

Department of Buildings and General Services  
2 Governor Aiken Avenue - Montpelier, Vermont

---

Government Business Services Directorate

# Postal Services

*Fiscal Year 2016 - Annual Report*



# Mission and Authority

---

- ❑ BGS - The employees of Buildings and General Services work together to deliver quality services and provide facilities management, enabling government to fulfill its mission.
- ❑ Postal Center - Provide locations within Chittenden and Washington Counties with economical and convenient access to postal and courier services along with mail and parcel security screening.
- ❑ 29 VSA §906 defines authority and provisions for providing postal services to state offices located in central Vermont

# Program Overview

---

- 11 full time shop employees
  - Support Services Assistant Manager
  - Postal Center Administrative Services Coordinator II
  - Postal Center Administrative Services Coordinator I
  - 5 State Mail Clerk II
  - 3 State Mail Clerk I
- Deliver and pickup at 54 buildings (112 stops)
  - Plus sort to 42 bins at WSOC (single stop)
  - Limited services to some locations in Berlin and Barre
  - Second, afternoon pickup at 7 buildings (10 stops)
- Internal Service Fund
  - Generate revenues to cover operating expenses while providing state government entities with economical, convenient, and secure postal and courier services.

# Program Overview

---

- Centralized program
    - Avoids duplicate costs related to postal equipment, courier vehicles, and personnel necessary for mail distribution and processing in Central Vermont
    - Facilitates inter/intra departmental mail services between the 112 Washington County locations served
    - Provides for consistent early morning receipt of incoming Federal mail
    - Allows for more flexible schedule for outgoing Federal mail
-

# Program Overview

---

- Incoming Federal mail
  - Sort an average of 15,200 pieces of incoming Federal mail daily
    - Approximately 3.8 million pieces annually
- Incoming Pink mail
  - Sort an average of 630 pieces of incoming Pink mail daily
    - Approximately 151,320 pieces annually
    - Service area includes locations in Barre, Berlin, Montpelier, and Waterbury
    - Pink mail program avoids an estimated \$99,500 in annual postal costs.

# Program Overview

---

- ❑ Security screening of all incoming Federal and Pink mail
- ❑ Outgoing Federal mail
  - Full range of USPS International and Domestic services including postal products
    - ❑ Express-Certified-Registered-Standard-etc.
  - Seal envelopes
  - Meter outgoing mail (apply postage)
  - Barcode qualifying mail pieces for lower automation rates
    - ❑ CASS Certified
    - ❑ Intelligent Mail Barcode (IMB) added
  - Mail piece design advice to save postage
  - Customer outreach regarding USPS and BGS requirements and procedures

# Program Overview

---

- Incoming UPS, Federal Express parcels and other 3<sup>rd</sup> party shippers
  - Security screen and deliver for 109, 111, and 115 State Street locations
- Authorized UPS shipper
  - Centralized shipping avoids package pickup fees
- Desktop delivery of completed print shop orders to customers in our service areas

# Program Overview

---

- Annual pickup and deliver of over 5,190 boxes of Public Records between the Washington County locations served and VSARA in Middlesex



# Key Result Areas

---

People

Communications

Finances

Operations

# People

## P1 - Goal

---

- Provide employees with effective leadership.
  - Support BGS Core Values
  - Quality and timely evaluations and appropriate feedback
  - Fair and deserving recognition through performance rewards and promotions

# People

## P1 - Performance Measurement

---

- Target = 100% of Performance Evaluations completed within 45 days of due date (per VSEA Agreement)

# People

## P2 - Goal

---

- Provide resources, training, education, equipment, and support necessary for employees to meet mission requirements.
    - Annual Taxpayer Information Training to meet IRS requirements
    - Notification of policies, rules, and regulations
    - Training on software and program procedures
    - Encourage and support networking and professional development
      - Vermont Postal Customer Council (VTPCC)
      - National Postal Forum (NPF)
    - Provide applicable safety training/equipment
      - Defensive Driving, Haz-com, Fire Safety, and Back & Lifting Safety
  - Steel-toe shoes
-

# Communications

## C1 - Goal

---

- Provide employees with open and honest communications concerning program operations.
  - Share performance measurements at regular intervals
  - Share program updates/changes immediately
  - Monthly work plan review between supervisor and staff based on rotating job schedule
  - Timely and appropriate supervisory feedback
  - Weekly work plan including reminders and notices distributed to all staff

# Communications

## C2 - Goal

---

- Provide management with timely and accurate reporting of program operations
  - Periodic supervisor's meeting with Supervisor and Director
  - Periodic meetings related to projects, etc.

