



Los Angeles County's Department of Public and Social Services Renovates Mail Centers and Improves Mail Processing Efficiency with Modern Mailing Systems Installed at 65 Facilities

Since 1999, the Los Angeles County Department of Public and Social Services (DPSS) has invested \$1.6 million in installing new mailing systems from Neopost at each of its 65 facilities. The results include dramatic improvements in mail processing and equipment maintenance, such as:

- More efficient communication with program participants.
- Elimination of manual tasks, such as opening thousands of incoming mail pieces per week, and folding and inserting approximately 30,000 documents per week into envelopes.
- A 15 percent reduction in labor costs and improved organizational performance by saving time and not having to pull other staff away from their jobs to help process mountains of mail.
- A 7 percent savings in postage costs from accurate metering.
- Improved mail sortation for efficient internal routing.
- Improved morale through scheduled training, focus on importance of mail, success of the new systems, modern equipment and mail center appearance.
- Established maintenance procedures and automatic maintenance agreements, resulting in easier, more efficient maintenance of more than 1,000 pieces of equipment.
- Top priority service status from Neopost.

Every week, Los Angeles County's Department of Public and Social Services processes more than 30,000 pieces of mail directly affecting the well-being of its approximately 1.7 million participants. An agency serving a county of 9.8 million residents, larger in population than 42 states, with an area of 4,083 square miles, encompassing 88 cities, and the needs of an ethnically and culturally diverse community cannot afford to inefficiently process mail.

"Mail is an important artery serving the heart of our operations at DPSS," said Guillermo 'Bill' Reyes, division chief, Bureau of Workforce Services. "If you stop the mail, we're out of business. However, while mail processing has always been a very important component of serving our participants, it was not until recently that the DPSS focused attention on it and asked questions such as, 'Is it efficient? Is it going well? Is it cost effective? Are we overspending on postage due to manual equipment? How can it be improved?'"

In 1999, the DPSS Automation Committee led by Bill Reyes and comprised of directors throughout the DPSS examined mail processing and agreed that, while the DPSS was meeting the needs of its participants, there were significant inefficiencies in mail processing that needed to be addressed. Members of the committee included Jan Creech, division chief, Bureau of Workforce Services; Mattie Gardette, district director, Bureau of Workforce Services; Stephanie Dillard, human services administrator III, South Special District; and James Adams, human services administrator III, GAIN Region IV.

Mattie Gardette described the situation this way: “At the beginning of each month, the DPSS receives a deluge of mail from participants including forms and receipts that they must provide to continue qualifying for aid, whether in the form of cash, food stamps, medical or job placement services. Our existing letter openers were not able to handle the increasing volume of mail the DPSS received since their purchase. The letter openers would also often tear the forms the participants sent back, and destroy the cancellation date on the envelope, which the DPSS needs to prove that it provides timely services to its participants.”

“The solution at the time,” added Stephanie Dillard, “was to pull other staff from their jobs at the beginning of each month to help mailroom staff manually open mail and tape together forms the letter openers had ripped. This not only added to our labor cost of processing mail; it also negatively impacted morale and diverted staff away from their own important responsibilities of serving participants.”

In addition to recognizing a need for improved processing of incoming mail, the automation committee identified problems in outgoing mail processing and internal mail sortation. These included:

- Regularly pulling other staff from their jobs to manually fold and insert into envelopes thousands of forms, food stamp surveys and other communications to participants, then manually seal the envelopes.
- The use of stand-alone mechanical scales that were often not calibrated and did not interface with mail machines. This resulted in inaccurate postage calculation and required error-prone manual entry of postage values into the meter for each mail piece.
- The lack of a mail accounting system to accurately track postage costs for each aid program.
- The need for modular mail sortation furniture and mail distribution centers on each floor for efficient internal sortation and delivery of incoming and outgoing mail.

After submitting its findings with a recommendation to modernize mail equipment and processes to DPSS senior management, including Steven Golightly, interim director; Will M. Stewart, director, Bureau of Workforce Services; and John O. Murrell, director of

administrative services, the automation committee received approval and full support to move forward. The committee then invited several mail equipment vendors to bid on the contract.

The automation committee awarded the contract to Neopost based on the right combination of products, price, and Neopost major account executive Kandis Swimmer's personal commitment to partnership and to tailoring a solution to meet the specific needs of each DPSS facility.

"Kandis' focus on partnering with DPSS and on breaking down the barriers between vendor and client initially impressed us, and her continuing commitment to the project over the last two years left no doubt that we had made the right choice," said Mr. Reyes. "While product and price were very important, it was Neopost's commitment to partnership that most influenced our decision."

