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# **Seat of Government Consolidated Mail Operations**

## **Mail Forum**

### **June 10, 2009**



# Mail Forum

## Consolidated Mail Operations

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# Joe Damico

Deputy Director  
Department of General Services

# Bob Gleason

Director DGS Procurement Services



# Legislation

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## 2006 Acts of Assembly

### Item #81E.

The Department of General Services shall, in conjunction with affected agencies, develop, implement, and administer a **consolidated mail function** to process inbound and outbound mail for agencies located in the Richmond metropolitan area. The consolidated mail operations shall include the establishment of a centralized mail receiving and outbound processing location or locations, and the enhancement of mail security capabilities within these location(s).



# Agency Savings

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**Collective Agency Savings/Cost Avoidance  
Approximately \$2M**



# Details of Agency Savings

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- Reduction in number of postage meters
  - From 53 to 25
  - \$152K
- Elimination of courier services
  - \$50K
- Presort letter *(includes all agencies using DGS presort contract)*
  - \$1.5M
- Presort flats *(includes only SMS processing)*
  - \$22K
- Inter-agency mail delivery cost avoidance
  - \$350K



# Mail Forum Agenda

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### Agenda

- **Cost Savings Opportunities from SMS**  
Jeanne Castleberry

- **U.S. Postal Services**  
Merritt Foster, Account Manager USPS

Update on Richmond area operations/USPS Postage Increases  
Ann Jefferson, Postal Inspector

- **Presort Services**  
Art Leonard, General Manager PSI /Pitney Bowes Presort Services  
Cost savings opportunities



# Mail Forum Agenda

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### ***Continued:***

- **Pitney Bowes**  
Eric Schmude, Strategic Government Account Director, Pitney Bowes  
  
Postage meter management and cost savings mail options  
Chris Nichols, DPS Contract Officer- Any contract questions?
- **UPS and UPS Mail Innovations**  
Mike Kiefer, Senior Account Manager, UPS  
Matt Manion, DPS Contract Officer- Any contract questions?
- **Questions and Feedback**



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# Jeanne Castleberry

State Mail Manager  
Department of General Services



# Services Provided by SMS

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- Postage metering service for outgoing mail
- Inter-agency mail delivery & envelopes
- Incoming USPS mail delivery from Caller Service and PO Boxes
- Courier routes that cover over 400 miles daily with 150 stops
- Electronic processing of certified mail
- Presorting 1<sup>st</sup> class letters and flats through PSI/Pitney Bowes
- Security screening
- Website ([www.dgs.virginia.gov/SMS](http://www.dgs.virginia.gov/SMS)) serves as a central location for disseminating information for all mail related topics
- Mail consulting and training



# Services Provided at No Cost to the Agency

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**SMS provides many beneficial services at no cost to the agency.**

- **Postage metering service for outgoing mail**
  - Avoid cost of postage machine – annual expense from \$2,400 - \$12,000
- **Inter-agency mail delivery**
  - Courier routes that cover over 400 miles daily with 150 stops
  - If sending from state agency to state agency, within the SMS service area, send via inter-agency.
  - This saves on USPS postage with delivery next day or sooner and agencies avoid having to pay a courier vendor for the service.
  - SMS mail stop locations and codes are on the SMS website.
  - Savings for 1,000 delivers can range from \$850 to over \$5,000 depending on sizes of the mail pieces.
- **Incoming USPS mail delivery from Caller Service and PO Boxes**
  - Avoid outside courier vendor fees there by reducing annual expense from \$3,000 - \$4,800



# Services Provided at No Cost to the Agency

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*Continued:*

- **Electronic processing of certified mail**
  - Using paper signature green card returns cost \$2.30 per envelope/package. If you can use online electronic signatures from USPS the cost is only \$1.10. Before taking this action, verify with your legal department.
- **Presorting 1<sup>st</sup> class letters and flats through PSI/Pitney Bowes**
  - If SMS meters your outgoing mail, the savings will be over \$.05 per envelope and \$.20 per flat envelope. For every 10,000 envelopes save \$500 and for every 10,000 flats save \$2,000.
  - If Agency meters outgoing mail, you still can use the presort rates with the DGS/SMS presort contract with PSI. Contact us to get set up.



# Services Provided at No Cost to the Agency

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*Continued:*

- **Mail training for your agency staff**
  - Contact SMS to arrange for a hour of detailed training on ways to save postage dollars
  - Examples of what this detailed training will cover:
    - Using double sided printing
    - Using the proper envelopes - flats versus letters
    - How to use presort service
    - Envelope must have typed addrees to qualify for presort



# Using the Proper Envelope: Flat vs. Letter

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Mailing a flat costs **\$0.85** to send.

Using an envelope (6 1/8 inches high x 9 inches long), which may require folding documents, costs only **\$0.44** to send.



### Flats

Standard: 11 1/2" long, 6 1/8" high, and 1/4" thick  
Not larger than: 15" long, 12" high and 3/4" thick



### Letters

Standard: 5" long, 3 1/2" high, and .007 thick  
Not larger than: 11 1/2" long, 6 1/8" high & 1/4" thick



# Services Provided at No Cost to the Agency

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*Continued:*

- **Mail Consulting**

- Call SMS with questions – SMS has a network of vendors that we use
- DGS/SMS works in partnership with PSI/Pitney Bowes to maximize presort opportunities
- Work with SMS before you create a large mailing
- Considering mail piece design and quality control (ex: postcard size)



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# Merritt Foster

Account Manager  
United States Postal Service

# Ann Jefferson

Postal Inspector



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# Art Leonard

General Manager  
PSI Pitney Bowes  
Presort Services



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## Consolidated Mail Operations

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# Eric Schmude

Strategic Government Account Director  
PSI Pitney Bowes



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## Consolidated Mail Operations

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# Chris Nichols

DPS Contract Officer



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## Consolidated Mail Operations

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# Mike Kiefer

Senior Account Manager, UPS



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# Dave Powell

Regional Account Manager  
UPS Mail Innovations



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## Consolidated Mail Operations

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# Matt Manion

## DPS Contract Officer



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# Questions or Feedback



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DEPARTMENT OF  
GENERAL SERVICES

**State Mail Services**

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Please Complete and Turn  
In Your Forum Evaluation

Presentations will be  
Posted on the SMS  
Website

[www.dgs.virginia.gov/SMS](http://www.dgs.virginia.gov/SMS)

[StateMail@dgs.virginia.gov](mailto:StateMail@dgs.virginia.gov)



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## Point of Contact

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State Mail Manager

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