURCES OF WORKING CAPITAL:

| | |
|--|-----------------------|
| From Operations: | |
| Net Income (Loss) | \$ 29,646 |
| Items Not Requiring Working Capital: | |
| Depreciation Expense | |
| (includes adjustments to accumulated depreciation) | 1,132,130 |
| Working Capital Provided by Operations and Total sources | 1,161,776 |
| Uses of Working Capital: | |
| Purchases of Equipment | (3,320,877) |
| Net Increase (Decrease) in Working Capital | <u>\$ (2,159,101)</u> |

ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:

| | |
|--------------------------------------|---------------|
| Current Assets - Increase (Decrease) | |
| Cash | \$(3,236,610) |
| Accounts Receivable | 12,844 |
| Inventory | (32,813) |
| Prepaid Expenses | (3,484) |

CURRENT LIABILITIES - DECREASE (INCREASE)

| | |
|-------------------------------|-------------|
| Accounts and Vouchers Payable | \$1,291,810 |
| Taxes Payable - Payroll | 7,036 |
| Deferred Revenues | (116,638) |
| Lease - Purchase | (69,412) |
| Compensated Absences | (11,834) |

NET INCREASE (DECREASE) IN WORKING CAPITAL: \$ (2,159,101)

COMBINED
STATEMENT OF
REVENUES,
EXPENDITURES
AND CHANGES
IN FUND
BALANCES

as of June 30, 1986

24

OPERATING REVENUES

| | |
|---------------------------|--------------|
| Actual Operating Revenues | \$11,643,031 |
| Total Operating Revenues | 11,643,031 |

OPERATING EXPENDITURES

| | |
|--|-------------------|
| Personal Services—including compensated absences | 3,026,762 |
| Operating, utilities, rent, and depreciation | 8,321,162 |
| Travel | 12,053 |
| Indirect costs | 253,408 |
| Total Operating Expenditures | <u>11,613,385</u> |

Net Income 29,646

FUND BALANCES JULY 1, 1986 1,268,016

FUND BALANCES JUNE 30, 1987 \$1,297,662

CONSOLIDATED BALANCE SHEET

as of June 30,

| | 1987 | 1986 | 1985 | 1984 |
|---|--------------------|--------------------|--------------------|--------------------|
| ASSETS | | | | |
| Cash on hand | \$ 350 | \$ 400 | \$ 400 | \$ 200 |
| Accounts receivable | 144,150 | 131,306 | 96,079 | 200,938 |
| Inventories | 689,095 | 721,908 | 571,561 | 529,876 |
| Prepaid expenses | 9,101 | 12,585 | 15,320 | 13,829 |
| Equipment ¹ | \$10,294,173 | \$6,153,862 | \$2,937,530 | \$1,427,840 |
| Less accumulated depreciation | <u>2,042,056</u> | <u>914,802</u> | <u>702,727</u> | <u>561,353</u> |
| Depreciation equipment value | 8,252,117 | 5,239,060 | 2,234,803 | 866,487 |
| Leasehold improvements (Net) | <u>59,242</u> | <u>20,802</u> | <u>7,203</u> | <u>13,692</u> |
| TOTAL ASSETS | <u>\$9,154,055</u> | <u>\$6,126,061</u> | <u>\$2,925,366</u> | <u>\$1,625,022</u> |
| LIABILITIES | | | | |
| Cash due Department of Treasury | \$6,606,092 | \$3,369,532 | \$817,506 | \$28,552 |
| Accounts payable ² | 756,730 | 1,116,378 | 1,017,411 | 612,321 |
| Accrued payroll ³ | 126,873 | 122,075 | 126,240 | 94,867 |
| Deferred revenues | <u>366,698</u> | <u>250,060</u> | | <u>18,827</u> |
| Subtotal - Liabilities | \$7,856,662 | \$4,858,045 | \$1,961,157 | \$754,567 |
| FUND BALANCE | <u>1,297,662</u> | <u>1,268,016</u> | <u>964,209</u> | <u>870,455</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$9,154,055</u> | <u>\$6,126,061</u> | <u>\$2,925,366</u> | <u>\$1,625,022</u> |

¹Includes motor vehicles and software.

²Includes multiyear lease purchase agreements in the amount of \$232,726.

³Includes compensated absences liability in the amount of \$124,950.

| Year | FTE | % Increase (Decrease) | Income From Operations* | % Increase (Decrease) | % Revenue per FTE | Increase (Decrease) |
|------|-------|-----------------------|-------------------------|-----------------------|-------------------|---------------------|
| 1983 | 83.4 | (4.8) | \$ 6,678,339 | 15.3 | \$ 80,076 | 21.0 |
| 1984 | 93.0 | 8.9 | \$ 8,057,961 | 20.6 | \$ 86,642 | 8.2 |
| 1985 | 93.9 | .9 | \$ 8,397,147 | 4.2 | \$ 89,426 | 3.2 |
| 1986 | 110.0 | 17.1 | \$10,350,931 | 23.3 | \$ 94,099 | 5.2 |
| 1987 | 109.7 | (0.3) | \$11,643,031 | 11.1 | \$106,135 | 12.8 |

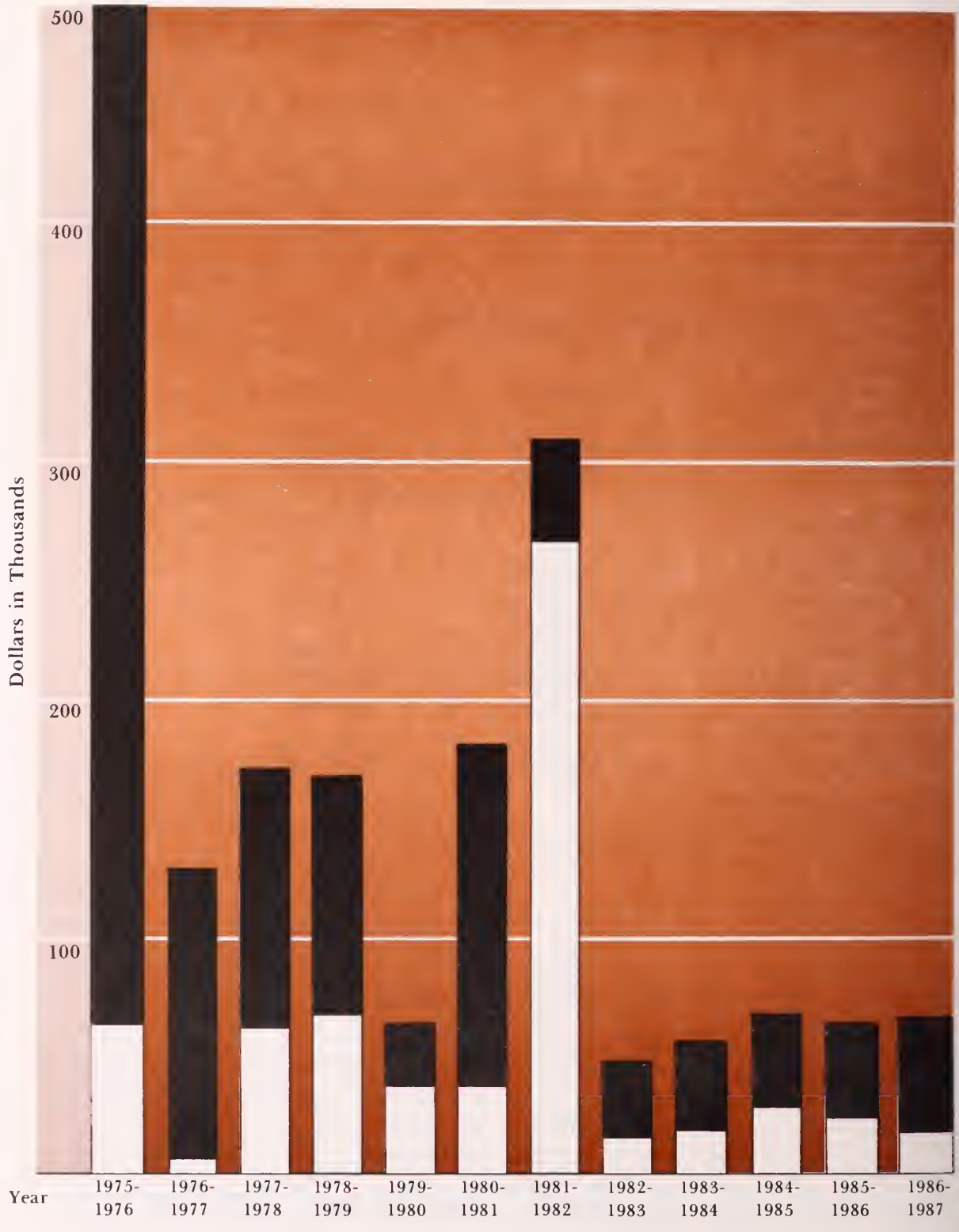
*"Income From Operations" reflects total income for fiscal year. "Other income" is omitted from this figure.

REVENUE PER FULL-TIME EQUIVALENT EMPLOYEE for year ended June 30,

26

The Annual Savings and Cumulative Cost Savings Charts are included in this annual report to satisfy the requirements of Colorado Revised Statute 24-30-1109(f) for "An Estimate of prior calendar year and cumulative savings due to operations of the divison".