The automation committee and Neopost conducted initial needs assessment surveys, and implemented the new mail processing systems at six pilot facilities. These installations served as a proof-of-concept for subsequent rollout to 65 facilities throughout the DPSS. The following equipment was installed at each facility:

- **A mid-volume mail machine with interfaced 30 lb. electronic scale and mail accounting system.** The mail machine processes mail at 170 letters per minute while the interfaced scale ensures that correct postage is applied to each mail piece. The mail accounting system tracks postage costs for each aid program and generates reports.
- **A System One folder inserter** that processes up to 1,300 mail pieces per hour, which is 10 times faster than tedious manual folding and inserting.
- **A letter extractor and a letter opener.** The letter extractor opens envelopes on three sides at speeds up to 2,400 envelopes per hour, and solved the problems of tearing forms and destroying the cancellation date that the DPSS was having with its former letter openers. The letter opener is used for opening flat envelopes.
- **Modular mail sortation furniture in the mail center, and mail distribution centers on every floor.** The mail sortation furniture can be configured to meet the needs of each facility for size, number and placement of sort bins. The mail distribution centers allow staff on each floor of a facility to deposit outgoing mail for pick up at specified times each day, rather than running down to the mail center at the last minute and overwhelming mail center staff with outgoing mail. Neopost also designed and implemented a color-coded incoming mail sortation system based on the 11 core languages in which the DPSS serves its participants.

As a result of installing this system, one or two mail center staff can handle the entire weekly volume of approximately 30,000 pieces of incoming and outgoing mail for each facility. It is no longer necessary to pull other staff away from their jobs to help open the incoming mail, and to fold and insert outgoing mail into envelopes. This drastic reduction in manual labor, combined with precise metering using the interfaced scale, has saved the DPSS approximately 22 percent in mailing expenditures each month.

Another important benefit of the new systems is improved morale in the mail center and throughout each facility. The mailrooms were re-painted, and furnished with attractive, efficient and appropriate equipment, furniture and lighting. Each new mailroom was re-named the “mail center” and was re-opened with a ribbon cutting ceremony including lunch, training on the new systems, training certificates and a bronze plaque at the entrance of each mail center. A new respect for professional mail processing and for the new efficiencies of the mail center permeates each facility.

An installation of more than 1,000 pieces of mailing equipment and furniture across 65 facilities would not be complete without automatic maintenance agreements and an easy system for identifying equipment, serial numbers, account numbers, and the number to call for routine or other maintenance. To ensure hassle-free equipment maintenance, Kandis Swimmer designed magnetic business cards containing all of this information to be placed on each piece of equipment, while negotiating with the Los Angeles County Internal Services Division yearly maintenance agreements that automatically initialize after expiration of the 90-day warranty. The maintenance agreements are not only for convenience; they also save money, as the cost of a yearly maintenance agreement is less than a maintenance technician’s hourly rate, not including materials.

While the DPSS is the end recipient of the mailing systems, their implementation required the cooperation and coordination of several Los Angeles County departments. These include Asset Management for budget approval and allocation; Internal Services Division for equipment maintenance; and Property Management for disposal of old equipment, re-painting and re-wiring of the mail centers, installation of the new equipment, OSHA and Fire Marshall law compliance, and box removal.

The installation of modern mailing systems at the Los Angeles County Department of Public and Social Services illustrates how automation with proper equipment can result in improved efficiency and morale. It also illustrates how a small committee and a vendor can work together as partners to improve a process that is central to the smooth operation of an organization and to the well-being of its participants.

Steven Golightly summarized the success of the new mail centers and the experience of working with Neopost in this way: “As director of the largest human services agency in the nation, it is of paramount importance to me that we connect our workforce to the best tools available to get the job done. One of the most important ways we communicate with the 1.7 million people who interact with us every month is the mail, so the efficiency with which the mailrooms in our 65 locations handle incoming and outgoing mail must be optimal. From the beginning of our business relationship, Neopost has provided equipment, training and technical support of the highest caliber. The positive comments I get from staff about how the new equipment has made their jobs both easier *and* more effective is a real testimony to the time and attention that our Neopost representative gives us.”

About Los Angeles County Department of Public and Social Services (insert DPSS boilerplate here)

About Neopost

Neopost Inc. is a subsidiary of the Neopost Group, the second largest provider of mailing, addressing, document handling and logistics systems worldwide. Neopost's products are sold in 70 countries, with primary operations in the world's top mailing markets including the United States, Canada, France, and the United Kingdom.

Neopost Inc. is headquartered in Hayward, CA, where the North American corporate offices, customer service, and product development departments are located. Local sales and support are available throughout North America.

Neopost's innovations include the first electronic postage meter, the first postage meter and scale system providing automatic meter setting from the scale, and the first compact desktop folder inserter. Other innovations include Neopost's No Deposit Postage-On-Call®, the first remote meter resetting system not requiring prepayments; and the Neopost Price Protection Program®, which guarantees a fixed cost for the life of the contract and provides one monthly or quarterly payment. Neopost's unique Load 'N Go mode, featured in its SI68 and SI72 folder inserters, automatically detects which feeders have paper, then adjusts settings such as fold type, fold length, envelope size, paper length and paper thickness. Load 'N Go virtually eliminates operator adjustments and the need to program every job. Most recently, Neopost introduced the IJ25, the first stand-alone digital postage meter to comply with the United States Postal Service's Information-Based Indicia Program (IBIP) for simultaneous metering and barcode generation.

Neopost's history dates back to the 1920s when the organization's founders introduced the first postage meters in Europe. Over the years, the company has continued to serve as a leader in the design and manufacture of modular mailing systems, addressing systems, postage meters, electronic postage scales, and e-postage products.

Neopost is located online at www.neopostinc.com.