

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

Government Business Services Directorate

Postal Services

Fiscal Year 2014 - 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
 - Supervisor
 - Postal Center Administrative Services Coordinator II
 - Postal Center Administrative Services Coordinator I
 - 7 State Mail Clerk II
 - 1 State Mail Clerk I
- Deliver and pickup at 101 stops at 59 buildings
 - 84 Washington County and 17 Chittenden County stops
 - Limited services to some locations in Berlin and Barre
 - Second, afternoon pickup at 5 strategic locations
- 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 101 Chittenden and 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 Berlin, Burlington, Essex, Montpelier, South Barre, Waterbury, Williston, and Winooski
 - Pink mail program avoids an estimated \$99,500 in annual postal costs. Daily cost avoidance of postage is now being measured.

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
 - Statewide training to reduce postage costs

Program Overview

- Incoming UPS, Federal Express parcels and other 3rd party shippers
 - Security screen and deliver for 109, 111, and 115 State Street locations
 - Security screen and deliver for all customers previously located at 103 South Main Street in Waterbury
- Authorized UPS shipper
 - Centralized shipping avoids package pickup fees

Program Overview

- Annually pickup and deliver over 5,790 boxes of Public Records between the Chittenden and Washington County locations served and VSARA in Middlesex
- Desktop delivery of completed print shop orders to customers in our service areas

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.
 - 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

Communications

C2 - Goal

- Provide management with timely and accurate reporting of program operations
 - Weekly 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
 - Commercial Base pricing option saves an average of 5% on priority and express mail (per USPS approved Information-Based Indicia (IBI) postage meters)
 - Additional automation savings utilizing IMB full service program
 - ❑ Retail First Class stamp = .49
 - ❑ Metered First Class stamp = .48
 - ❑ Automation rate = .406
 - ❑ Full service rate = .403