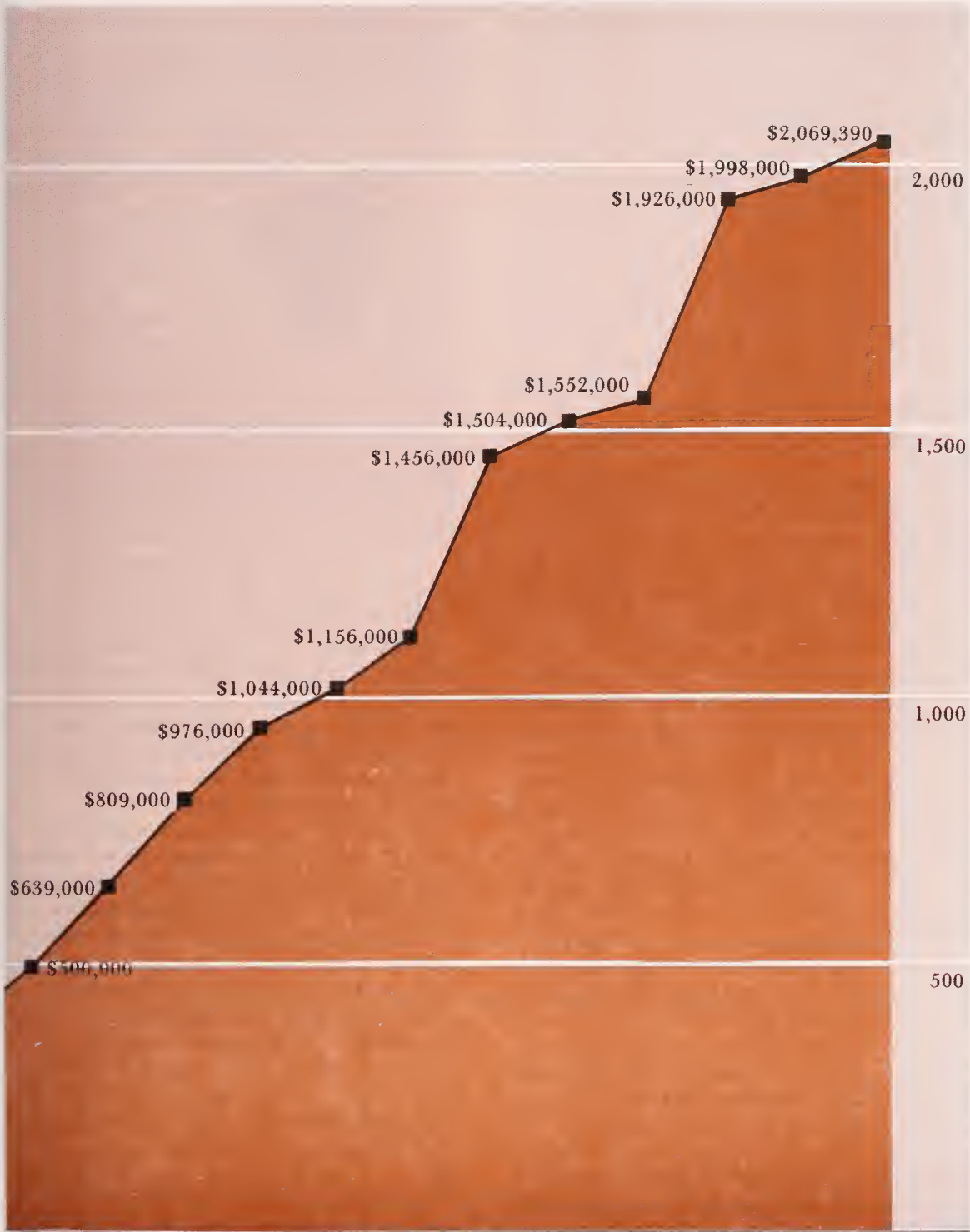
ANNUAL SAVINGS



| | | | | | | | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| Total Savings | \$500 | \$139 | \$170 | \$167 | \$ 68 | \$184 | \$312 | \$ 48 | \$ 57 | \$ 74 | \$ 67 | \$71,192 |
| Recurring | \$435 | \$134 | \$108 | \$ 94 | \$ 25 | \$140 | \$ 43 | \$ 31 | \$ 38 | \$ 62 | \$ 47 | \$53,486 |
| One Time | \$ 65 | \$ 5 | \$ 62 | \$ 72 | \$ 43 | \$ 43 | \$270 | \$ 16 | \$ 19 | \$ 12 | \$ 25 | \$17,706 |

CUMULATIVE
COST
SAVINGS

28



Dollars in Thousands

1975- 1976- 1977- 1978- 1979- 1980- 1981- 1982- 1983- 1984- 1985- 1986- Fiscal Year
1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987

Unit Operations

Central Services' Operating Locations:

Division Headquarters*
1600 Sherman Street, Suite 1050
Denver, CO 80203

1525 Sherman Street
Denver, CO 80203

State Print Shop, Room 27
Mail Services Section, Room 15
Design Center, Room 590
Quick Copy Center, Room 21

Incoming Revenue Mail Room
1375 Sherman Street, Room 148
Denver, CO 80203

Other Quick Copy Centers:

1313 Sherman Street, Room 1B-19
Denver, CO 80203

251 East 12th Avenue, Room 200
Denver, CO 80203

3520 West Oxford Avenue, Room B-6
Denver, CO 80263

717 17th Street, Room 1455
Denver, CO 80203

1001 East 62nd Avenue Denver, CO 80216

Central Stores
Fleet Management
State Garage
Campus Maintenance (North Campus)
State Microfilm Center

State Motor Pool
1555 Lincoln Street (Alley entrance)
Denver, CO 80203

Each of Central Services' operating units has its own accounting structure independent of that of other operating units. All work is charged to customers at established rates. All purchases of goods and services between operating units are made at undiscounted rates.* This includes the full cost of all

materials, labor and overhead for all services. Each of the operating units is listed in this part of the Annual Report in order of the size of its contribution to Central Services' gross income, largest contributor first.

Price comparisons are included with discussion of unit operations to demonstrate Central Services' compliance with Colorado Revised Statute 24-30-1108(3) which states:

"The director of central services shall have a pricing policy of remaining competitive with or at a lower rate than private industry in the operation of any service function which he establishes."

Mail Services Section

Mail Services is a multifunction section that provides the State with all phases of incoming and outgoing mail processing. From the two locations within the Capitol Complex, we originate mail messenger routes with a total of 20,435 delivery/pick up stops per year. In addition, for Fiscal Year 1986-1987 Mail Services' personnel processed a combined total of 20.3 million pieces of mail. This figure comprises all incoming, outgoing and interdepartmental mail.

At the current time, we are able to furnish folding, labeling and presorting services in addition to the application of postage for United States Postal Service mail. Several agencies are taking advantage of the bulk mail permits held by Central Services to further reduce their postage costs. Our Incoming Mail unit provides customer mail processing for several State agencies. The largest being the Department of Revenue and the Divisions of Labor, and Employment and Training.

Our staffing level of 40.9 full time equivalent employees has been maintained for the past three years while demand for services has risen eight percent from the prior fiscal year alone. These employees consist of both full- and part-time personnel.

* Includes Copier Management Program, I.D. Card operation and Telephone Directory operations.

**Some commodities are maintained administratively in Central Stores' inventory as a matter of convenience in order to avoid multiple inventory structures. These are taken from inventory by the consuming operating units at cost.



21.7%

Mail Services' share of the total annual State expenditure for mail services.
FY86 CLEAR system data.

During Fiscal Year 1987, Mail Services had a profit of two percent of sales. Prices charged to using agencies have remained stable for three years. No increases are planned for this next fiscal year. About 13,200,000 pieces of outgoing USPS mail were handled. Incoming USPS mail processed for eight State agencies amounted to 7,100,000 pieces.

Mail Services furnishes many indirect benefits to the State. The cost to the State of equipment and personnel is sharply reduced by having a centralized mail processing function. Because of our ability to consolidate considerable volume, further benefits are realized in presort discounts obtained from USPS. Through presorting outgoing USPS mail, Mail Services saved the State \$152,500 this fiscal year.

Among Mail Services' primary functions is the support of other of the Division's operations through the maintenance of a distribution system. The Mail Messenger Unit delivers to Division customers printing and office supplies. During the period of this report 25,000 United Parcel Service and commercial freight packages were processed by the Unit and 20,435 messenger pick-up and delivery stops were made. Although other operating units of the Division are also supported by the Mail Messenger Unit, the

principal contributors to the Unit's activities are Central Stores and the State Print Shop.

Plans for Fiscal Year 1987-1988 include finalizing an automated postage accounting system. Two effects are anticipated—operating costs will decline and greater numbers of man-hours will be available for more mission directed tasks. In conjunction with DOLE, we will be instituting a "ZIP+4" program for computer-generated mailings. This program, which will primarily benefit the Department of Labor and Employment, will reduce costs by one-half cent per piece if an 85 percent qualification rate is met.

Kathleen Pennucci
Manager

31 Fleet Management Program

The Fleet Management Program leases passenger vehicles, on a long-term basis, to State agencies in lieu of the State agencies purchasing vehicles themselves. During 1987, the size of the fleet program grew from 867 vehicles to about 1,300. This growth resulted from the purchase of 327 new vehicles and retention of approximately 100 serviceable trade-in vehicles for our supplemental seasonal fleet. The supplemental fleet has been developed by retaining vehicles turned in by agencies in exchange for new vehicles. Many of the vehicles turned in have remaining serviceable life in them.

