Iowa Department of
Administrative Services

General Services Enterprise

Thomas J. Vilsack, Governor
Sally J. Pederson, Lt. Governor

Mollie K. Anderson, Director
Paul F. Carlson, Chief Operating Officer

Basis for FY08 GSE Utility Rate Charges

1. **Purchasing – Pro-ration based upon agency purchase volume.**

2. **Blanket Bond – Pro-ration based upon the number of agency FTEs.**

3. **Association (Office and Storage) – Pro-ration based upon the amount of square footage utilized (one rate).**

4. **Ankeny Labs – Pro-ration based upon the amount of square footage utilized.**

5. **Seat of Government Leasing – Square footage of leased space utilized.**

6. **Outside Seat of Government Leasing – Billable hours.**

7. **Design and Construction Project Management – Billable hours.**

8. **Mail Services**
   - **A. Base mail services – Volume based subscription fee.**
   - **B. Metered mail services – Volume based subscription fee.**
   - **C. Mail delivery services – Volume based subscription fee.**

9. **Fleet Management – Pro-ration based upon the number of active vehicles per agency.**

10. **Risk Management – Pro-ration based upon the number of active vehicles per agency.**

11. **Depreciation – Number of active vehicles per agency not fully depreciated.**

Hoover Building, Level A Des Moines, Iowa 50319 Phone (515) 281-3196 Fax (515) 242-5974

Iowa Department of
Administrative Services

General Services Enterprise

Thomas J. Vilsack, Governor
Sally J. Pederson, Lt. Governor

Mollie K. Anderson, Director
Paul F. Carlson, Chief Operating Officer

GSE FY08 Utility Rates
Vacancy Factor and Salary Adjustment

Salary Adjustment
Annual value of salary adjustment at 5.5% = $263,833

$263,833 x 83.7% funding level per DOM = $220,828

Vacancy Factor
Current (10 months) vacancy factor as a percent of salaries = 2.5%

Current (10 months) vacancy factor as a percent of budget = 1.5%

Annual value of vacancy factor = $119,924

Reconciliation – Salary Adjustment vs. Vacancy Factor
Salary Adjustment Due GSE Utilities = $220,828
Less: GSE Utilities Vacancy Factor = $119,924
Net = $100,904

Hoover Building, Level A Des Moines, Iowa 50319 Phone (515) 281-3196 Fax (515) 242-5974

FY08 GSE Utility Rate Summary

	FY '07 Basis	4.6% Increase	6.6% Increase	2.0% Decrease	GSE Rec.	FY08 Savings
	Fee (Volume)					
1-Purchasing	$1,121,877	$1,173,483	$1,195,921	$1,099,439	$1,011,146	$ 110,731
Difference		$51,606	$74,044	-$22,438		
	Per FTE					
2-Blank. Bnd.	$2.06	$2.10	$2.14	$1.97	$2.14	-$3,000
Difference		$0.04	$0.08	-$0.09		
	Per Sq. Ft.					
3-Off. & Stor.	$3.425	$3.583	$3.651	$3.357	$3.10	$ 408,820
Difference		$0.16	$0.23	-$0.07		
	Per Sq. Ft.					
4-Ankeny Lab.	$5.57	$5.83	$5.94	$5.46	$5.26	$ 54,546
Difference		$0.26	$0.37	-$0.11		
	Per Sq. Ft.					
5-SOG	$0.1146	$0.1199	$0.1222	$0.1123	$0.1097	$ 10,070
Difference		$0.0053	$0.0076	-$0.0023		
	Hourly Rate					
6-OSOG	$50.90	$53.24	$54.26	$49.88	$61.90	-$1,320
Difference		$2.34	$3.36	-$1.02		
	Hourly Rate					
7-Design and Construction	$ 116.85	$122.23	$124.56	$114.51	$83.84	$ 635,112
Difference		$5.38	$7.71	-$2.34		
	Fee (Volume)					
8-Mail Svcs.	$916,200	$958,345	$976,669	$897,876	$852,620	$ 63,580
Difference		$42,145	$60,469	-$18,324		
	Monthly Fee/Active Veh.					
9-Fleet Management	$18.75	$19.28	$19.64	$18.06	$14.72	$ 118,768
Difference		$0.53	$0.89	-$0.69		