# Communications

## C3 - Goal

---

- Provide state agencies with information and tools to understand and effectively use postal products and services
  - Website with FAQ, Forms, and Listings
  - Inter/Intra Office Mailings
  - Timely follow-up on inquiries

# Communications

## C4 - Goal

---

- Notify state agencies of additions and changes to products and services
  - E-mail notices to key contacts
  - E-mail notices to Business Managers and Department Heads
  - Periodic meetings with various customer groups
  - Hardcopy notifications to each of the 101 mail stops
  - Continuous communications with offices displaced by Irene (e-mail, telephone, etc.)



# Communications

## C2 - Goal

---

- Collaborate with USPS to optimize services to State agencies
  - Additional automation savings utilizing IMB full service program
    - Retail First Class stamp = .47
    - Metered First Class stamp = .465
    - Automation rate = .399
    - Full service rate = .396

# Finances

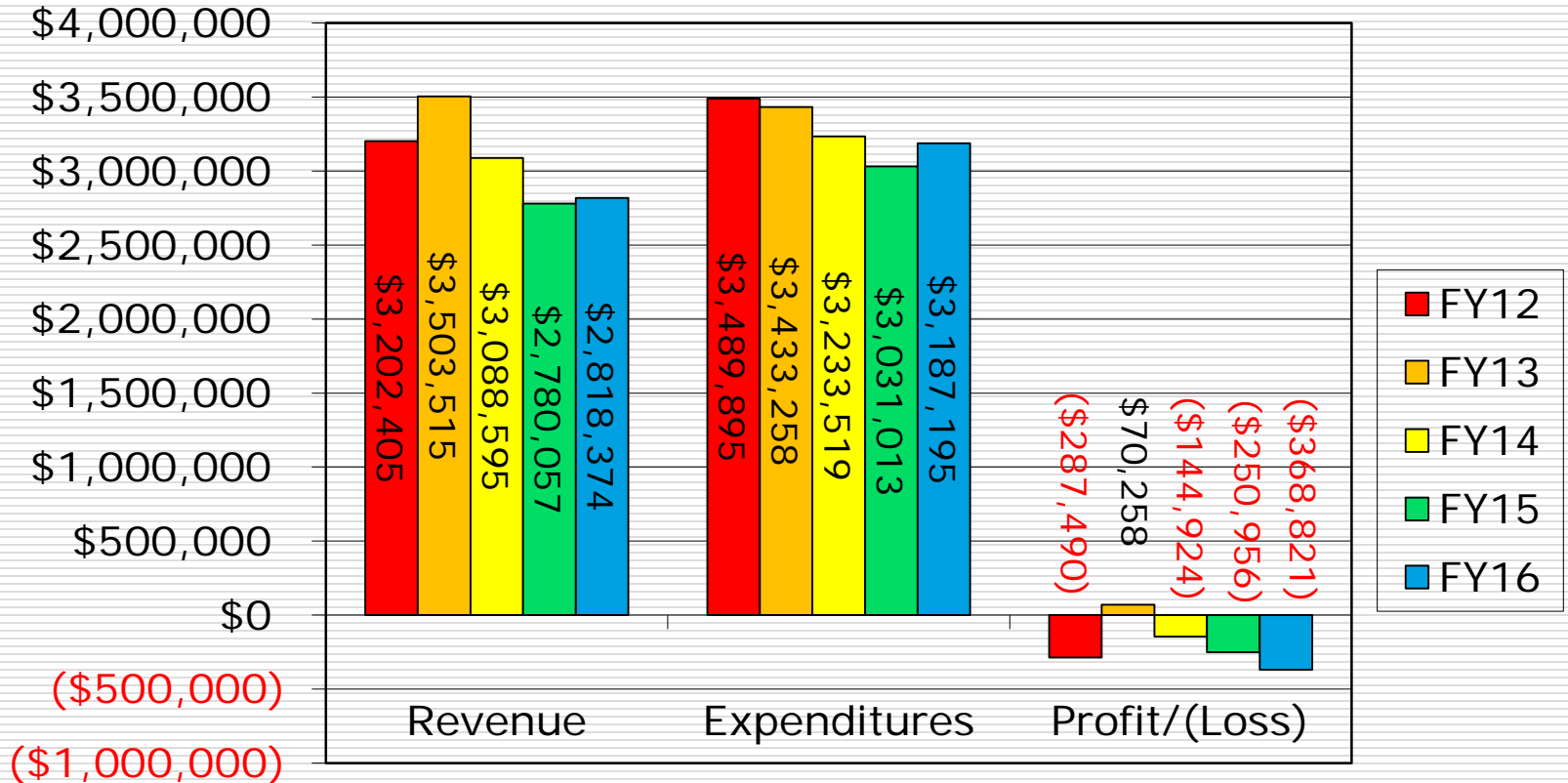
## F1 - Goal

---

- Develop and implement strategies, procedures, and processes to effectively manage program expenditures and revenues.
  - Daily postage meter readings
  - Sales tracking and internal audit steps for postage charges
  - Review and approval of purchases and payments
  - Balance postage meters and Postage-by-Phone, USPS Express Corporate, and Business Reply accounts monthly to correspond with VISION inventory
  - Analyze monthly program financial reports
  - Annual inventory

