



Administration

Pat McCrory
Governor

Kathryn Johnston
Secretary

MEMORANDUM

To: Agency Directors
Agency Chief Financial Officers
Purchasing and Contracting Officers

From: Kathryn Johnston, Secretary *KJ*

Date: April 22, 2016

RE: Better Rate Structure for Mailing Service

As a result of operational changes and other cost saving measures, the Mail Service Center has restructured the rates for Interagency and USPS mailing services. Some of the new rates are a reduction in the current rates. However, large envelopes and small parcels will experience a slight increase. The net impact of these changes is relative to how much of each type mail is sent by the agency. We have worked directly with the Office of State Budget and Management and they have spoken with the few agencies that may experience a slight budget impact for FY 16-17.

Here is the new rate schedule effective July 1, 2016.

MAIL TYPE	NEW RATES
Presort Service for letters	.01 per price
USPS Letters	USPS postage + 10%
USPS Large Envelopes	USPS postage +.75 per piece
USPS Small parcels (under 13 oz)	USPS postage + 1.00 per piece
Parcels (not Interagency)	USPS Postage + 20%
Interagency mail	Remains the same at 30% less than USPS postage

We have included a FAQ to further explain how these changes may impact your division.

If you have further concerns or need additional information about the services of the Mail Service Center, please do not hesitate to call us at 919-733-2913.

Frequently Asked Questions

How and why did this change come about?

This is the first price change that includes reductions in the 17 year history of the Mail Service Center. This is a result of refining our processes and adding volume from state agencies who recognize and comply with the language in the NC General Statutes mandating the use the MSC.

What are presort services?

The MSC enables letter mail to be sorted for postage discounts. Most letter mail is processed this way and inducted into the USPS mail stream the next day. A new barcoded facing slip will allow you to choose your desired level of service. Note that certified letters are not presorted.

What if the MSC cannot provide all the mailing services our agency requires?

To be compliant with NCGS 143-341 (8)(h) the Office of State Budget Management has recently recommended that all mailing projects be reviewed by the MSC regardless of any applicable Delegated Authority. The MSC has subject matter experts in all aspects of mailing projects of any size. The MSC will provide a compliance letter for services they cannot provide so the mailing project can continue through the required purchasing and contract channels allowing the use of a private vendor.

How often can we expect rate changes?

The MSC is committed to keeping costs low and rates competitive by adding value and ease of use. The MSC will assess costs, services and volumes every 12 months and adjust accordingly. We predict that rates will change up or down every three years instead of the historic five to nine years.

Will the way we send mail change?

No. Please continue to bundle Interagency Mail separately from outgoing USPS mail and attach your barcoded facing slip to each bundle or parcel.

Didn't rates just change last July?

The changes in July 2015 were for the cost of owning an MSC address. This new rate structure applies to mailing services only

Will existing courier customers be charged the new set-up fee?

No. Only new customers after July 1, 2016 will be charged the one-time \$15.00 set-up fee.

What is a customer focus group?

The MSC will soon be adding more value to our services. We value your input as we develop changes that simplify mailing. Please join our customer focus group to build mailing services that meets your needs! Participation is a simple call or email to Barbara Hopkins at 919-733-2913 or barbara.hopkins@doa.nc.gov.