FY08 GSE Utility Rate Summary

	Monthly Fee/Active Veh.					
10-Risk Management *	$17.44	$18.24	$18.59	$17.09	$24.00	-$210,340
Difference		$0.80	$1.15	-$0.35		
					TOTAL:	$ 1,186,967

Monthly Fee/Active Veh.	
11-Deprec.	GSE is requesting that the Customer Council approve the same standardized rate formula for FY08 that was utilized for FY07, with the understanding that if the rate increases, GSE will seek Customer Council approval before implementation. If the rate remains the same or decreases, GSE will notify the Customer Council of the FY08 rate and additional Council rate approval action will not be required before implementation.

Difference between the FY'07 budget and the identified increase or decrease.

*This budget presumes that FY07 paid claims are no greater than those in FY06. If the projected FY07 paid claims amount (based upon 9 months of "paid" data) is greater than FY06, a waiver and FY08 rate adjustment may be necessary.

Department of Ad trative Services

General Services Enterprise-FY08 Utility Rates

Purchasing

Fund 660-5630

	FY07 BUDGET INFORMATION	FY08 BUDGET / ALLOCATION			FY08
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6 % increase	FY07 Budget less 2.0% decrease	GSE RECOMMENDATION
Total Budget	1,206,398				
Less Rebates	84,521				
Reimbursements from Other Agencies	1,121,877	1,173,483	1,195,921	1,099,439	**1,011,146**
FY07 Allocation[1]	see below	see below	see below	see below	
FY08 Allocation[2]	N/A	N/A	N/A	N/A	**same as FY07**

[1]The allocation used for the FY07 allocation is the 3 year average of purchasing administration fees for FY01, FY02, FY03.
[2]The allocation charged to agencies in FY08 will be the same as the allocation charged for FY07.

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Blanket Bond
Fund 660-5621

	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	GSE RECOMMENDATION
Total Budget	45,000	47,070	47,970	44,100	**48,000**
FY07 Rate Divisor[1]	21,839				
FY08 Rate Divisor[2]		22,383	22,383	22,383	**22,383**
Rate / FTE	$ 2.06	$ 2.10	$ 2.14	$ 1.97	**$2.14**

[1]The rate divisor used in the calculation of the FY07 rate is 3rd quarter FT/PT FTE FY2005, that was prepared by DAS - HRE.
[2]The rate divisor used in the calculation of the FY08 rate is 3rd quarter FT/PT FTE FY2006, that was prepared by DAS - HRE.

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Association
Fund 674-xxxx

Office Space	FY07 Presented to Customer Council	Storage Space	FY07 Presented to Customer Council
Total Budget	3,397,958	Total Budget	116,476
FY07 Rate Divisor	987950	FY07 Rate Divisor	46,500
Rate / FTE	$ 3.44	Rate / FTE	$ 2.50

Beginning in FY07 Office Space and Storage will be combined with the rate being $3.425 per square foot.

Department of Administrative Services

General Services Enterprise
Association
Fund 674-xxxx

Office Space	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08 GSE RECOMMENDATION
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	
Office Space	3,397,958				
Storage	116,476				
Total Budget	3,514,434	3,676,098	3,746,387	3,444,145	
FY07 Sq Ft-Office Space	1163906				
FY07 Sq Ft-Storage	46,500				
Total FY07 Combined Sq Ft	1,210,406				
FY08 Sq Ft		1,433,865	1,433,865	1,433,865	
Rate	$ 3.425	3.583	3.651	3.357	

1. The rate used in the calculation of the FY07 rate is 987,950 square feet of office space and 46,500 of storage excluding the Ankeny Lab Facility.
2. The rate used in the calculation of the FY08 rate is 1,433,865 square feet of office space, including the Ankeny Lab Facility.