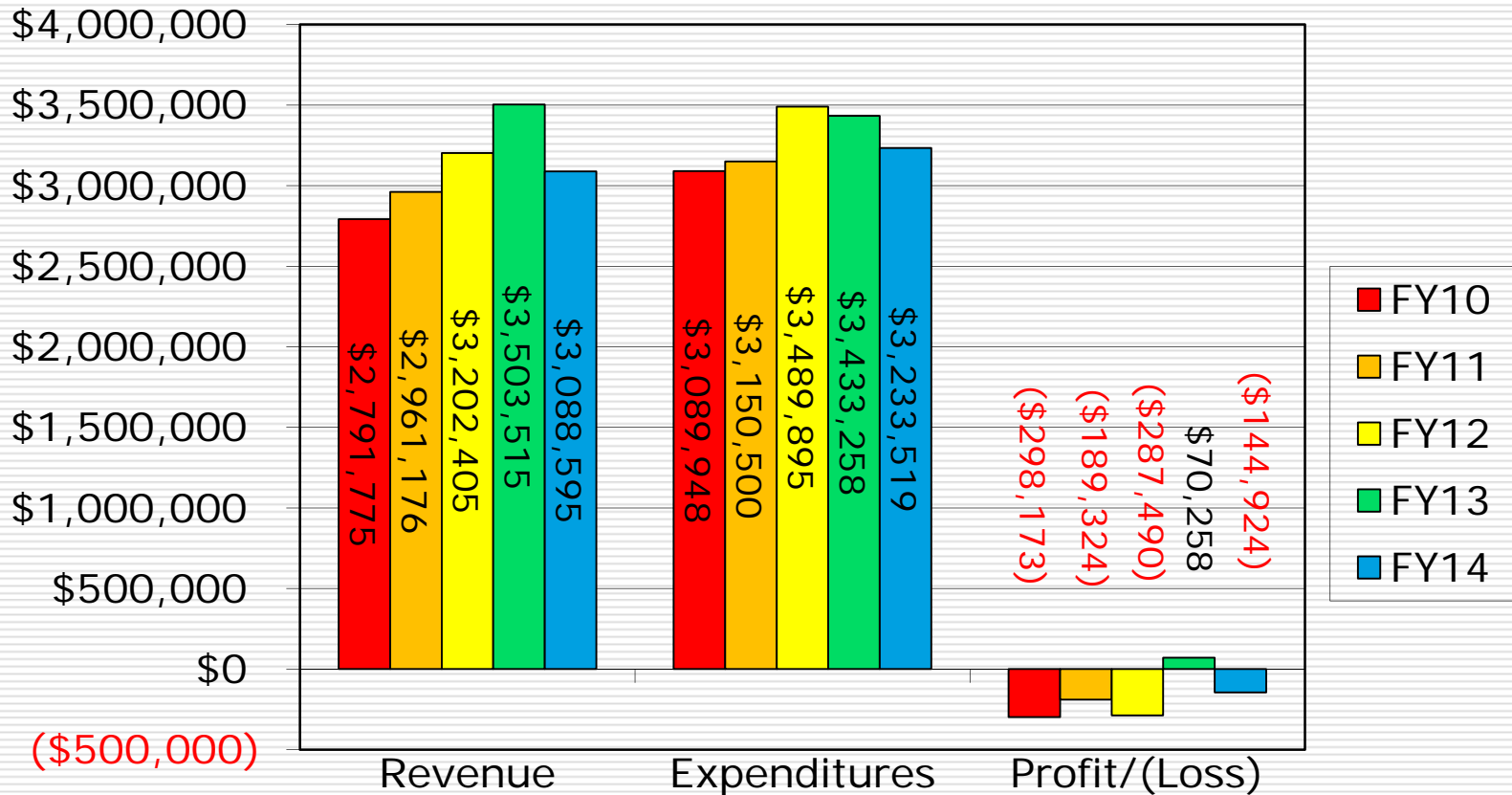
Finances

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
 - Minimize expenses related to serving offices displaced by Tropical Storm Irene
-

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

FY2015 – Accumulated Deficit Reduction Plan

Projected personal services savings (combining Postal Center and Print Shop supervisor's into Program Assistant)	\$ 30,000
Increased sales (additional print/mail jobs)	\$114,924
FY2015 Projected Savings	\$144,924

Accumulated Deficit = \$2,120,973

FY2014 Deficit = \$144,924 FY2013 Profit = \$70,258 - FY2012 Deficit = \$287,490

Finances

F2 - Program Data

- Current rates
 - Automation rate – 19.2% handling fee (adjusts as USPS rates change
 - 1 oz. mail piece is \$.403, costs customer \$.48
 - Permit Automation rate - \$.03, \$.04, \$.05, or .06 (based on volume)
 - 1 oz. mail piece is .403, costs customer .433, .443, .453 or .463
 - Non-Automation rate – 26.6% handling fee
 - 1 oz. mail piece is \$.48, costs customer \$.608
 - Note that \$.48 is meter rate, \$.49 is USPS retail rate
 - UPS parcels - 28% handling fee on outgoing shipping costs