# Finances

## F1 – Performance measurement



# Finances

## F2 - Goal

---

- Develop rates for services to cover program costs
  - Considerations for setting rates
    - Direct cost of postage and shipping
    - Overhead costs
    - Projected automation savings
    - Value-added services
      - Security screening
      - Inter/intra departmental mail distribution
      - Desktop delivery of Print Shop jobs
  - Comparison of rates and services to private sector
    - National Life and Mailing Center

# Finances

## F2 – Program Data

<b>FY2017 – Deficit Reduction Plan</b>	
Projected personal services savings (combining Postal Center and Print Shop supervisor's into Program Assistant)	\$ 30,000
Increased sales (additional print/mail jobs)	\$338,821
<b>FY2017 Projected Savings</b>	<b>\$368,821</b>

Accumulated Deficit = \$2,736,279

FY2016 Deficit = \$368,821 - FY2015 Deficit = \$250,956 - FY2014 Deficit = \$144,924<sup>21</sup>

FY2013 Profit = \$70,258

# Finances

## F2 - Program Data

---

### ■ Current rates

- Automation rate – 17.5% handling fee (adjusts as USPS rates change)
  - 1 oz. mail piece is \$.396, costs customer \$.465
- Permit Automation rate - \$.03, \$.04, \$.05, or .06 (based on volume)
  - 1 oz. mail piece is .396, costs customer .426, .436, .446 or .456
- Non-Automation rate – 26.6% handling fee
  - 1 oz. mail piece is \$.465, costs customer \$.589
    - Note that \$.465 is meter rate, \$.47 is USPS retail rate
- UPS parcels - 28% handling fee on outgoing shipping costs