Revised to remove core for Ankeny and combine Ankeny Core with Ankeny Surcharge to identify a single rate

Square footage - Lab		175,956
	$	3.425
Budget in Association relatec	$	602,649

Association Budget		3,514,434				
Less Ankeny		(602,649)				
Adjusted Total Budget		2,911,785	3,045,727	3,103,962	2,853,549	4,448,594
FY07 Sq Ft		1,210,406				
Less Ankeny		(175,956)				
Adjusted FY07 Sq Ft		1,034,450				
FY08 Sq Ft			1,433,865	1,433,865	1,433,865	
Less Ankeny			(175,956)	(175,956)	(175,956)	
Adjusted FY08 Sq Ft			1,257,909	1,257,909	1,257,909	1,433,865
Rate	$	3.425	3.583	3.651	3.357	$3.10

Includes Ankeny office

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Ankeny Lab Building
Fund 674-K674

	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08 GSE RECOMMENDATION
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	
Core budget removed from Association	602,649				
Surcharge	377,702				
Total Cost	980,351	1,025,447	1,045,054	960,744	**925,529**
FY07 Rate Divisor[1]	175,956				
FY08 Rate Divisor[2]		175,956	175,956	175,956	**175,956**
Rate	$ 5.57	$ 5.83	$ 5.94	$ 5.46	**$5.26**

[1]The rate divisor used in the calculation of the FY07 rate is 175,956 square feet of office space.
[2]The rate divisor used in the calculation of the FY08 rate is 175,956 square feet of office space.

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
SOG
Fund 674-G674

	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	GSE RECOMMENDATION
Total Budget	68,674	71,833	73,206	67,301	**58,604**
FY07 Rate Divisor[1]	599,408				
FY08 Rate Divisor[2]		599,408	599,408	599,408	**534,094**
Rate	0.1146	0.1198	0.1221	0.1123	**0.1097**

[1]The rate divisor used in the calculation of the FY07 rate is 599,408 square feet.
[2]The rate divisor used in the calculation of the FY08 rate is 534,094 square feet.

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
OSOG
Fund 674-G674

	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08 GSE RECOMMENDATION
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	
Total Budget	26,979	28,220	28,760	26,439	**7,428**
FY07 Rate Divisor[1]	530				
FY08 Rate Divisor[2]		530	530	530	**120**
Rate	$ 50.90	$ 53.25	$ 54.26	$ 49.89	**$61.90**

[1]The rate divisor used in the calculation of the FY07 rate is 530 billable hours.
[2]The rate divisor used in the calculation of the FY08 rate is 120 billable hours.

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Design & Construction
Fund 0001-5310

	FY07 BUDGET INFORMATION	FY08 RATE INFORMATION			FY08
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6 % increase	FY07 Budget less 2.0% decrease	GSE RECOMMENDATION
Reimbursement	1,260,782				
Total Budget	1,260,782	1,318,778	1,343,994	1,235,566	**1,613,127**
FY07 Rate Divisor	10,790				
FY08 Rate Divisor		10,790	10,790	10,790	**19,240**
Rate to bill for reimbursement	116.85				
Rate	$ 116.85	$ 122.22	$ 124.56	$ 114.51	**$83.84**

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Mail Services
Fund 670-A670

	FY07 BUDGET INFORMATION	FY08 BUDGET / ALLOCATION			FY08 GSE RECOMMENDATION
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6 % increase	FY07 Budget less 2.0% decrease	
Total Budget	916,200	958,345	976,669	897,876	**852,620**
FY07 Base Mail Services	see below	see below	see below	see below	see below
FY07 Metered Mail Services	see below	see below	see below	see below	see below
FY07 Mail Delivery Services	see below	see below	see below	see below	see below
Allocation (See Below)	N/A	N/A	N/A	N/A	N/A

The allocation for FY07 has been broken down into 3 components:

Component	**Definition of Service**
* Base Mail Services	Common services provided to all customers
* Metered Mail Services	Postage Metering and Parcel Processing
* Mail Delivery Services	Delivery of interoffice and USPS mail

Component	**Division Methodology**
* Base Mail Services	**Agency FY06 annual volume / FY06 total enterprise mail X cost to deliver service.**
* Metered Mail Services	**Agency FY06 annual metered mail volume / total enterprise metered mail X cost to deliver service.**
* Mail Delivery Services	**Agency FY06 annual volume /FY06 total enterprise mail X cost to deliver service.**