Several agencies expressed to Fleet Management their desire to lease vehicles on a seasonal basis because of the cyclic nature of their missions. Eight such agencies leased a total of 64 vehicles on a seasonal basis. A great deal of satisfaction has been expressed by these agencies because of the reduced expense of not having to own the vehicles themselves and yet having vehicle availability when needed.

Retention of turned-in vehicles that have serviceable life left in them also provided an opportunity for other agencies to upgrade the general condition of their fleets. Older

and more heavily used vehicles were replaced by useable turn-ins. Three agencies were able to upgrade nine vehicles through this program.

Vehicles that were turned in, but had no useable life left were sold at public auction. Fleet Management conducted four auctions during fiscal 87. A total of 341 vehicles were sold resulting in proceeds of \$205,525. These revenue dollars were used to offset the lease costs of newer vehicles incurred when the older vehicles were replaced.

Rotation of vehicles and retention of more efficient newer vehicles has had several significant impacts on the effectiveness of Fleet Management. We enjoyed a 22 percent decrease in fuel and maintenance costs for fiscal 87 versus fiscal 86. This was the primary contributor to a reduction in total operating costs from 21 cents per mile to 19.7 cents per mile for the entire fleet. While an improvement measurement in the pollution emission characteristics of the State fleet cannot be proven (baseline date is not available), we estimate a 19 percent reduction in pollutants emitted by Fleet Management vehicles. This estimate is based on a comparison of vehicles sold at auction to new and retained vehicles.

Internal operations of Fleet include an extension of the service authorization contract with Gelco Fleet Management Services as well as the parallel addition of a custom-made maintenance software program. Gelco has provided appropriate reports and payment of bills in a timely manner. Thus, a good relationship between Fleet Management and Colorado's private sector service facilities has been maintained. The addition of our own software program will permit Fleet to eventually assume the management responsibility for this operation. Substantial savings to the State will result.

Another program initiated at Fleet Management during fiscal 87 was the automation of fuel control credit cards. This program, operated in conjunction with the State Department of Highways, issued 2,500 credit cards for vehicles in the Fleet Management Pro-

gram. These cards permit the purchase of fuel at five Central Services' and Highway Department Denver metro locations. We anticipate continued growth in this program as more and more State drivers become familiar with this arrangement for refueling government vehicles.

Additionally, two new programs were put into effect at Fleet Management. One of them is a new billing system and the second is an automated accident reporting system. These programs permitted Fleet to improve its performance in these areas and to provide more timely information to customers.

During 1987, the Marketing Unit of Central Services conducted a survey to determine the degree of customer satisfaction with the Fleet Management Program. On a scale of 5, Fleet Management earned a 2.28 or "Quite Satisfied" overall rating. Areas of deficiency indicated by this survey have become management priorities for the upcoming fiscal year.

In summary, Fleet Management enjoys a high level of customer satisfaction through its improved programs and expanded operations. The State benefitted from a 22 percent decrease in the overall cost of vehicle operation per mile for all vehicles under Fleet Management's control.

STATE MOTOR POOL

The State Motor Pool furnishes rental vehicles for short-term use by government agencies. Forty vehicles are assigned the Motor Pool. These vehicles traveled an average of 16,425 miles each for a total of 657,000 miles at an average cost of 24 cents per mile. Vehicles were used primarily by employees of agencies within the Capitol Complex. For these personnel the availability of vehicles for short-term needs and the convenience of the location is a real asset.

During Fiscal Year 1986-1987 the Motor Pool added routine periodic preventive maintenance services to its operations. This convenient service assisted many agencies in getting needed vehicle servicing at a minimum of inconvenience. The Motor Pool

also shuttles vehicles to the State Garage which require major servicing and repair.

STATE GARAGE

The State Garage is located adjacent to Fleet Management offices at 1001 East 62nd Avenue. It is equipped to perform not only preventive maintenance functions and routine periodic servicing, but also major repair work. Through improved utilization of the facilities and personnel available, the State Garage enjoyed a 53 percent growth in revenue without adding additional personnel. The very low frequency of vehicles returning after having been serviced is a testimonial to the effectiveness of the operation. We are, frankly, excited about this improvement and the potential for even further growth at this location.



Brad Marks
Manager

CENTRAL STORES

Central Stores is really a centralized warehouse or materials center. It was created by merging six office supply warehouses and over ten individual agency forms storerooms. In addition to forms and office supplies, we warehouse copier supplies to support our copier management program, microfilm inventory, some printing inventory and publications. About 2,400 commodities to include 1,200 forms and 840 office supply items are warehoused.

About two-thirds of what is done is the publication, inventorying and distribution of forms for:

Department of Labor and Employment
all Job Service Centers
Division of Accounts and Control
Department of Personnel

Two years ago, the Department of Social Services asked us to administer their forms—over 500 of them—which we inventory and distribute to the Department and all county social services offices.

Copier supplies which are about 10 percent of the inventory are purchased in volume and delivered by our Mail Services Section at no additional expense to the user units. Stores also inventories and vends State publications to the public. About 37 percent of the commodities in Stores' inventory are office supplies. When we got into office supplies, six warehouses operated by other State agencies were merged into one. The merger meant that volume purchasing became practical. Our already existing multi-purpose delivery system—Mail Services Section—was in place to handle deliveries at no additional charge to customers.

Stores' objective is clear—to efficiently distribute forms and office supplies to State agencies while maintaining a high degree of service. During Fiscal Year 1986-1987 several changes were initiated in pursuit of this objective. The move in November, 1986 to our new facility at 1001 East 62nd Avenue, Denver has improved staff productivity through increased use of mechanical materials handling and better warehouse organization. The purchase of new equipment, giving Stores forms packaging capability, provides users with a neater and cleaner product, while labor costs for forms are reduced by two-thirds. Inventory control techniques have been upgraded by the addition of computer-generated management reports.

In cooperation with the Division of Purchasing, an aggressive bidding campaign is under way in an effort to lower the price paid for office supplies. Initial results are displaying savings of seven to twelve percent below previous award prices. As part of this process, product specifications are being developed to ensure that the user's needs are met by the competitively bid product.

An extensive list of customer services were added during fiscal 87:

- a. A manual back-order system that reduces most of the inconveniences associated with out-of-stock items.
- b. Customers connected to the General Government Computer Center com-

puter network can enter Stores' requisitions on their office terminals, further cutting the time required to process customer requests.

- c. Orders may be placed by telephone as well as via the mail.
- d. More rapid delivery to metro Denver customers has been developed through the cooperation of Mail Services Section.
- e. Direct billing of accounts which saves using agencies considerable time and paperwork.

**CENTRAL STORES'
SOURCES OF
REVENUE**

| Revenue Source | Amount | Percent of Total Revenue |
|------------------------|--------------------|--------------------------|
| Copier Supplies | \$ 387,203 | 15.19 |
| Print Shop Supplies | 406,885 | 15.96 |
| Social Service Forms | 299,065 | 11.73 |
| Labor/Employment Forms | 421,864 | 16.56 |
| Forms, other | 175,181 | 6.87 |
| Publications | 68,013 | 2.66 |
| Microfilm Supplies | 32,270 | 1.26 |
| Office Supplies | 757,774 | 29.73 |
| Grand Total | \$2,548,256 | |

During Fiscal Year 1986-1987 Stores' staff (7.0 full time equivalent employees) processed 21,000 requisitions for office supplies and government forms. Certain agencies have also authorized Central Stores to distribute their publications to the public. The average monthly inventory investment is approximately \$600,000—comprised of 2,000 stock keeping units, 1,200 forms, and 800 office supply items. Sales revenue for the year was \$2,047,700. Due to extraordinary costs incurred moving to our new location, expenses were \$15,549 in excess of revenues.



5.3%

Central Stores' share of the total annual State expenditure for office supplies. FY86 CLEAR system data.

Looking forward to fiscal 88 the focus will be on these major areas:

- a. Continuation of the effort to obtain the most competitive prices on those products that meet our customer's needs. Inventory control techniques that provide a high on-hand percentage of what customers order will be pursued.
- b. Improved productivity achieved by involvement of our work force in development and definition of their responsibilities and expanded computerization of Central Stores' operations.
- c. Staying aware of what our customer's needs are and meeting the challenge of satisfying those needs legitimate to the operation of State government agencies.

Gerald A. Albrecht
Manager

State Print Shop

Quality printing and rapid delivery is still the primary goal of the State Print Shop. This goal was tested an average of 488 times a month over the past fiscal year. 5,856 jobs were received and delivered in an average turnaround time of 5.7 working days. Each one of these jobs is measured in terms of the number of its printed pages or, "impressions." We produced almost 80,000,000 impressions during the fiscal year. The monthly average was 6,663,298 impressions. The average cost to produce an impression is \$.015. The State Print Shop produces around 6.7 percent of all government printing needs annually. Much of its content is sensitive material that demands quick delivery or other types of close support that command premium prices in the private sector.



6.7%

Print Shops' share of the total annual State expenditure for printing.

FY86 CLEAR system data.

The State Print Shop is made up of three sections—camera, press, and bindery. There are 17 full time equivalent employees in production and three in administration, order processing, billing and clerical support. Our profit for the year was 3.7 percent of sales. Over the last seven years, our average yearly production has been 69,136,400 impressions, and this year production was 15.7 percent above that level.