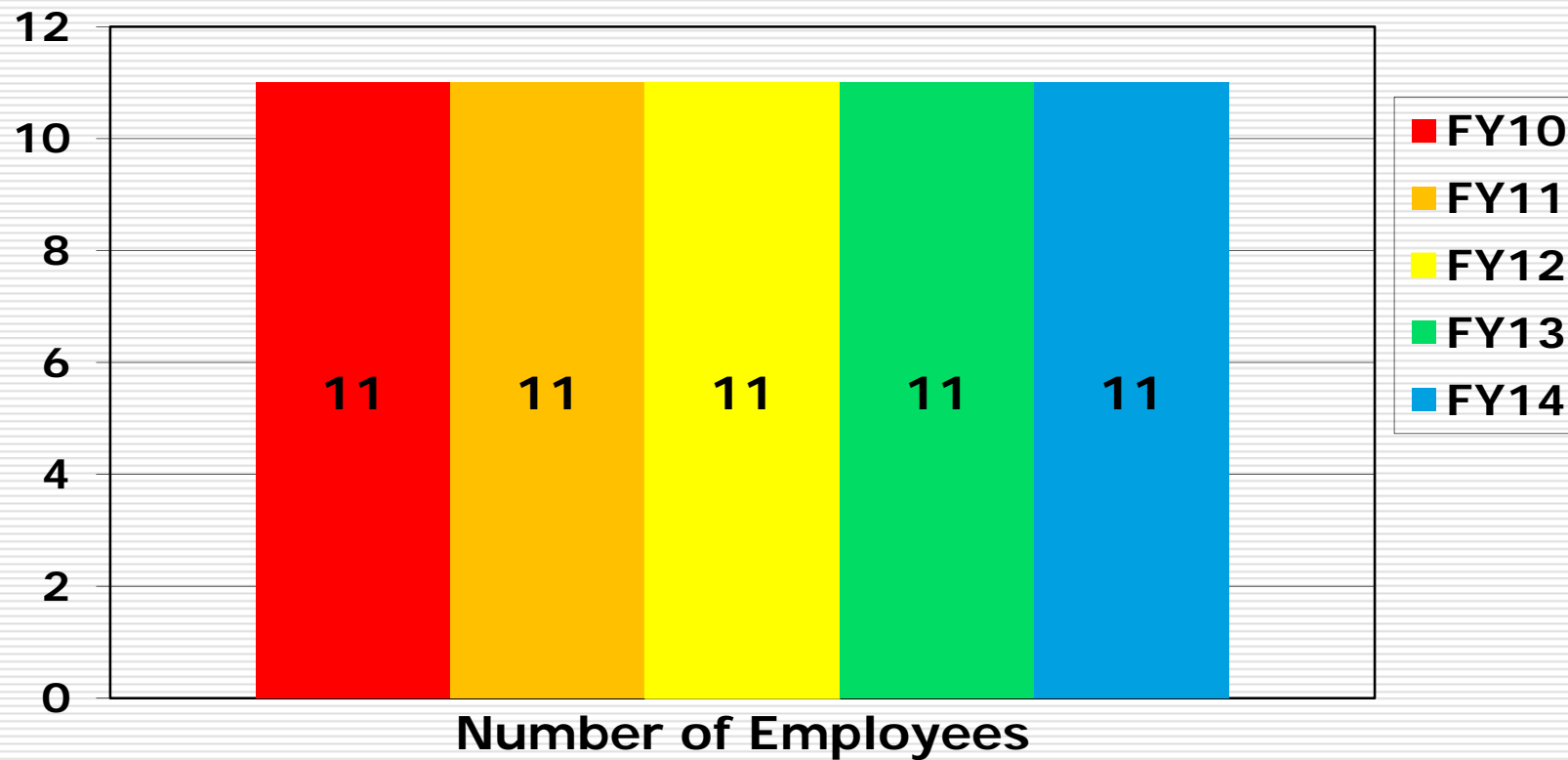
Operations

O1 - Goal

- Effectively operate a centralized mailroom to serve the Chittenden and Washington County locations
 - Continue to serve all offices displaced by Tropical Storm Irene
 - Explore opportunities to expand service area to statewide district offices