FY07 Budget	**Annualized enterprise volume**	**Annual budget**
* Base Mail Services	14,091,338	376,053
* Metered Mail Services	7,550,197	401,311
* Mail Delivery Services	11,852,327	138,836
		916,200

FY08 Budget	**Annualized enterprise volume**	**Annual budget**
* Base Mail Services	13,011,234	381,487
* Metered Mail Services	8,160,244	286,022
* Mail Delivery Services	7,464,354	185,111
		852,620

The change results in a flat annual rate by agency for type of mail service provided. Information is projected for FY06 since the final mail billings have not been completed. Actual annual FY06 data will be used in the calculation of the actual FY07 annual rate for agencies, when information is available.

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Fleet Management Fee
Fund 662-5710-20

	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	GSE RECOMMENDATION
Total Budget	590,872	618,052	629,870	579,055	**472,104**
FY07 Rate Divisor[1]	see below				
FY08 Rate Divisor[2]		see below	see below	see below	
Rate	$ 18.75	$ 19.28	$ 19.64	$ 18.06	**$14.72**

[1]The rate divisor used in the calculation of the FY07 rate is 1/12 of budget amount divided by number of active vehicles by agency.
The number of active vehicles used in the FY07 calculation is 2,626.

[2]The rate divisor used in the calculation of the FY08 rate was 1/12 of budget amount divided by number of active vehicles by agency.
The number of active vehicles used in the FY08 calculation was 2,672.

The number of vehicles that are active each month is derived from the Fleet Management Information System administered by the Fleet Section.

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Risk Management
Fund 665-5790

	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08 GSE RECOMMENDATION
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	
Total Annual Cost	559,196	584,919	596,103	548,012	**769,536**
FY07 Rate Divisor[1]	2,626				
FY08 Rate Divisor[2]					**2,672**
Monthly Rate	$17.44	$ 18.24	$ 18.59	$17.09	**$24.00**

Premiums needed FY07 $769,536 **FY08 monthly rate** $ 24.00 **annual amount** $288.00

[1]The number of anticipated active vehicles used in the calculation of the FY07 rate is 2,626. Based on the actual number in service at 5-31-2005.
[2]The number of anticipated active vehicles used in the calculation of the FY08 rate is 2,672. Based on the actual number in service at 4-30-2006.

Rate Assumptions
A monthly premium per active vehicle is charged to generate adequate revenues to the self-insurance fund to pay anticipated tort claim liabilities, administrative expenses, and collision repairs.
The monthly premium is charged to the active vehicles at the time of the billing, which is approximately the 20th of each month.
The number of vehicles that are active each month is derived from the Fleet Management Information System administered by the Fleet Section.
The Self-Insurance Fund has historically strived to maintain a minimum fund reserve of one million dollars to pay potentially four tort claims of $250,000.00 each.
Annually, rates are adjusted upward or downward to reflect the past year's loss exposure and maintain the minimum fund balance target.
Number of active vehicles at March 31, 2006 = 2,672

Department of Administrative Services

General Services Enterprise-FY08 Utility Rates
Depreciation
Fund 663-5770

	FY07 BUDGET INFORMATION	FY08 BUDGET / RATE INFORMATION			FY08
		FY07 Budget plus 4.6% increase	FY07 Budget plus 6.6% increase	FY07 Budget less 2.0% decrease	GSE RECOMMENDATION
Total Budget	7,792,005	8,150,437	8,306,277	7,636,165	**7,754,091**
FY07 Rate Divisor	see narrative below				
FY08 Rate Divisor		see below	see below	see below	**0**
Rate	N/A	N/A	N/A	N/A	N/A

Rate Assumptions
Federal OMB Circular A-87 definitively states the methodology for federal reimbursement of state programs for vehicle depreciation. It requires that the formula for monthly vehicle depreciation rates be the original purchase price less current salvage value divided by the months of estimated service. DAS rates are established by vehicle classification (compact sedan, full size enforcement sedan, half ton four wheel drive pickup, etc.), begin the month that the vehicle is placed in active service, and continue monthly during the service life of the vehicle.

Formula =
Original Purchase price - current salvage value / by months of service = monthly rate.

At this time only the methodology of the rate calculation is being submitted for approval.