In the area of new equipment, we purchased only replacement equipment. A new automated offset press was acquired to replace an old piece of equipment. We also replaced our worn out plastic master camera with a new, silver paper master camera, which will allow us to produce a better quality master for less cost. Savings are passed on to State agencies. In the bindery we replaced a nineteen-year-old stitcher and increased our capacity to staple up to a one-and-one-eighth-inch thickness. As with all equipment replacements, we always try to improve our quality, capability and turnaround time while decreasing the cost of operations and the charge to State agencies.

Robert O'Lear
Manager

| Job No. | Central Services | American West | Arapahoe Printing | Eastwood Printing | Quality Press | Alpine Printing |
|---------|------------------|---------------|-------------------|-------------------|---------------|-----------------|
| 1909 | \$247.13 | \$262.00 | NO BID | NO BID | \$284.00 | \$821.00 |
| 2839 | \$223.96 | \$600.00 | NO BID | NO BID | \$218.00 | \$435.00 |
| E199 | \$360.05 | \$436.00 | NO BID | NO BID | \$597.00 | \$615.00 |

STATE PRINT SHOP
1987
PRICE COMPARISON

Copier Services Program

The centralized Copier Services Program provides quality copiers and supplies to downtown Denver (State) agencies at reasonable prices. Through the combined, shared use of these copiers, State agencies, small and large, have available to them a variety of equipment to meet all copying needs. This program offers a greater variety of service and better copy quality than that of any comparable private, federal or State program studied. Costs are 30 to 60 percent lower than those of comparable copier management programs.

The Copier Service Program provides many benefits among them are:

- a. **Best possible quality and largest variety of equipment to meet all of our customer's copier needs.** In addition to the copiers selected to best meet general needs, there is a matrix of copiers available that will meet the most demanding and specific requirements.
- b. **Superior and faster maintenance.** Copier Services Program monitors the quality of the service and requires that vendors respond to service calls in three hours. Service quality and response time is superior to that of any agency or business surveyed.
- c. **Convenience.** A copier selected to meet most of your demand copying needs is conveniently located in areas of high employee population density. Other copiers are selected and made available to meet those infrequent, special requirements that our customers may have.
- d. **Reduced cost of equipment and supplies.** Copier Services Program initiated and implemented procedures and business agreements which have significantly reduced the cost of equipment and supplies.
- e. **Quality equipment and supplies.** Copier Services Program evaluates all equipment and supplies on the market, and selects the best quality equipment available to meet the needs of its customers.
- f. **Professional, experienced management.** This not only relieves each agency of copier related management tasks that of maintaining a copier, and they are time consuming and expensive, but also prevents those costly errors of inexperience. In addition, Copier Services Program provides benefits that only a coordinated, large-scale, professional management program can achieve:
 1. **Technical Expertise**—to solve copier problems.
 2. **Flexibility**—to meet changing requirements.
 3. **Responsiveness**—to meet needs now.
 4. **Clout**—to see that problems with copiers are resolved by vendors satisfactorily and in a timely manner by vendors.
- g. **Lowest price per copy.** In addition to the other benefits listed, cost per copy is lower than if each agency furnished its own copier management service, and from 36 to 70 percent lower than the cost of private, federal and other State government copier management programs.
- h. Finally, and most importantly, Copier Services has saved the State over \$1,000,000 during the past seven years. Savings resulted from the reduction of the cost of equipment, the cost of supplies, and avoidance of equipment proliferation and copier abuse.

The photocopier industry has grown to monumental proportions over the last twenty years. The introduction of the Xerox 914 copier instituted the electorstatic copy process known as Xerography. Xerox, since this introduction in the late 1950's and up to the middle 1970's, was the dominant force in the office copier market. During the last several years, however, the federal government has compelled Xerox to release much of its technology. This has brought a multitude of new manufacturers into the photocopier arena.

The market, flooded with new and old vendors, has become extremely price competitive and complex. Many large businesses, the federal government, and state and local governments employ personnel full-time to manage their office copier resources.

The State of Colorado, being no different, delegated its copier program to the Division of Central Services to evaluate, rent, purchase and place existing and future copier acquisitions. Managing the uses of photocopiers has become one of the most demanding and time consuming functions of Central Services.

As a continuing effort to manage the copiers in the Denver metropolitan area, Central Services has developed, initiated and enacted a major copier rental contract. The size and scope of this contract is large, it encompasses the placement of approximately 275 copiers and supplies, producing approximately 3 million copies per month. Copier volume ranges from 1 to 325,000 copies per month. The current approximate monthly cost expenditure for this program is \$54,000.00. Copier reliability has risen 20 percent since the last contract. Overall prices for copier rentals have dropped 25 percent in comparison to those of the last contract.

In addition, all political subdivisions may choose to utilize this program. This would encompass approximately 500 additional copiers and supplies producing 4 million copies per month.

QUICK COPY CENTERS

Quick Copy Center operations include collating, stapling, and two-sided printing at no additional cost. Commercial copy centers usually make additional charges for these services.

Quick Copy centers were established to fill the gap between the office copier and the State Print Shop. The centers are designed to provide copying services that are too large for office copiers and too small to be cost-effectively produced by the Print Shop. The primary objective of these centers is to produce low cost copies of good quality in a time frame that the customer requests. Job requirements vary from while-you-wait to next day service. Customer satisfaction resulting from this policy is high; surveys continue to show that Quick Copy is doing a very good job.

Glenn Fox
Manager

| 8 1/2 x 11" Paper collate & stapled | Sir Speedy | Kinko's | Kwik Copy | Copy Boy | Central Services |
|--|------------|----------|-----------|----------|---------------------|
| 10 originals | \$31.50 | \$30.00 | \$30.00 | \$27.50 | \$12.00 |
| 50 copies each | \$.063 | \$.06 | \$.06 | \$.055 | \$.024 |
| 1 original | \$22.54 | \$17.40 | \$17.30 | \$18.75 | \$12.00 |
| 500 copies each | \$.045 | \$.0348 | \$.0346 | \$.0375 | \$.024 |

QUICK COPY CENTER
PRICE COMPARISON
a/o 10/15/87

Design Center

The Design Center was established in order to make available to Division customers comprehensive graphic arts services. Previous to its establishment customers in need of design services were hampered by cumbersome purchasing procedures. These had the effect of delaying the delivery of the final printed product beyond even the most generous deadlines. Lack of sophistication left customers at the mercy of vendors willing to undertake government work. Completed design jobs often required extensive production and finishing techniques that, while they looked good, were well beyond budget. Vendors lacked any precise understanding of government budgeting or standards of appropriateness for graphics purchased at public expense.

The need for design services continues to grow from year to year. The Design Center showed an increase in business of 1.5 percent in Fiscal Year 1986-1987. Materials cost and costs for outside services were reduced by 50.2 percent. While the Design Center's hourly rate has remained stable over the past three years, the national average has risen by more than 12 percent. The average hourly cost for commercial graphic design services in the Denver metropolitan area is almost double that of the Design Center. Thus, its pricing policy makes the Design Center an attractive option in terms of price.

During this reporting period, the Design Center purchased equipment which enabled it to create high-quality, computer-generated graphics at about one-half the price State agencies are presently spending for similar services. This cost center recovered 50 percent of its equipment acquisition costs in its first year, and their payment in full is anticipated in Fiscal Year 1987-1988.

Our designers have the experience and versatility to create graphic designs, photographs, and computer-generated graphics for publication or presentation purposes. Our five designers and two typesetters have a combined total of more than 70 years' experience in graphic arts. This experience

includes a wide variety of applications, such as direct mail advertising, brochures, publications, annual reports, co-op advertising, and catalog production. Our professional staff can create most items from letterheads and logos to comprehensive displays, publications, and presentations.



5.8%

Design Center's share of the total annual State expenditure for graphic design services.
FY86 CLEAR system data.

Computer-generated graphics can be produced as full-color 35mm slides, overhead transparencies, and also video tape. Because of our ability to produce these at a low price and to sustain high quality levels, the Design Center plans to expand this service in Fiscal Year 1987-1988 with the addition of video equipment that will allow the Design Center to offer a complete audio-visual service package to State agencies. Not only will the State realize a cost savings on the production of video tapes but through this media the State will be able to control travel and training costs as well as man hour expenditures. Self-training, orientation, and seminar video tapes will help control these costs.

Presently the Design Center can receive manuscripts for typesetting that has been transmitted telephonically. In order to cut the cost of producing publications, word processed disks may be submitted for direct

DESIGN CENTER
* PRICE COMPARISONS

| | Bradford & Will Graphics | Ernie Brame Typecrafter | George Ferguson | The Composing Room | Lambda Graphics | Central Services |
|---------------------|--------------------------|-------------------------|-----------------|--------------------|-----------------|------------------|
| Typesetting Per Hr. | \$84.00 | \$50.00 | \$77.00 | \$48.50 | \$35.00 | \$25.00 |
| Design Per Hr. | \$45.65 | \$45.00 | \$77.00 | \$40.00 | \$40.00 | \$25.00 |

typographic output. In Fiscal Year 1987-1988 we plan to expand on this feature to include interfacing with personal computers capable of desk top publishing. In this way we can continue to produce a quality product at the lowest possible cost.



J.J. Jackson
Manager

State Microfilm Center

The Microfilm Center, in Fiscal Year 1986-1987, had a good year. One highlight is increasing our revenue by 30 percent. We also were able to make an \$11,000 profit, which equals 5 percent against our costs. In FY 1985-86, we had total revenues of \$183,881.44. We increased this figure in FY 1986-87 to \$241,270.10—a difference of \$57,388.66. One reason for our ability to do well was the amount of new work that we had acquired. Several jobs were over ten thousand dollars in revenue.