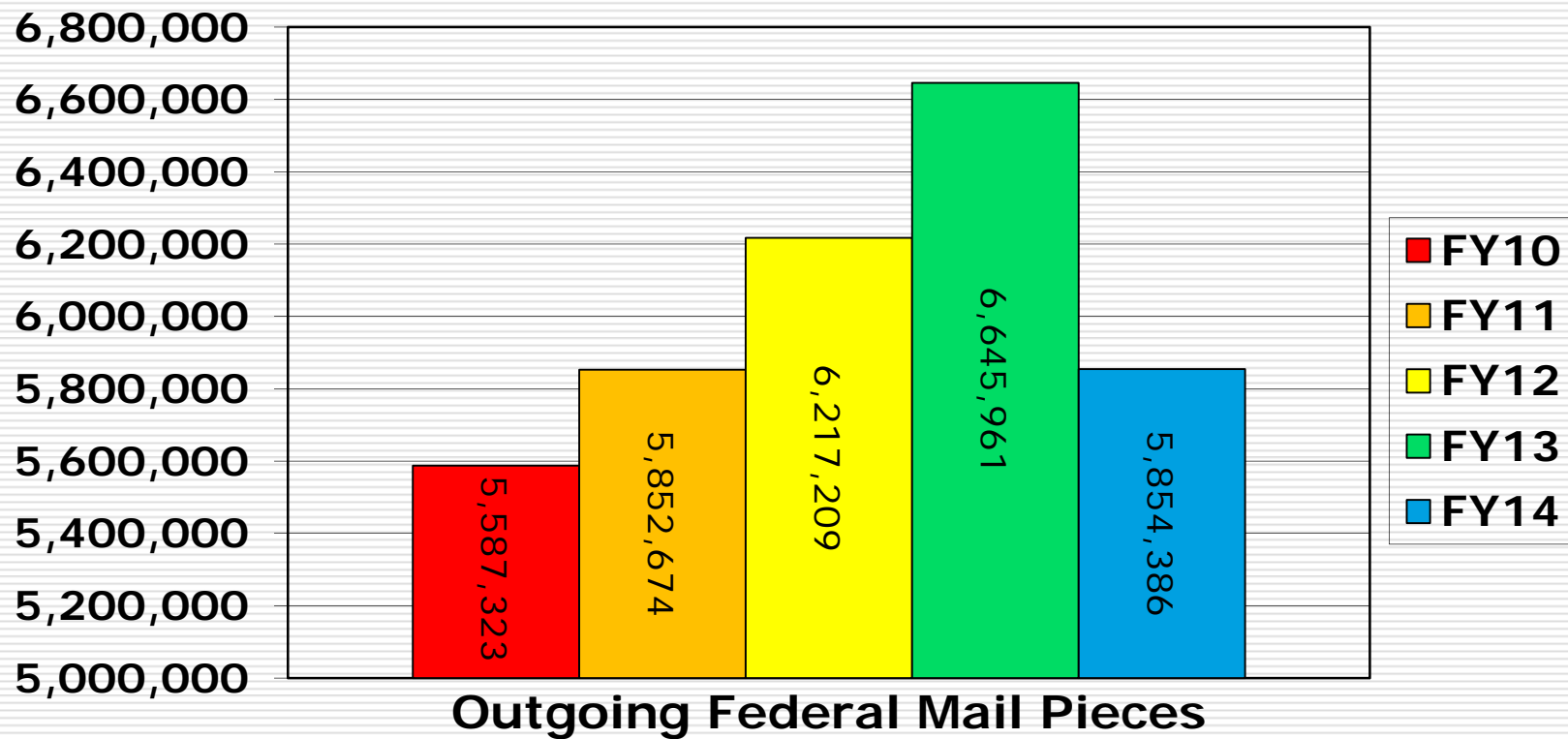
Operations

O1 - Program Data



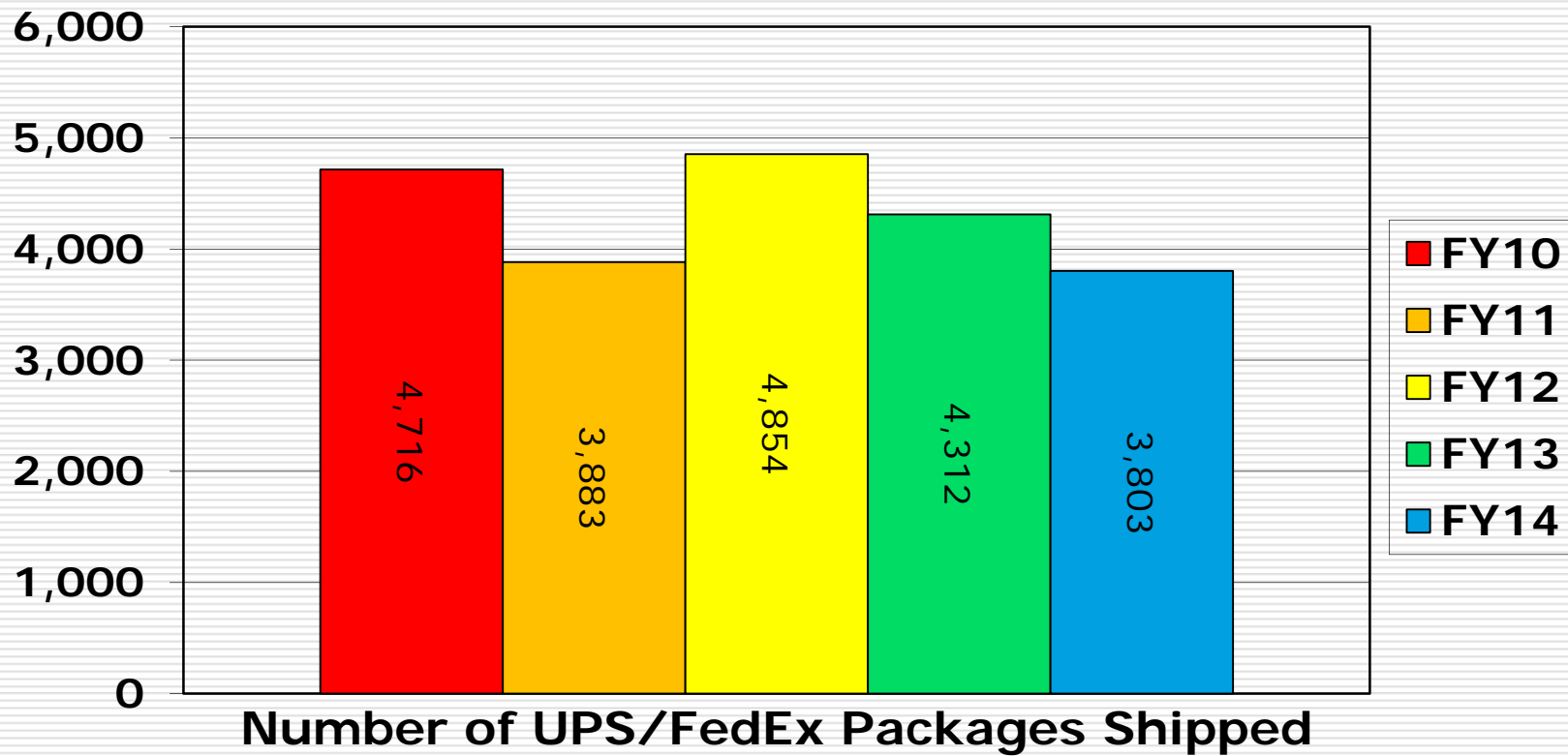
Operations

O1 - Program Data



Operations

O1 - Program Data