# Operations

## O1 - Goal

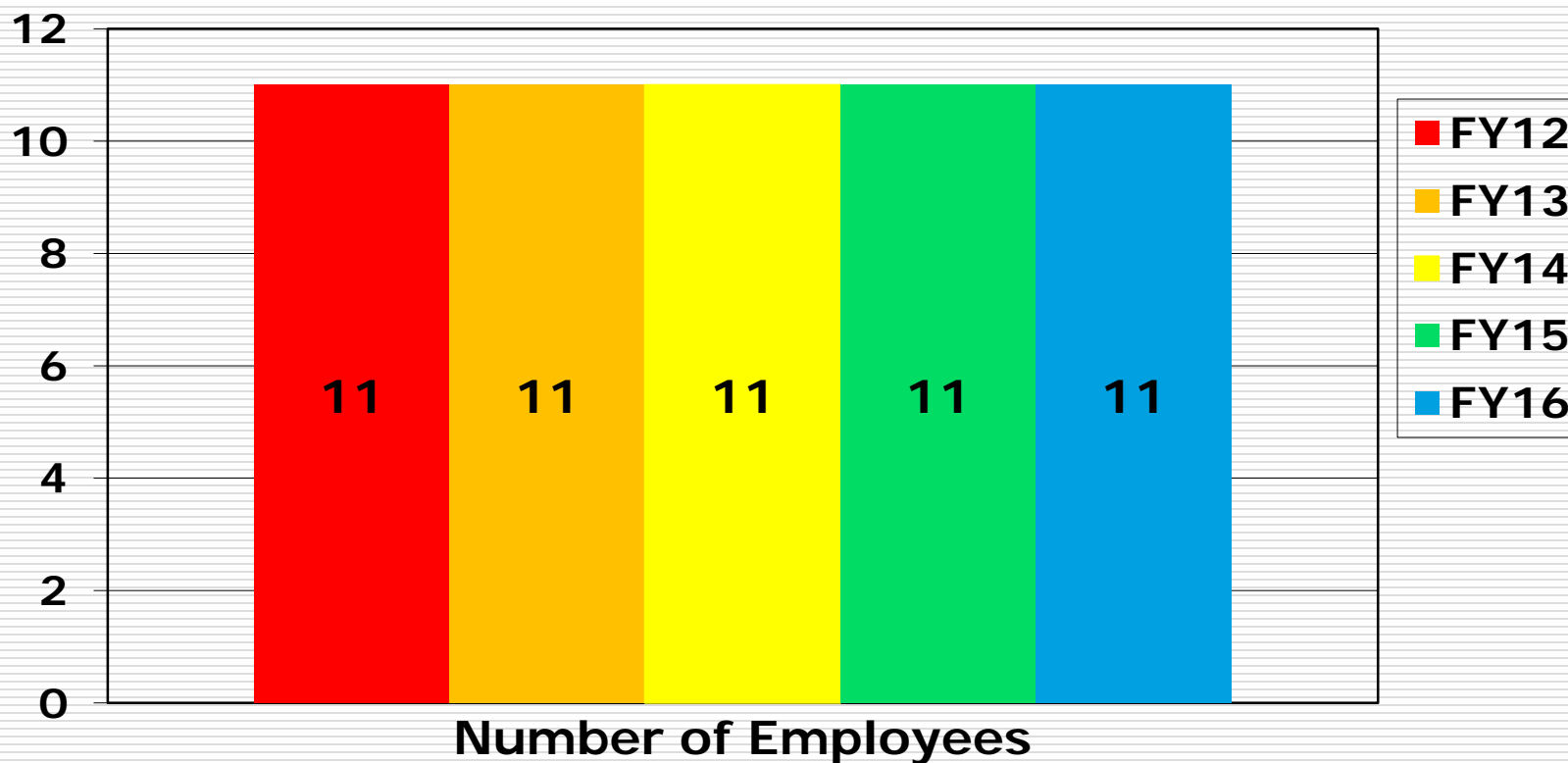
---

- Effectively operate a centralized mailroom to serve the Washington County locations
  - Explore opportunities to expand service area to statewide district offices
- Provide seamless mail services to Chittenden County offices displaced by Tropical Storm Irene during the transition back to the WSOC