This past year the Microfilm Center hired two trainees in cooperation with the Division for Development Disabilities and State Compensation Insurance Authority. Both trainees were very productive, assisting us in our productivity and profitability. Both were able to find employment as microfilm technicians in the private sector after completing six-months training. We look forward to additional training experiences.

During the period of our increasing revenue and profitability, we were able to lower prices as well. Of thirteen price categories, four were increased and eight were decreased (See Price Chart).

In addition to revenue, and productivity increases, the Microfilm Center has a solid reputation as well. In the past year, the Division of Archives and Public Records has not rejected one roll of our film submitted for archival deposit for any reason. This means that we are producing, on a consistent basis, excellent quality film with correct archival documentation.

The Microfilm Center was able to assist the Division of Purchasing with their selection of microfilm products for State use. The Mic-

* *Board Report* magazine, October 1987, reported a national survey of graphic design prices. The average for design services nationally is \$37.50 per hour. In-house design operations of the private sector sell their design services, on average, for \$32.00 per hour.

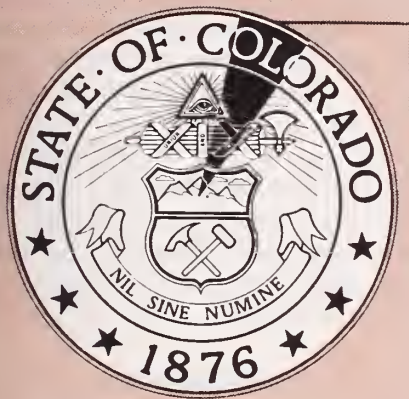
STATE
MICROFILM CENTER
PRODUCTION CHART

| Categories | 1985-86 | 1986-87 | Increase (Decrease) |
|----------------------------|-------------|-------------|------------------------|
| Rotary Exposures | 2,694,455 | 3,298,315 | +603,870 |
| Planatary Exposures | 71,263 | 373,973 | +302,710 |
| Fiche Produced | 403 | 950 | +547 |
| Diazo Fiche Duplicates | 9,269 | 26,000 | +16,731 |
| Diazo Roll Duplication | 270,170 ft. | 467,610 ft. | +197,440 ft. |
| Positive Film Duplication | N/A | 90,200 ft. | |
| Direct Duplication Film | 50,500 ft. | 15,450 ft. | (35,050 ft.) |
| Microfilm Jackets Inserted | 33,013 | 30,864 | (851) |

STATE
MICROFILM CENTER
PRICE CHART

| Service | Price 1985-86 | Price 1986-87 | Increase (Decrease) |
|---------------------------|-----------------|----------------|------------------------|
| 16mm Rotary Filming | \$.029/exposure | \$.03/exposure | +\$0.01 |
| Processing | | | |
| 16mm x 100 ft. roll | \$2.50/roll | \$2.63/roll | +\$0.13 |
| 16mm x 215 ft. roll | \$5.00/roll | \$5.25/roll | +\$0.25 |
| 35mm x 100 ft. roll | \$5.00/roll | \$5.25/roll | +\$0.25 |
| 35mm Planatary Filming | .12/exposure | .07/exposure | (.05) |
| 16mm Planatary Filming | .05/exposure | .05/exposure | 0 |
| Diazo Duplication | | | |
| 16mm x 100 ft. roll | \$ 9.45 | \$ 8.00 | (\$1.45) |
| 16mm x 215 ft. roll | \$15.75 | \$10.00 | (\$5.75) |
| 35mm x 100 ft. roll | \$16.80 | \$11.00 | (\$5.80) |
| Silver Duplication | | | |
| 16mm x 100 ft. roll | \$14.70 | \$11.00 | (\$3.70) |
| 16mm x 215 ft. roll | \$29.40 | \$23.00 | (\$6.40) |
| 35mm x 100 ft. roll | \$23.10 | \$15.00 | (\$8.10) |
| Preparation | \$21.50/hour | \$10.50/hour | (\$11.00) |

rofilm Center ran a series of tests to evaluate which films should be included in the next award. The Microfilm Center and the Department of Revenue ran tests which assisted in establishing standards for acceptable film. Purchasing was able to establish a bid with two film manufacturers which ultimately resulted in the State obtaining a quality film at a lower price than that of the previous contract.



5.9%

Microfilm Services' share of the total annual State expenditure for microfilm services.
FY86 CLEAR system data.

In addition to running the film tests, the Microfilm Center was also able to begin duplication of all of the Department of Revenue's film. This arrangement negated the necessity of Revenue having to purchase expensive diazo duplication equipment. The result was saving the State many dollars while preventing redundancy of services performed.

The Microfilm Center is moving toward the future, today. New capability includes a step-and-repeat camera for the production of microfiche. This allows for many more documents to be captured on one fiche. Our fiche are compatible with computer output microfilm.

To keep up with the increased demand for excellent quality diazo roll copies with fast turnaround time, the Microfilm Center has

recently purchased a new, high speed, roll-to-roll diazo duplicator for 16mm and 35mm microfilm.

More and more, customers are requesting fiche as the format they choose for their microfilm. This choice, consequently, has increased usage of our photomatrix diazo fiche duplicator almost threefold from last fiscal year. We can create excellent quality fiche duplicates from original fiche or from microfilm jackets. We expect this trend to continue in the coming year.

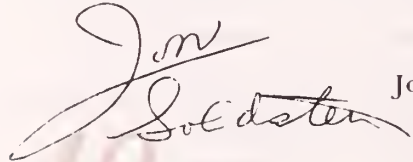
As previously mentioned, we anticipated that our usage of the step-and-repeat camera will exceed what was done in 1986-87. Positive film duplication will increase as well. Our rotary camera work will be in demand to an equal or greater extent than last year.

Recently, marketing efforts have assisted the Microfilm Center in spreading our name throughout the entire State government. We have been able to have three articles published extolling the benefits of the State Microfilm Center. Toward the end of fiscal 87, new work was received based on this marketing program. As we progress into the new fiscal year, we have already established commitments with several counties and municipalities to examine and consult with them on their records management needs.

Traditionally, the Microfilm Center hired temporary employees to meet peak demand, especially during the rush preceding the end of the fiscal year. This year, though staff was increased by one full-time employee, to a total seven full-time employees, only one-and-one-half temporary employees were used, 34 percent fewer than last year. We were able to do this by leveling out demand over the entire year, and increasing productivity by introducing new, more demanding productivity standards. In addition to fewer temporaries, we were able to keep overtime to a minimum.

The Microfilm Center also gave greater attention to the performance plans of all Center employees. Each performance plan lists every task required of each employee. In the narrative section, problem areas were

identified, and the actions and behaviors required of employees to improve them. The results have been positive; performance has been improved! This policy has improved employee morale. We now experience less employee turnover. The Microfilm Center looks forward, consequently, to even better performance in Fiscal Year 1987-1988.



Jon Goldstein
Manager

Marketing

The number of organizational units that use Central Services, and the amount of funds allocated for support services which these agencies spend with the Division has grown at an average rate of 12 percent per year. However, there are still many agencies that do not as yet utilize Central Services or which spend only a small percentage of their allocated funds for Division services.

Market research is developed and conducted by the marketing program. Surveys are conducted periodically to determine how well Central Services is meeting its customers' needs, and what additional services or products our customers would like us to provide. Surveys are conducted to determine customer satisfaction with the goods, services, individual units, and the Division itself. At the last survey, conducted during the first quarter of the fiscal year, customers indicated they were "Quite Satisfied" (averaging 7.01 points on a 10 point scale) with the products and services of Central Services. This is a 15 percent increase in satisfaction from the previous divisional survey, 1983. The survey is used as a self analysis to determine the increase or decrease of customer satisfaction with the Division as a whole and with the individual units, to test the success of changes and programs, and to determine areas of dissatisfaction so that they may be corrected or improved.

The marketing program is also concerned with improving customer relations. Training programs have been conducted for the Division's employees at least once a year since 1982, and customer relation factors are included in employee performance plans.

I.D. Program

This program creates I.D. card and badge identification credentials for State employees; price per credential is \$2.85. During the fiscal year, approximately 772 identification credentials were issued. Revenue generated amounted to \$2,198. An Identification System, 1D-3 camera is the only assigned equipment for this program; no full-time employee is assigned. No attempt is made to generate a profit from this program because the dollar volume associated with this service is too small to justify thorough accounting. Credentials expire two years after the date of issue. Credentials are made from typewritten applications.

Central Services supported the Department of Labor and Employment in implementing its State-wide security program. Color coded, standard credentials now uniquely identify 211 DOLE employees.

Telephone Directory

The Division of Central Services has for four years published a statewide employee telephone directory. With the 1986 edition, virtually all employees were listed within one cover for the first time. The 1987 edition again listed all employees but in a more compact format. Quality control studies have revealed an error rate of three percent at a time when included informational listings were at a record high. The most significant development was increasing the distribution from 5,000 to 10,000 copies while decreasing the price from \$2.00 per copy for the 1986 edition to furnishing the 1987 edition for free. This free distribution represents a savings to state agencies of \$8,600 based on the purchase of 4,300 of the 1986 directories.

