

MANAGEMENT MEMO

SUBJECT:

PRINT MAIL POLICIES

REFERENCES

“Report to the Legislature: Print Mail” dated March 2013.

NUMBER:

MM 13-07

DATE ISSUED:

OCTOBER 8, 2013

EXPIRES:

UNTIL RESCINDED

ISSUING AGENCY:

DEPARTMENT OF
GENERAL SERVICES

Purpose

This Management Memo announces new directives regarding mail policy for the Executive Branch.

Policy

Executive Branch agencies and departments shall implement cost-saving practices to reduce costs and realize efficiencies in their mailing operations.

Cost-Saving Practices

The following cost-saving practices are designed to help state agencies and departments reduce costs and realize efficiencies in their mailing operations:

- Whenever cost effective, complete large (more than 500 pieces) planned mailings using permits obtained from the United States Postal Service (USPS) or using a mail vendor's permit instead of postage meters.
- When cost effective, use postage meters for:
 - Daily office mail.
 - Mail requiring special services such as (but not limited to): “certified,” “return,” “priority,” and “registered.”
 - Mail with legal mandates.
 - Mail generated in remote office locations.
 - Pre-sorted mail.

Note: Permits can only be issued by the USPS; it is permissible for those with mail to use a mail vendor's permit instead of postage meters.

- State agencies and departments are encouraged to hold their FY postage funds in their state government accounts where they can earn a higher rate of interest for the State of California. Up to 90 days' worth of postage may be held in a vendor postage reserve account, and up to 30 days' worth of postage may be on vendor postage meters.
- State departments will use the competitively negotiated DGS WSCA (Western States Contracting Alliance) contracts for courier services until such time as the negotiated rates are not competitive, and/or the contracted couriers no longer provide cost efficient, quality service statewide.
- When possible, state departments will sort mailing addresses on computers before mail is printed as opposed to sorting the mail after it is printed and inserted into envelopes.
- All departments will examine their current paper mailings and where feasible, convert those paper mailings to electronic mailings.

MANAGEMENT MEMO 13-07

Related Additional Activities

In addition to the practices listed above:

- The Department of General Services shall research the use of a master service agreement for pre-sort and mail meter account vendors.
 - The California Department of Technology shall work with state departments and DGS to examine commercial opportunities for additional electronic mail solutions.
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Background

In Fiscal Year 2012-13 supplemental budget language, item 1760-001-0666--#1, stated that, "DGS shall examine current State expenditures for mail and postage and report to the Legislature not later than January 1, 2013 the amount of money that could be saved by adopting enterprise-wide printed mail best practices including but not limited to the use of presort mail opportunities to maximize postage discounts, using modern technology to identify lowest rates, depositing postage funds in interest earning postage accounts, reviewing and redesigning mailings for postage savings, and assessing the potential for digital mail technologies."

The subsequent report entitled, "Report to the Legislature: Print Mail." found that during 2011-12, state entities produced and mailed approximately 336.8 million pieces of mail and small packages at a cost of approximately \$243.6 million. It found that over \$10 million is needed for ongoing specialized equipment upgrades and replacement to maintain an \$87.6 million mail production infrastructure.

The state saves approximately \$15 million in postage each year by preparing and submitting mail in accordance with the USPS automation presort program. However, additional savings can be gained by implementing the policies described above and by exploring the innovative cost-efficiencies described under "Additional Activities."

Timelines

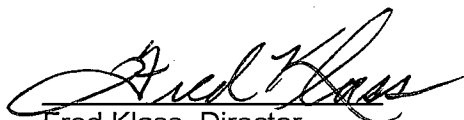
Executive Branch agencies and departments shall have all above policies in place by June 30, 2014.

DGS Contact

For further information about the mail policy directives, please contact:

Kam Langham
Department of General Services
Office of Strategic Planning, Policy & Research
(916) 376-5068
Kam.Langham@dgs.ca.gov

Signature


Fred Klass, Director
Department of General Services