# Operations

## O1 - Program Data

---

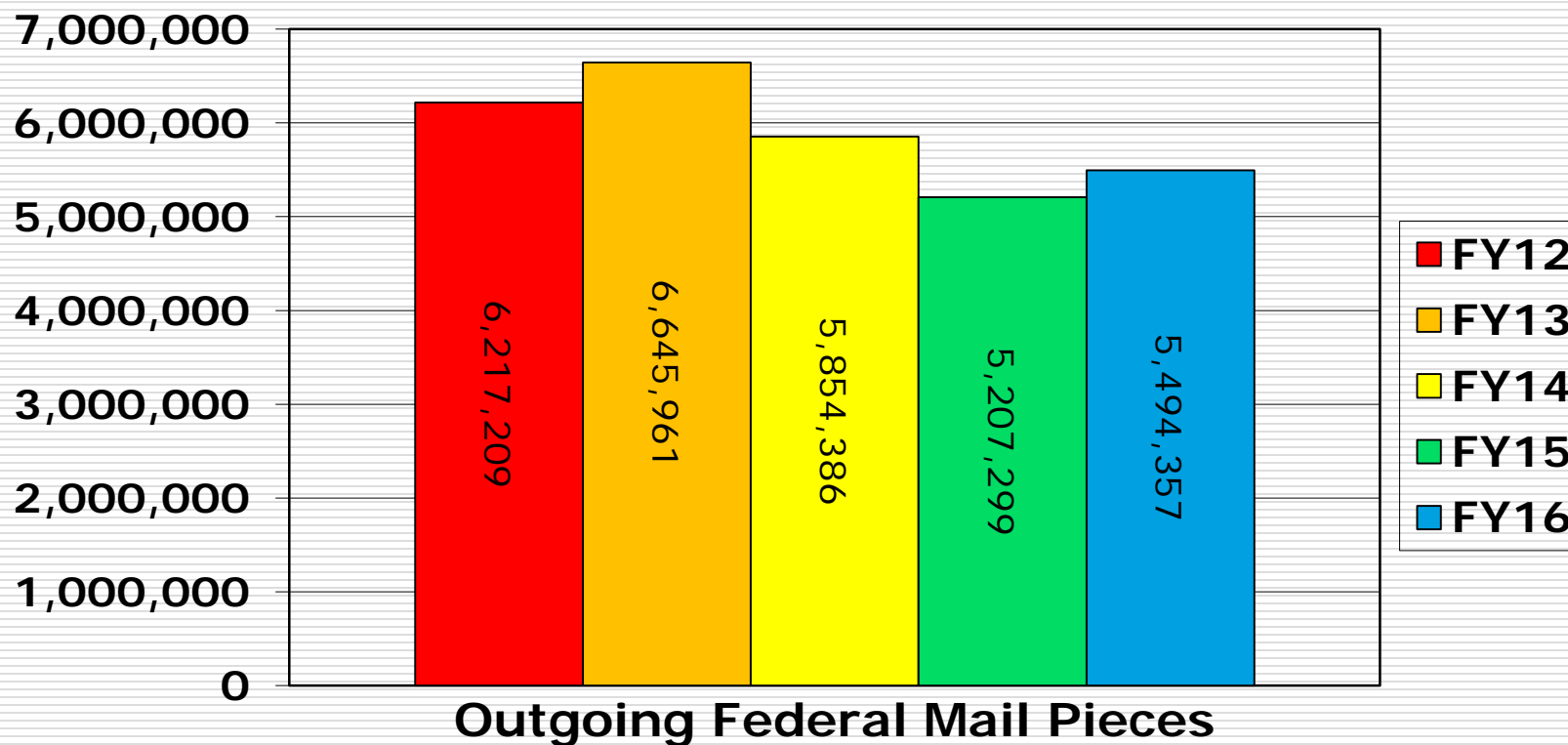




# Operations

## O1 - Program Data

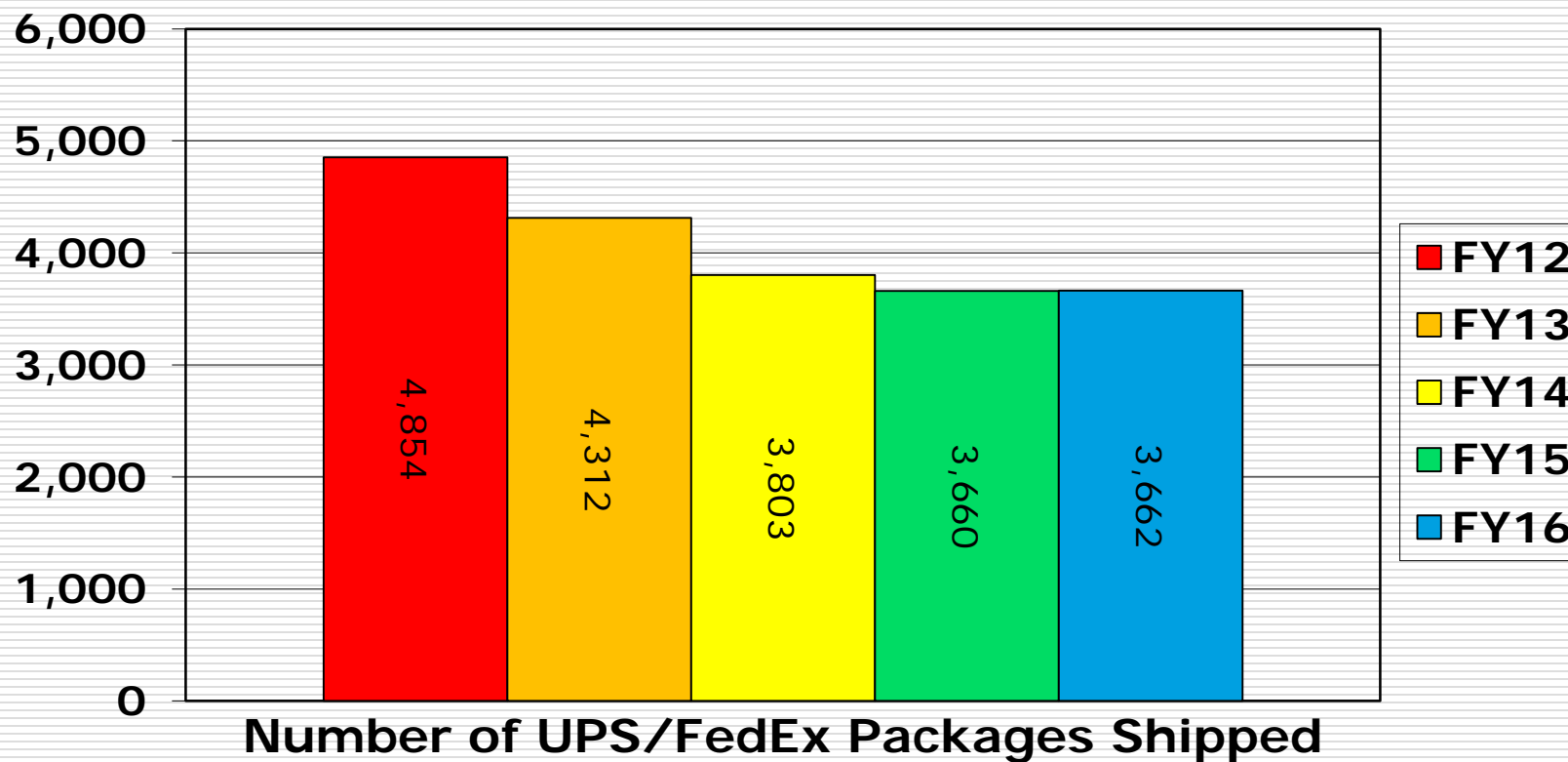
---



# Operations

## O1 - Program Data

---