The State of Colorado Telephone Directory carries Yellow Pages advertising. The publisher is obligated to supply 10,000 directories to Central Services free of charge and to rebate a percentage of advertising sales. Intangible benefits of the Directory continue to benefit the Division and the State. By deriving the listings from personnel and payroll records, the Directory, produced in

cooperation with the Department of Personnel's Computer Systems Division, forces an annual updating by State workers of their personnel records. Further, by publishing statewide listings and making a statewide distribution, the Directory enhances communication by telephone and mail among and between all state employees.

The Yellow Pages in the Directory are useful in several ways. The narrowly targeted Yellow Pages allow for rapid access to a wide variety of commonly used vendors. The Yellow Pages supported the Always Buy Colorado (ABC) campaign, an enhancement that was coordinated with the Lt. Governor's office. The Yellow Pages also carried promotions from several departments highlighting their activities. Colorado State Employees Assistance Program was one such example. Finally, an official mileage chart appears in the Yellow Pages, one that is both easy to read and always within easy reach.

Because the Directory's organizational listings keep the compiler in regular contact with all agencies, it was natural to move on to the project of updating "Organization of State Government in Colorado," a chart of the statutory structure of State government. This chart, scheduled to appear as an adjunct to the Colorado Revised Statutes will provide a visual guide of statutory government structure to State agencies not only for state employees and legislators but also for other government workers and the public at large.

Commercial production of the 1986 edition *State of Colorado Telephone Directory* has benefited the Colorado economy by the direct introduction of \$70,640. This was the amount generated by salaries, commissions, expenses and at least three printing contracts for similar editorial vehicles. One printing contract was for the telephone directory of the State of South Carolina.

Economic impact is usually reckoned to be six to seven times the actual amount of the dollars introduced into an economy from outside sources. This is a result of the recirculation of those dollars within the economy. By this measurement standard, the *State of Colorado Telephone Directory* has been responsible for a \$420,000 contribution to Colorado's economy.

Appendix

SPENDING AUTHORITY

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Central Services receives no appropriated funds. Instead it receives from the General Assembly "spending authority." That is, the Division is allowed by the General Assembly to spend a specified portion of the revenues it generates by charging users of its services the full cost of goods and services consumed.

The Long Bill of the Second Regular Session of the Fifty-fifth General Assembly is reproduced here in relevant part to indicate the Division's spending authority during the period of operations covered by this annual report. Supplemental spending authority is not included.

| | | APPROPRIATION FROM | | | |
|------------------------------|--|--------------------|-----------------|---------------|------------------|
| | ITEM & SUBTOTAL | TOTAL | GENERAL FUND | CASH FUNDS | FEDERAL FUNDS |
| | \$ | \$ | \$ | \$ | \$ |
| PART 1 | | | | | |
| DEPARTMENT OF ADMINISTRATION | | | | | |
| (3) CENTRAL SERVICES | | | | | |
| (A) Administration Section | | | | | |
| | Personal Services | 368,851 | | | |
| | | (12.5 FTE) | | | |
| | Operating Expenses | 233,330 | | | |
| | Travel and Subsistence | 2,271 | | | |
| | Indirect Cost Assessment | <u>25,264</u> | | | |
| | | 629,716 | | | 629,716(T)* |
| | *These funds shall be from user fees and include \$25,264 for departmental indirect cost recoveries. | | | | |
| (B) Print Shop and Graphics | | | | | |
| | Personal Services | 755,438 | | | |
| | | (12.5 FTE) | | | |
| | Operating Expenses | 561,824 | | | |
| | Travel and Subsistence | 2,509 | | | |
| | Indirect Cost Assessment | <u>62,313</u> | | | |
| | | 1,382,084 | | | 1,382,084(T)* |
| | *These funds shall be from user fees and include \$62,313 for departmental indirect cost recoveries. | | | | |
| (C) Copiers | | | | | |
| | Personal Services | 58,353 | | | |
| | | (2.0 FTE) | | | |
| | Operating Expenses | 639,999 | | | |
| | Travel and Subsistence | 480 | | | |
| | Indirect Cost Assessment | <u>4,154</u> | | | |
| | | 702,986 | | | 702,986(T)* |
| | *These funds shall be from user fees and include \$4,154 for departmental indirect cost recoveries. | | | | |
| (D) Microfilm | | | | | |
| | Personal Services | 121,954 | | | |
| | | (6.0 FTE) | | | |
| | Operating Expenses | 49,145 | | | |
| | Travel and Subsistence | 218 | | | |
| | Indirect Cost Assessment | <u>10,386</u> | | | |
| | | 181,703 | | | 181,703(T)* |
| | *These funds shall be from user fees and include \$10,386 for departmental indirect cost recoveries. | | | | |

APPROPRIATION FROM

| | ITEM & SUBTOTAL | GENERAL TOTAL | CASH FUND | FEDERAL FUNDS | FEDERAL FUNDS |
|--|--------------------|------------------|--------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| (E) Quick Copy Center | | | | | |
| Personal Services | 117,135 | | | | |
| | (7.0 FTE) | | | | |
| Operating Expenses | 190,392 | | | | |
| Indirect Cost Assessment | <u>14,540</u> | | | | |
| | 322,067 | | | | 322,067(T)* |
| *These funds shall be from user fees and include \$14,540 for departmental indirect cost recoveries. | | | | | |
| (F) Motor Pool/Garage | | | | | |
| Personal Services | 278,613 | | | | |
| | (10.5 FTE) | | | | |
| Operating Expenses | 1,216,990 | | | | |
| Indirect Cost Assessment | <u>30,118</u> | | | | |
| | 1,525,721 | | | | 1,525,721(T)* |
| *These funds shall be from user fees and include \$30,118 for departmental indirect cost recoveries. | | | | | |
| (G) Central Stores | | | | | |
| Personal Services | 218,990 | | | | |
| | (7.5 FTE) | | | | |
| Operating Expenses | 1,916,204 | | | | |
| Indirect Cost Assessment | <u>16,667</u> | | | | |
| | 2,151,861 | | | | 2,151,861(T)* |
| *These funds shall be from user fees and include \$16,667 for departmental indirect cost recoveries. | | | | | |
| (H) Mail Services | | | | | |
| Personal Services | 949,185 | | | | |
| | (40.9 FTE) | | | | |
| Operating Expenses | 2,199,590 | | | | |
| Travel and Subsistence | 2,000 | | | | |
| Indirect Cost Assessment | <u>85,162</u> | | | | |
| | 3,235,937 | | | | 3,235,937(T)* |
| *These funds shall be from user fees and include \$85,162 for departmental indirect cost recoveries. | | | | | |
| (I) Travel Oversight Office | | | | | |
| Personal Services | 36,525 | | | | |
| | (1.0 FTE) | | | | |
| Operating Expenses | 40,600 | | | | |
| Travel and Subsistence | 11,092 | | | | |
| Indirect Cost Assessment | <u>700</u> | | | | |
| | 88,917 | | | | 88,917(T)* |
| *These funds shall be from user fees and include \$700 for departmental indirect cost recoveries. | | | | | |
| (J) North Campus Operations | | | | | |
| Personal Services | 56,315 | | | | |
| | (2.0 FTE) | | | | |
| Operating Expenses | 12,340 | | | | |
| Utilities | 23,946 | | | | |
| Indirect Cost Assessment | <u>4,104</u> | | | | |
| | 96,705 | | | | 96,705(T)* |
| *These funds shall be from user fees and include \$4,104 for departmental indirect cost recoveries. | | | | | |

**PERSONNEL
INVENTORY**

14

As of June 30, Central Services had 109.7 Full Time Equivalent employees and 16 temporary employees. Average length of service per employee is 5.7 years. Average age is 34 years. The ratio of female to male employee is nine to seven. Sixty-eight percent of all Division employees claim minority status. Division employees contributed \$4,434 to the 1986 Mile High United Way fund appeal.

This chart satisfies the requirements of Colorado Revised Statute 24-30-1109(1)(c) to report Central Services' personnel inventory. All reporting is done in terms of Full Time Equivalent employees as of the last day of Fiscal Year 1986-1987.

| Class Code | Position Title | Permanent | |
|------------|---|---------------------|---------------------|
| | | Full-Time Employees | Temporary Employees |
| A1000C | Staff Assistant | 4 | |
| A1008A | Administrative Officer | 9 | |
| A1013A | Director - Division of Central Services | 1 | |
| A1081A | Accounting Technician III | 1 | |
| A2040A | Stock Clerk | | 1 |
| A2047A | Word Processing Operator B | 0 | |
| A2301A | Clerical Assistant | 20.4 | 10 |
| A2306A | Administrative Clerk | 12 | |
| A2332A | Clerical Supervisor | 8 | |
| A2404G | Storekeeper B | 3 | |
| A2408A | Supply Officer B | 1 | |
| A2601A | Duplicating Equipment Operator B | 2 | 2 |
| A2604A | Micrographic Technician A | 4 | 1 |
| A2607A | Supervising Micrographic Technician | 1 | |
| A2611A | Typesetting Equipment Operator | 2.1 | |
| A2621A | Bindery Equipment Operator | 4 | |
| A2631C | Printer | 16 | |
| A2635A | Printing Plant Supervisor II | 1 | |
| A2636A | Printing Plant Manager | 1 | |
| A2681A | Graphic Design Technician B | 1 | |
| A2683A | Graphic Designer | 2 | |
| A2686A | Design/Art Director | 1 | |
| A2731A | Remote Job Entry Terminal Operator B | 1 | |
| A2766A | Information Equipment Operator C | 2 | 1 |
| A4187A | Maintenance Mechanic | 1.2 | |
| A4261A | Automotive Serviceworker | 1 | |
| A4262A | Automotive Maintenanceworker | 0 | |
| A4263A | Automotive Mechanic | 1 | |
| A4501A | Vehicle Driver | 8 | 1 |
| A9505T | Public Service Career Trainee V | 1 | |
| | Totals | 109.7 | 16 |

