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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

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DIRECTOR

September 4, 2014

TO: Chief Financial Officers, Administrative Officers, Chief Accountants, and Budget Officers

FROM:  Michael R. Gilliland, Director, Financial Services

SUBJECT: Fiscal Year 2016 DTMB Service Rates

In an effort to assist agencies in planning for the fiscal year 2016 budget, and better align the service rate process with the budget process, the Department of Technology, Management and Budget (DTMB) is announcing fiscal year 2016 service rates for services.

During the month of August 2014, DTMB held meetings with agencies to share the fiscal year 2016 rates, as well as initiatives impacting services. Since those meetings, two Office of Support Services (OSS) rates have been revised downward. The Presort Mail rate will remain at \$0.029 per piece instead of increasing to \$0.032. The Digital Image rate will only increase \$0.005 per image; the rate was projected to increase \$0.01 for fiscal year 2016.

Although fiscal year 2016 rates will be reviewed prior to the start of the fiscal year, DTMB plans to only maintain or lower these rates. In instances where program changes, service modifications, client business demands, or significant economic events drive material changes, a service rate may be increased for fiscal year 2016. However, DTMB will continue to emphasize maintaining stable rates over multiple years whenever possible.

Attached is a listing of core DTMB services and corresponding rates for fiscal year 2016. The attached rates, as well as more complete schedules of all DTMB fiscal year 2016 rates, can be viewed on the intranet at <http://inside.michigan.gov/wr/rates/Pages/default.aspx>. (Click Topic "FY2016 Statewide Service Rates").

If you have specific service needs or questions, please call the individual DTMB program manager. For questions concerning Information Technology rates, you may contact Leo LaPorte at (517) 373-8308 or laportel@michigan.gov. For all other rates, you may contact Ron Foss at (517) 335-7015 or fossr@michigan.gov.

C: Phillip Jeffery David Behen
Eric Swanson IT General Managers
Greg DeCamp Ron Foss
Leo LaPorte

Attachment

**Department Technology, Management and Budget
Fiscal Year 2016 Service Rates**

	FY2015 Rate	FY2016 Rate	Unit of Issue
Office of Support Services			
<i>Delivery Services</i>			
Dedicated Freight Runs, Regional Mail Route Service, and Freight Work Orders	quotes provided in advance	quotes provided in advance	
<i>On Demand Freight Service</i>			
Labor	\$94.00	\$96.00	per hour
Vehicle – per hour	\$16.00	\$12.00	per hour
Vehicle – per mile	\$ 1.08	\$ 1.19	per mile
Minimum Charge: 1 hour (consists of Labor + Vehicle + 20 miles)	\$132.00	\$132.00	
<i>Mailing Services</i>			
Presort (blended)	\$0.0290	\$0.0290	per piece
Metered Mail	\$0.0424	\$0.0424	per piece
<i>Warehouse Services</i>			
Warehouse Space – un-inventoried	\$11.00	\$11.00	per square foot per year
Inventoried Materials Management and Storage ^(a)	\$30.00	\$30.00	per square foot per year
Secured Storage Management	\$30.00	\$30.00	per square foot per year
Inventoried Materials Handling Fee	\$ 7.00	\$ 7.00	per ship to address
<i>Printing Services</i>			
Warrant images	\$0.0620	\$0.0620	per image
Mainframe/Network digital images	\$0.0540	\$0.0590	per image
Other digital images	\$0.0540	\$0.0590	per image
<i>Imaging Services</i>			
Imaging Services	Actual +15%	Actual +15%	Service fee

**Department Technology, Management and Budget
Fiscal Year 2016 Service Rates**

	FY2015 Rate	FY2016 Rate	Unit of Issue
Office of Support Services (continued)			
<i>State Surplus</i>			
Vehicle and Equipment Auction Fee ^(b)	15% +	15% +	of sale price
Vehicle and Travel Services			
Midsized Vehicles			
Fixed fee for lease and insurance costs ^(c)	\$214.00	\$220.00	per month
Per-mile rate for fuel, maint. and operating costs	\$0.1952	\$0.1751	per mile
Large Vehicles			
Fixed fee for lease and insurance costs ^(c)	\$231.00	\$246.00	per month
Per-mile rate for fuel, maint. and operating costs	\$0.2162	\$0.2119	per mile
State Building Authority			
<i>Risk Management</i>			
Type A Vehicle Insurance	\$258.00	\$258.00	per vehicle per year
Type C Vehicle Insurance	\$18.00	\$18.00	per vehicle per year
Type M Motorcycle Insurance	\$129.00	\$129.00	per vehicle per year
Other Insurance	Actual + 12.00%	Actual + 14.00%	Administrative fee

(a) Fiscal year 2015 rate changed from the previously published rate on 10/1/13 based upon a re-evaluation of rates; Inventoried Materials Management and Storage decreased from \$32 to \$30.

(b) Negotiated rate based upon level of effort with a minimum of 15%

(c) Includes 1/12 of annual insurance amount shown for Type A Vehicle Insurance