# Operations

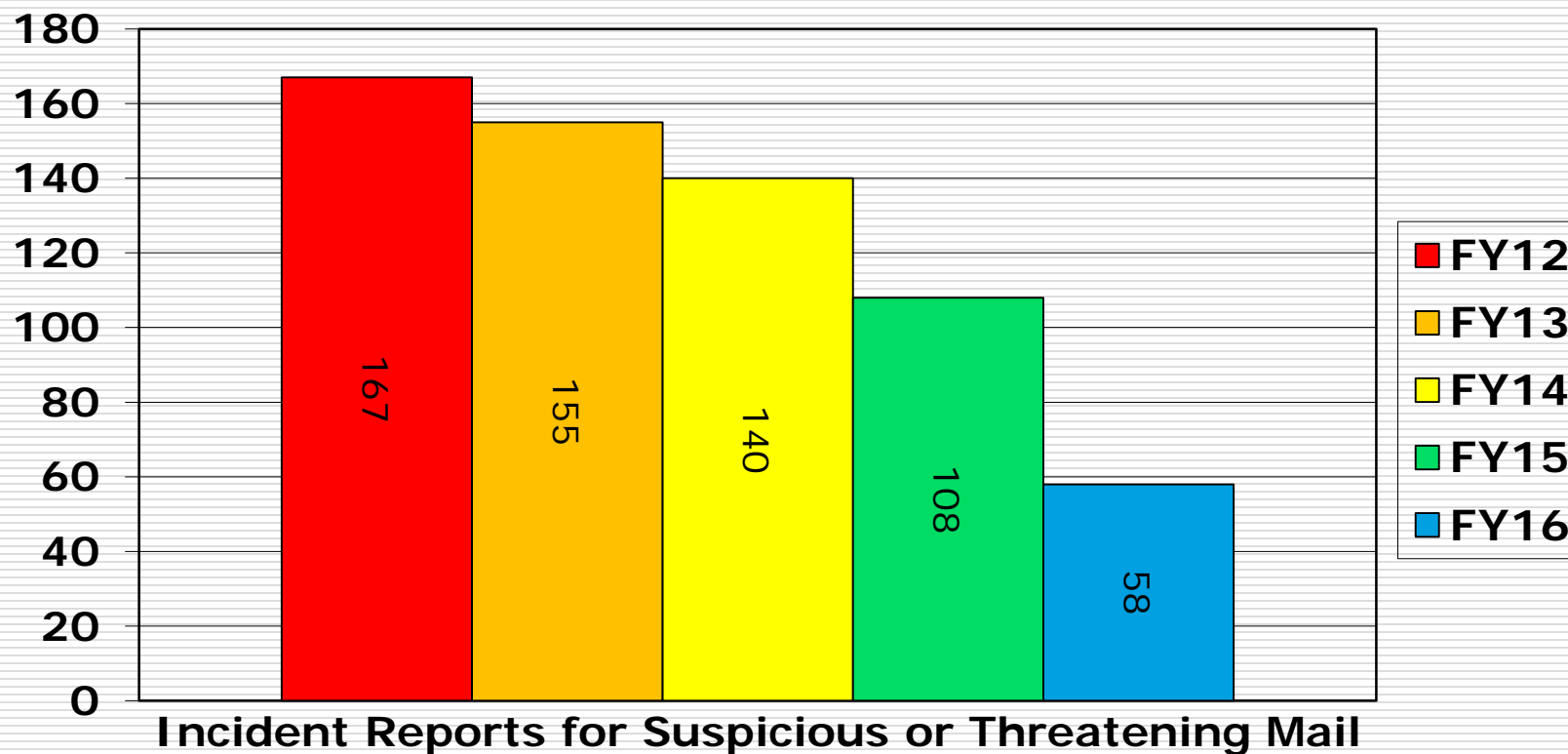
## O2 - Goal

---

- ❑ Continue to review routes, schedules and procedures to optimize resources and facilitate cross-training
- ❑ Finish renovations and implementation of equipment workflow layout in Print/Postal area
- ❑ Develop and implement automated sort schemes for incoming mail

# Operations

## O2 - Program Data



This mail is typically incoming Federal mail for the Governor's Office or Attorney General's Office