JACK KEENE, DIRECTOR

THEODORE ABAD

LARRY ADAMSON

PENNY ADKINS

GERALD ALBRECHT

JUDITH ALBRIGHT

THOMAS BAINTON

SOPHIA BALDASON

NANETTE BALES

ROBERT BAREFIELD

BARBARA BASKIN

NANCY BEHRENS

GLORIA BORLAND

CLAUD BOYD

CHERI BRYSON

VICTORIA CAPRA

SHIRLEY CARR

BRENDA CARRILLO

LIFEN CHANG

DARLA CHAVEZ

PHYLLIS CHAVEZ

JOSEPH CHRISTENSON

RICK CIMINELLI

PATTY CISNEROS

DONALD CORDOVA

DORIS COUTURIER

FRANK COZINE

KEVIN CRUISE

SHIRLEY DELGADO

KATHRYN DICKERSON

PAUL DICKERSON

DIANA DIXON

LINDA DOBRINICH

PHILIP DUNKEL

ELIZABETH EVANS

LISA FOLLETT

GLENN FOX

CARMEN FREEMAN

ROBERT GIOVANNI

JON GOLDSTEIN

DENISE GOMEZ

IRENE GORDY

ALBERT GUNDERSON

DEBORAH HANDERHAN

LILA MAY HANN

JAMES JACKSON

DIANA JOHNSON

ELEANOR KELLEMS

LLOYD KELLEMS

DAVID KITTREDGE

MICHAEL LAFFERTY

JOHN LAWLESS

ELOY LUCERO

HENRY MAESTAS

LYNN MAESTAS

BRADLEY MARKS

CLAYTON MARSHALL

MELONEY MARTINEZ

LOIS MAXWELL

EUGENE MCCLANAHAN

WILLIAM MCCLELLAND

DAVID MILLER

LLOYDINE MONDONADO

LARRY NELSON

GREG NOBLE

HELEN NOPENS

ROBERT O'LEAR

RUBEN OSTBY

ORLANDO OTERO

RENEE PADILLA

KATHLEEN PENNUCCI

ERLINDA PEREZ

BARBARA RAY

MARION RAY

SCOTT RENVILLE

THEODORE RENVILLE

DONICIO ROMERO

KAREN ROMERO

RANDY ROMERO

ROBERT ROMERO

RHONDA ROYBAL

LARRY RYAN

MICHAEL ST. PETER

JAMES SCHRAMBECK

ROBERT SEILER

DENISE SISNEROS

CECIL SHARP

SUSAN SHOOK

STEVEN SLANE

JOSEPH SMITH

PAUL STEMPIEN

CECILE SUTTON

ALBERT TANGUMA

GILBERT THOMAS

DONALD THORSEN

MARY ANN TORREZ

FREDDIE TRUJILLO

JAMES TWARK

ROBERT UPHAM

WILLIE WARE

WILLIAM WEITENBECK

JOHN WHITEHURST

LETA WILKERSON

MARC WILKERSON

STEPHEN WILKERSON

NORMAN WILSON

CHARLESTON WIMBS

LINDA YOST

GERRY ZEJDA

GORDON ZOBELL

LETTERS
OF
CERTIFICATION

45

STATE OF COLORADO

DIVISION OF CENTRAL SERVICES
Department of Administration
1600 Sherman St., Suite 1050
Denver, Colorado 80203
Phone (303) 866-3575



Roy Romer
Governor
Forrest M. Cason
Executive Director
J E Keene
Division Director

July 28, 1987

Mr. Timothy O'Brien, C.P.A.
State Auditor
Denver, CO 80203

Dear Sir:

In connection with your examination of the financial statements and account of the Division of Central Services as of the close of business June 30, 1987, the undersigned makes the following statements:

I am fully familiar with the quality of the consumable supply inventory at the date indicated and with the methods employed in the inventory taking. Quantities were determined by the actual count, weight or measure. There was not included in the inventory any merchandise consigned to the Division which had not been paid for or acknowledged as a liability on the books of the Division. No merchandise sold and billed at that date was included in the inventory.

The inventory has been priced on the basis of:

| | |
|-------------------------------|---------------------|
| Stores: floating average | \$621,585.60 |
| Garage: actual cost | 4,932.17 |
| Gasohol: floating average | 1,637.62 |
| Meter & Permits: actual cost | 54,713.48 |
| U.P.S.: actual cost | <u>6,226.71</u> |
| TOTAL INVENTORY AMOUNT | \$689,095.58 |

In my opinion, the inventory amount of \$689,095.58 at June 30, 1987, is a true and correct valuation of the consumable supply inventory of the Division on the date stated, and you are fully justified in including this amount in your report.

Sincerely,

Jack E. Keene
Director of Central Services

EXHIBIT "I"
LETTER OF CERTIFICATION
June 30, 1987

The undersigned certify to the following statements regarding this agency:

1. The account balances reflected in the General Ledger Trial Balance - Final for June 30, 1987 are materially correct and classified in accordance with Chapter 3 of the Fiscal Procedures Manual except for financial statement adjustments or reclassifications that have been submitted to the Controller's Office for approval on Exhibit H.
Certified [] Exceptions []
2. The agency is in compliance with all applicable headnotes, footnotes, and FTE in the Long Bill. No line item overexpenditures occurred or existed at June 30, 1987. In addition, the agency has complied with "M" restrictions in the bill and with legislative intent therein.
Certified [] Exceptions []
3. The agency is in compliance with all other applicable statutes of a fiscal nature.
Certified [] Exceptions []
4. All exhibits and other supplementary information requested by Accounts & Control in the closing instructions have been submitted by the specified due dates and reconciled to the final General Ledger Trial Balance, where appropriate.
Certified [] Exceptions []
5. Any reports of expenditures submitted to the Joint Budget Committee or Office of State Planning and Budgeting were in agreement with CAS balances or a full explanation and reconciliation was provided those agencies and the State Controller's Office.
Certified [] Exceptions []
6. An indirect cost rate proposal was prepared and submitted to the State Controller's Office and the appropriate cognizant Federal agency for all grants or contracts which allow the recovery of indirect costs. *N/A*
Certified [] Exceptions []

Any exceptions to the above statements have been fully explained on attachments to this exhibit.

Signed: Jack S. Lee Agency or Department Head
Date
Richard M. Miller Chief Financial Officer
Date

Agency Name: Central Services

Agency Number: 270500

Due Date: Monday, August 31, 1987

MAJOR EQUIPMENT INVENTORY

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Major equipment inventory information is published in this annual report pursuant to Colorado Revised Statute 24-30-1109(1)(c). It is intended to show the nature and scope of Central Services' productive capacity. Equipment reflected here is therefore listed without regard to its ownership status.

ADMINISTRATIVE CLERICAL SECTION

Polaroid IDS Camera Model #703

STATE PRINT SHOP

Camera

Table Precision Line Up for NUARC
NU-ARC Model RR41F
Brown Sink for Developing 30377-30378
Densitometer
Processor Film 3M412
DSC-260-D Camera w/Flash Lamp Copy Board Check Register Device
Brown Plate Maker Burner
Mitsubishi CP404 5/N-850802412

Bindery

714 Baumfolder S/N83F029 Binders
Velo Binder S/N0204
Pitney Bowes Foldemax 1860 S/N6432
7111PM Electric Punch S/N3466020
Nydendahl Perforator S/N J-74-15-104
P-23 Perforator, Slitter & Scoring Machine S/N98005-100
Pitney Bowes Stitchee, Collator and Folder S/N1546002763
Bourg System Collator S/N521000456 and AGR Dual Head Stitchee S/N581001099
Pitney Bowes Collator S/N70091481 with Stitchee S/N6607772 and Folder S/N6910876
Pitney Bowes Collator S/N1412004327
Bourg Folder S/N551000755
Bourg Trimmer S/N200518
Challenge Paper Drill
Velco Bind Punch & Binder
Bourg Stitchee, Folder & Collator
Challenge Paper Cutter
OM Pro-Fold Right Angle Fold Att. S/N233109
Standard Bourg Trimmer
Velobind Punch/Binder Model #323 S/N325167

Press

A B Dick Printer 360T S/N21263
Multilith Offset Model 2850
2325 Copier Master Maker S/N10352
Multilith 1250 Offset Press S/N948176
67 Sorter, Tower Modules, Interface
A B Dick Color Head for 360CD S/N82694ACA
Powder Sprays System S/N12850435
Solna Offset Press Model 125 S/N12207
System 6 w/Electrostatic Camera, Offset Press & On-line Sorter S/N53145 360CD
Rebuilt Press S/N11484
A B Dick 360T
1275 Multilith Offset Press
2850 SG Duplicator
104S Norfin Collator S/N805321
Rotary Slitter S/N86676706
Davidson 702 Perforator Offset Press
1250 Duplicator Multilith Offset Press S/N383261
1250 Duplicator Multilith Offset Press S/N383263
Xerox 6010 Memory Writer S/NDIC-072896
Pallet Jack InterThor