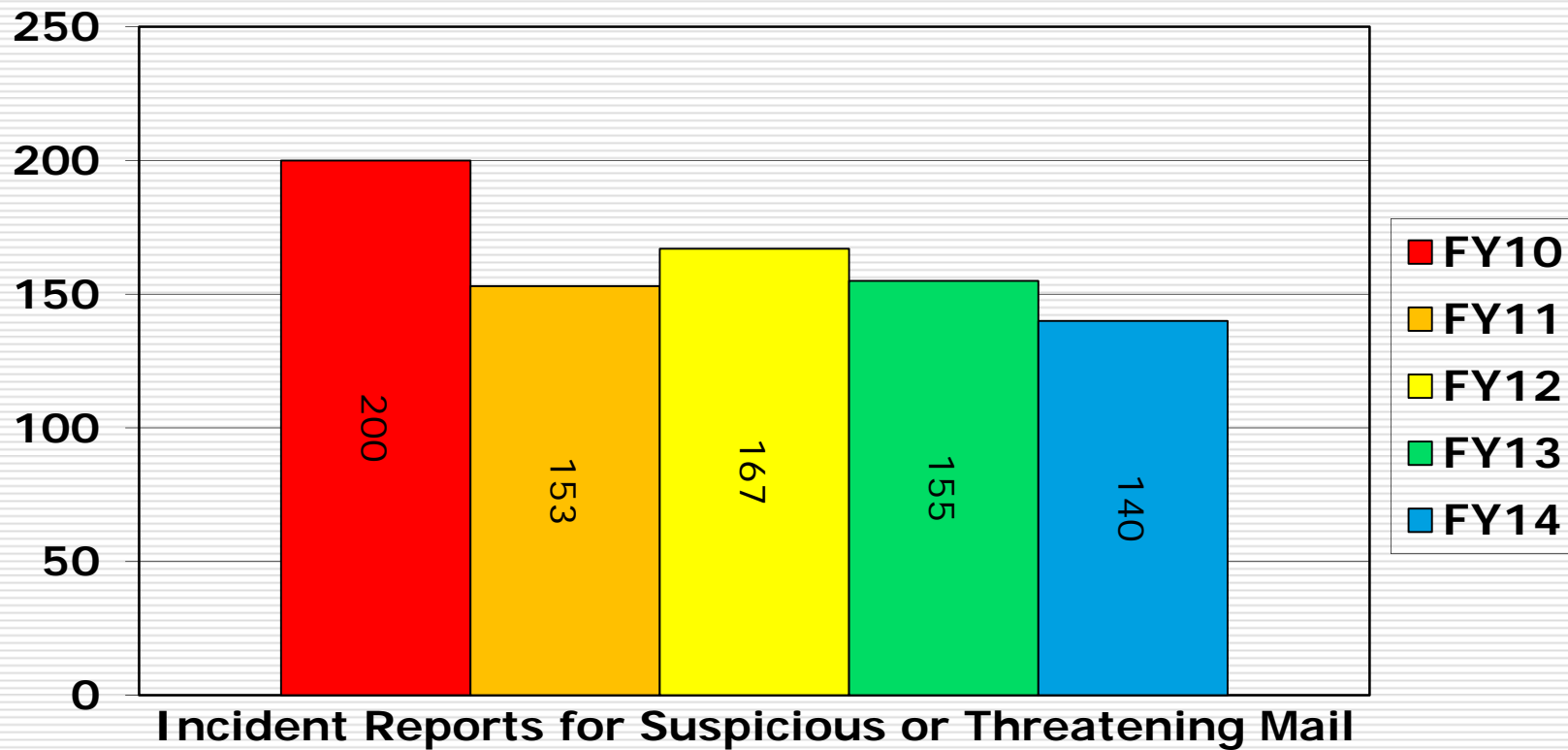
Operations

O2 - Goal

- Perform security screening on all incoming mail and parcels to promote a safe work environment
 - Review mail handling protocol in light of recent mail threats
- Space study
 - Discuss possible renovations to address cramped work areas in the context of the overall work flow