# Operations

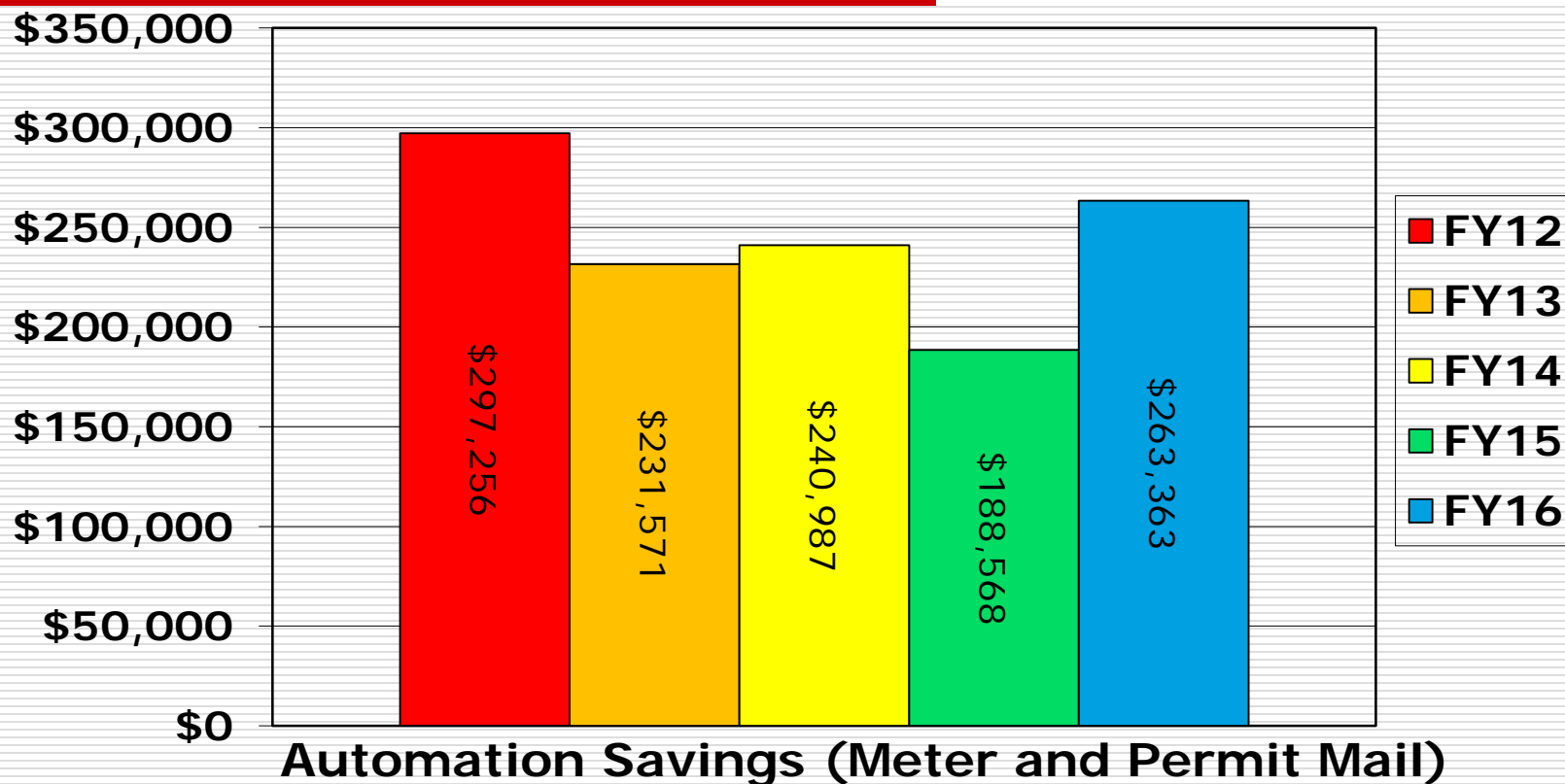
## O3 - Goal

---

- Qualify at least 50% of daily out-going Federal mail pieces for automation savings
    - FY2016
      - Total number of pieces = 5,494,357
      - Total automated pieces = 3,399,077
      - Total percentage = 61.86%
    - FY2015
      - Total number of pieces = 5,207,299
      - Total automated pieces = 2,716,405
      - Total percentage = 52.17%
-

# Operations

## O3 - Performance measurement



Avoided costs to agencies as a result of barcode/sort on outgoing mail pieces  
 Target = 10% of total revenue (10% for FY2016 = \$278,945)

Total avoided costs for FY2008 thru FY2016 = \$2,058,157

# Program Summary

---

- Successes for FY2016
  - Continued to provide seamless service to all offices displaced by Tropical Storm Irene during the transition from Chittenden County back to Waterbury
    - December - April
  - Phase II of Postal move to Print/Postal area completed
    - Postal mail sort bins and postage meters moved to new space

# Program Summary

---

## □ Successes for FY2016

### ■ WSOC opening

- New zip+4 assignments

- Weekly route schedule updates for Chittenden and WSOC from December through April

- Introduction to Postal Services at weekly orientation meetings for staff returning to WSOC



# Program Summary

---

- Successes for FY2016
  - Revised all routes following reopening of the WSOC to optimize efficiency
- Established rotating schedules to optimize cross-training
  - Incoming mail sorts
  - Processing outgoing Federal mail

# Program Summary

---

## □ Challenges

- Coordinating deliveries to AHS offices during the moves back to the WSOC
  - Four plus month process
- Decreasing mail volumes due to technology advancements
- Aging workforce – retirement planning
- Cramped work space limits workflow initiatives related to automation processing
- Addressing accumulated deficit
- USPS cutbacks impacting services

# Program Summary

---

## Opportunities

- Collaborate with BGS Property Management and customers to accommodate on-going moves
  - Continue to look for opportunities to right-size operations
    - Combined Print and Postal Supervisor positions into single Assistant Manager position
  - Mail handling and screening training
    - Staff and customers
-

# Program Summary

---

## Opportunities

- Partnerships to serve a wider customer base
  - Currently partner with BGS Security to serve locations in Barre outside our daily service area
- Continue to expand customer base, through collaboration with the Print Shop
- Phase III of work space integration for Postal/Print
  - Relocate UPS, cold storage, docks

# Customer feedback

---

All of you at BGS in Middlesex are awesome. Thank you so much for the update and for getting the job done so quickly. We at DFR really appreciate your hard work.

**Sandra Fraser, Executive Staff Assistant  
Vermont Department of Financial Regulation**