DESIGN CENTER

Kroy Lettering Machine
Cal Comp Color Master (Therman Printer)
GPM Videoshow 160 S/N16002K46
GPM Photomaker S/N5D628714
Itek Q1610 Model 65001 DF Photoypesetting System
Itek Q1610 Model 65001 DF Photoypesetting System
Rc Processor 20 amp Model 11006
NEC Spinwriter Model 7710 Printer
MDR Model 12110 Multidisk Reader

COPIER SERVICES PROGRAM

Kodak 100 AF S/N104230
Xerox 3100 S/N374112661
135 Office Copiers, Various Manufacturers

Quick Copy Center

Copier Machine F4012393
Xerox 9900 S/N920051548
Xerox 9500 S/N685-002882
Xerox 9500 S/N685-002273
Xerox 9500 S/N685-021168

STATE MICROFILM CENTER

Jacket Reader Filler
Jacket Reader Filler
MRD2
MacBeth TD 500
GAF 16/35 Rollfilm Duplicator Machine
Secretary of State Bell & Howell Inter/Com
Recordak R700
MRD2
Microfilm Camera MRK-1
IBM Correctable Selectric II S/N4755408
F-10 Processor S/N2357
22E Reader 24X Rotation
Copyboard for Extex 715 System Repeat and Camera
105mm Silver Fiche Duplicator
DX35 Printer
CPU Configuration with Keyboard & Green Monitor
500LM Reader-Printer S/NDRI7112
Extex Camera

Microfilm Duplicator w/Collator S/N1084
Micro-File Machine S/N15595
Kodak Reliant 800 16mm Rotary Camera S/N63882, 70401, 100609 56151
Extex 3100 Post Duplicator
Processor/Kodak Proster II
Recordak R750
Film Reader Mobil 1600
3M-3401 Microfilm Camera
#9000054 Magazine
Microfiche Cutter

STATE MOTOR POOL

Porta-Built Building
Dalton Garage Pool

STATE GARAGE

Analyzer, Engine Sun S/N32761
Wheel Alignment Rack w/Jacks S/N34018
1 1/2 Ton Capacity Air Operated End Lift Walker S/N93689
Hot Water, High Pressure Cleaner
10,000 Gallon Gas Tank & Pump
Infra-red Exhaust Gas Analyzer
Automatic Tire Changer S/N1150801
Computer Wheel Balancer

FLEET MANAGEMENT PROGRAM

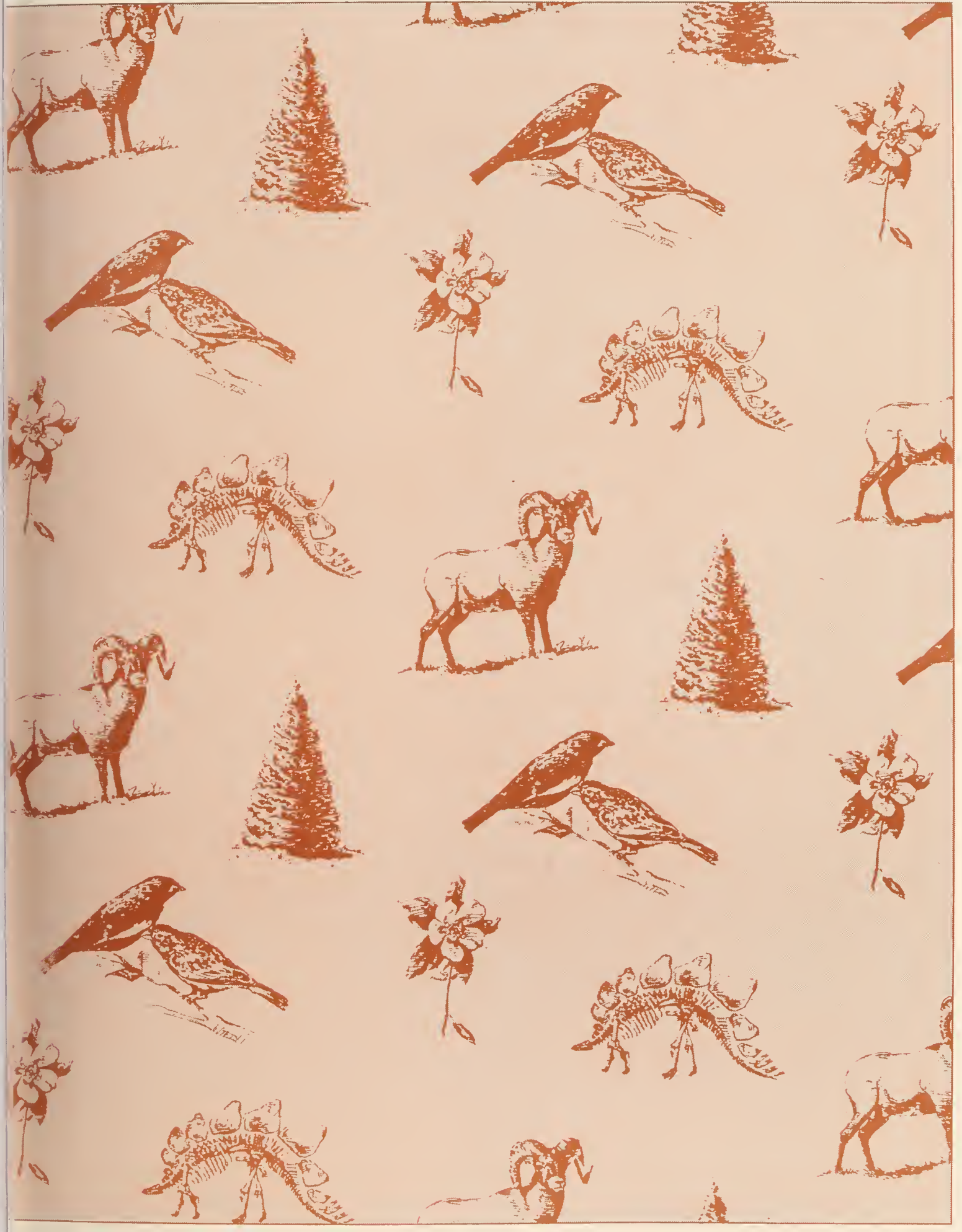
Gasbox Card Punch Elect & Embossing Machine S/NC01157
Gasbox Auto Fuel System
Utilization Module
Quadlazer Printer Model LS-1100
IBM Dam. MX4
AT&T CPU1, Keyboard and Color Monitor S/N0109314, S/N1682932
AT&T CPU1, Keyboard and Mono Monitor S/N0236261; S/N1651449; S/N1971880
AT&T CPU1, Keyboard and Color Monitor
6300 PC Microcomputer w/512K RAM S/N0120242
6300 PC Microcomputer w/384K RAM S/N0201206
6300 PC Microcomputer w/384K RAM S/N0201274
Data Products Printer S/N004737
SUNOL Printer Server
Printer Sharing Unit w/Buffer
Clipper Compiler with Diskettes and Books

CENTRAL STORES

Electronic Scale Model 5800 S/NF785004
Big Joe Pallet Lift PPT-40 S/N74128
Omnimode Model S/NMX88792
2178 Computer Terminal S/N665288
Forklift
NCL Model 8205 Counting Scale
Cooling Unit
IBM Display Station S/N3178K5578
IBM Model 3287 Printer
IBM Model 3274 51-C Controller
BT Pallet Jack Model 2748-45
Shrink Wrap & Sealer

MAIL SERVICES SECTION

Sealer Mail Machine
Sealer Mail Machine
Pitney Bowes Metering Machine
Mailing Machine 4351
Pitney Bowes Electric Meter
Pitney Bowes Insertermax Model
Pitney Bowes Metering Machine
Mailing Machine 4351
Pitney Bowes Electric Meter
Singer Electronic Scale
Pitney Bowes Metering Machine
Pitney Bowes 5600 Meter S/N69338
Pitney Bowes Inserter Model #3220
Inserter-NU
Inserter-NU
Pitney Bowes Addressor Printer
4404-6C-126 Dial Model 4402-208B-86 68A RCD
Mini-Pac Pc's/Mini-Pac Printer/Scale/Matrix Printer/PC Telecap
Pitney Bowes Mailing Machine S/N6100043755
Pitney Bowes Mailing Machine S/N6100043521
Model MS25 Libra Electronic Postal Scale - 25 lbs.
714 Folder S/N83J-143
Frieden Electronic Scale Model 8710 S/N87107200664
Pitney Bowes Meter Model
Pitney Bowes Meter & Stacker Model
3100 D.1 Printer w/Manual S/N020641; S/N028201
MDL 164 OADR Dual Dick PC S/N021022
Abe Perforator S/N50044
Automecha Labeler Model: Accufast 1, SN NA
Addressograph Inster Model 910, S/N80-Q-1063 Addressograph Folder/Nester
Model 919 S/N81-M-05030
Meter Head Model RTPH-1 S/N0581
Omauon Rotary Blade Opener Model 83 S/N5458
Omauon Model 83 Rotary Mail Opener
Model 605 Opener/Detector
Docutronicx Letter Opener/Cutter
Docutronicx Letter Opener
InterThor Pallet Jack S/NK-1018
InterThor Pallet Jack
Pitney Bowes Electronic Scale S/N02874
Pitney Bowes Electronic Scale S/N8178
Xerox Labeler S/N997630-01





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