Operations

O2 - Program Data



FY09 – high profile controversial legislation contributed to volume

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

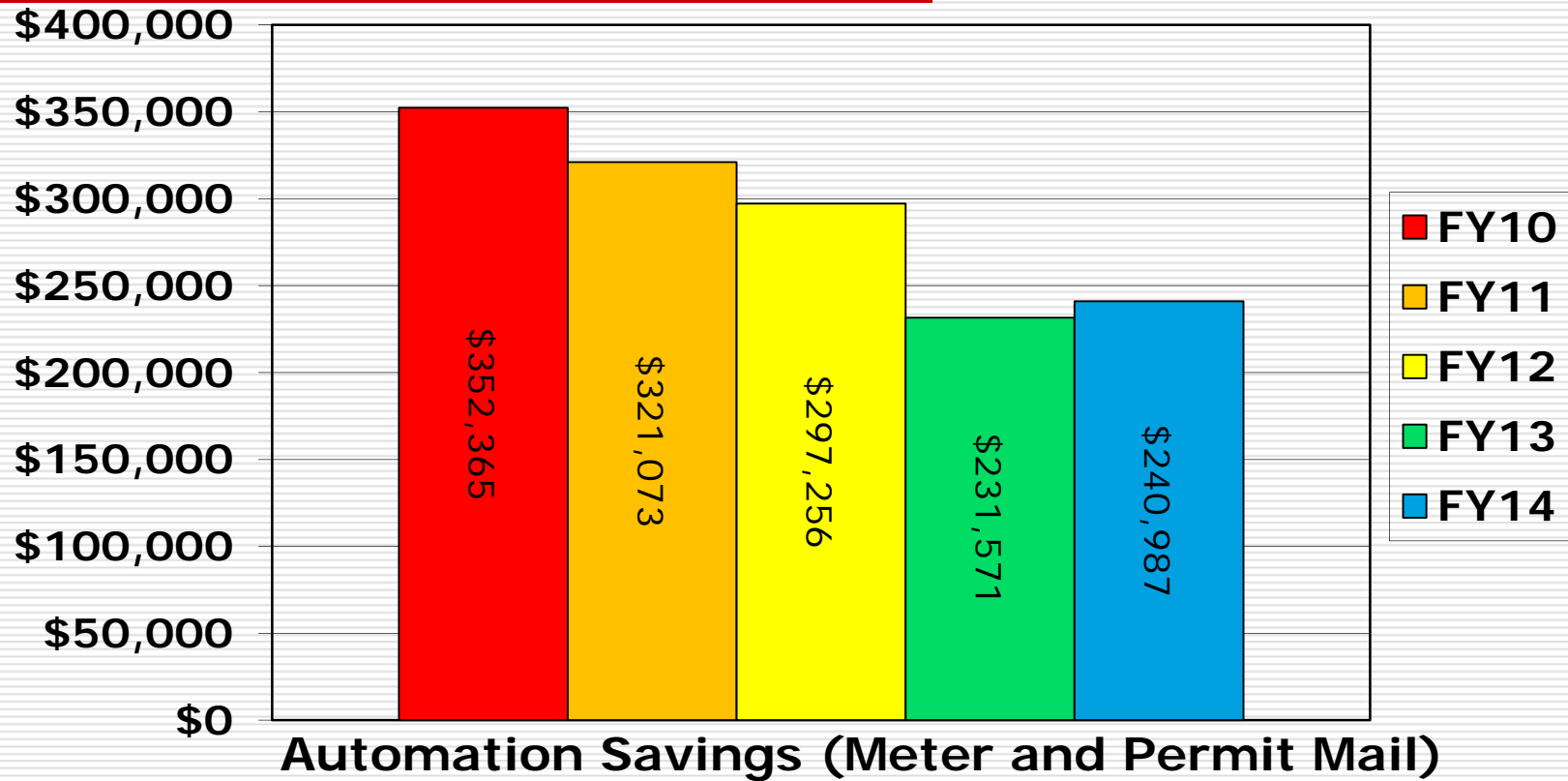
Operations

O3 - Goal

- ❑ Qualify at least 50% of daily out-going Federal mail pieces for automation savings
 - FY2014
 - ❑ Total number of pieces = 5,854,386
 - ❑ Total automated pieces = 2,829,614
 - ❑ Total percentage = 48.33%
 - FY2013
 - ❑ Total number of pieces = 6,645,961
 - ❑ Total automated pieces = 2,814,399
 - ❑ Total percentage = 42.35%

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 FY2014 = \$308,860)

Total avoided costs for FY2008 thru FY2014= \$1,606,226

Program Summary

□ Successes for FY2014

- Continue to provide seamless service to all offices displaced by Tropical Storm Irene
- Worked with USPS and BGS Security to update statewide mail handling protocol
- Continue to work closely with customers to increase their use of our services
 - Department of Labor, DCF/ESD-ADPC, OVHA, and VHC

Program Summary

□ Successes for FY2014

- Installed 3 new mailing machines and updated mail management system
 - Improved operator interface resulting in fewer operator errors
- Implemented USPS – Intelligent Mail Barcode (IMB) to qualify for applicable postage discounts
- Moved from XP platform to Windows 7

Program Summary

□ Challenges

- Adjusting staffing and mail routes to address offices displaced by Tropical Storm Irene
- 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 post Tropical Storm Irene moves
- Continue to improve and highlight the value of post-Irene services
- Continue to look for opportunities to right-size operations

Program Summary

Opportunities

- Partnerships to serve a wider customer base
 - Currently partner with BGS Security to serve specific locations in Barre
- Continue to expand customer base, through collaboration with the Print Shop
- Integrate Postal/Print work spaces
- Work with USPS to qualify for co-mingling automation mail

Customer feedback

“Thank you so much for your team’s support of our move! My experience with your team has been exceptional! ”

Angela Rouelle

Vermont Agency of Administration, VTHR Operations Director

“A **HUGE** thank you to Michael and Tyler for this delivery today. Not only did they deliver these to us with the excellent customer service that all BGS Postal employees provides to their customers daily, but they also went above and beyond with this delivery. We appreciate their efforts, thoughtfulness and man power. It really made quick work of this delivery. Thank you for all that you all do for us on a daily basis.”

Lisa Gilman

VT State Treasurer's Office, Financial Specialist III

Customer feedback

“On behalf of Beth, me and the rest of the Treasurer’s Office staff, we sincerely thank you for the high-quality customer service you provide us on a regular basis, especially when unusual circumstances arise, and for the great working relationship you maintain with us.”

Stephen T. Wisloski
Deputy State Treasurer

“You do very well to stay on top of all the changes that happen all the time with all the musical offices that are constantly happening. Everyone over there deserves a huge pat on the back for an awesome job!!!”

Bonnie Boyce
Office of the Attorney General