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ADMINISTRATIVE SURVEY OF THE TERRITORY OF HAWAII

Preliminary Report Number 2

MAIL AND MESSENGER SERVICES

February 24, 1950
LEGISLATIVE REFERENCE BUREAU
University of Hawaii

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ADMINISTRATIVE SURVEY OF THE TERRITORY OF HAWAII

Preliminary Report Number 2

Prepared for the Sub-Committee on Governmental Efficiency
of the Holdover Committee of 1949

MAIL AND MESSENGER SERVICES

LEGISLATIVE REFERENCE BUREAU
TERRITORY OF HAWAII

UNIVERSITY OF HAWAII
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MAIL AND MESSENGER SERVICES

Introduction

The tremendous volume of mail handled by territorial offices-- two departments handling over 20,000 pieces of mail each month -- and the time and cost involved in such handling -- over \$1200 per year for one department alone -- presents a problem in administrative efficiency.

Procedures established for handling incoming and outgoing mail, and the practices employed regarding departmental and inter-departmental messenger services were surveyed in eight territorial departments as a part of the administrative survey conducted by the Legislative Reference Bureau. The analysis and recommendations contained herein add emphasis to the fundamental principle that over-all efficiency in government must ultimately depend on the efficiency of each necessary phase of governmental activity.

An effective system of communication is vital to the efficient administration of any organization. Incoming and outgoing mail must be handled promptly and accurately. The benefits which are intended to accrue from the prompt answering of mail are dissipated when that answer remains in a correspondent's out-basket for a long period of time, and, with other outgoing mails, waits several hours to be posted at the end of the day.

¹One area of communication not considered in this report, but one which will be undertaken at a later date, concerns the use, placement and control of telephones.

Incoming mail may similarly fail to receive prompt attention. It may be a source of annoyance to an administrator to have the morning's incoming mail reach his desk several hours after reporting to work, but it may appear inexcusable to a public which measures governmental efficiency in terms of the promptness of its services. Prompt and dependable departmental and interdepartmental messenger service is also a fundamental requirement for efficient administration. It is of little benefit to expedite a reply to another department's inquiry or request if its delivery is dependent upon normal mail service or upon the convenience of an employee asked to make the delivery.

PRESENT ORGANIZATION AND PROCEDURE

Messenger Service

There is great diversity in present messenger services among the eight departments surveyed. Messenger services are centralized in some departments with one employee--usually with a CC classification--serving as messenger and mail boy for all divisions. In most of these cases a regular route is followed. Special errands may be performed upon call. In one department the messenger schedule is standardized and calls are made at each office at one or more specific times during the day. In others, calls are made regularly once or twice before noon and the same number of times late in the afternoon. In others, the schedule is irregular and worked in with other duties of the messenger--usually connected with the production of duplicated material.

In no department were the services of the messenger available to more than that one department, although in one division, which is partly financed by federal funds, the messenger serves one closely related federal office.

There is a considerable amount of duplication under the existing organization of messenger service. Several messengers from different departments call individually at the post office for mail, and frequently travel the same paths on other errands.

Processing Outgoing Mail

There is little uniformity in the procedures involved in addressing and sealing mail among the eight departments surveyed. A few departments make some use of addressing machines, usually for long, regular mailing lists, three of them owning addressograph machines. One department pays a commercial firm to address stamped envelopes by an addressograph to be sent to one mailing list. This department also makes some use of window envelopes for a part of its outgoing mail. In all other cases, each envelope is addressed individually by a stenographer. No department surveyed makes use of gummed labels for addressing.

Three departments seal envelopes by machine--one by means of their postage metering machine and two with special equipment. The remaining five seal all envelopes by hand.

Delivery and Pick-up of Mail

Larger departments individually pick up and deliver mail

directly to the post office; smaller offices depend on the regular post office delivery. There is little uniformity in the number of times pick-up or delivery is made at the post office. Mail is picked up at the post office by some of the departments once or twice each day, and delivered to the post office from one to four times daily. The regular post-office carrier makes but two deliveries a day, although mail is being continuously sorted at the post office for delivery and is otherwise available for departments.

Processing Incoming Mail

It is not infrequent for incoming mail to reach the desk of the addressee a considerable time after the working day begins. In one department an administrative officer picks up the morning mail from the post office before office hours, opens and sorts the mail, usually finishing the job by 8:00 a.m. In two departments the mail is opened in a central office and delivered to the divisions. In other cases a department mail clerk routes it to the divisions unopened or puts it in boxes where the division picks it up. A number of stenographers devote at least some time each day to opening and sorting incoming mail; in one case a CAF 7 performs this duty. Only one of the eight departments surveyed utilizes mechanical mail opening equipment.

Postage Handling

Methods of handling postage varied with each department

surveyed. One department makes use of a postage-metering machine (which prints the proper amount of postage, pre-cancels it, and seals the envelope); one department uses stamped envelopes for a large part of its regular mailing. In two divisions of one department which is partially financed by federal grants, franked envelopes are used for a part of the normal mail. In all other cases, postage is attached by hand to each individual piece of mail.

Beginning in 1931, all departments were required by an executive directive to have their stamps perforated with the letters "T.H.", after it became known that employees were using territorial stamps for personal reasons. Most departments still follow this practice, for which the procedure is as follows:

A warrant is issued by the auditor for each individual purchase of postage. A departmental employee takes the warrant to the post office, purchases the stamps and obtains a receipt for the purchase. The stamps are then taken to the budget bureau and perforated by the employee on a perforating machine located there. The perforating machine handles only one row (10 stamps) and three or four thicknesses at one time. The average department spends about 20 minutes once a month perforating stamps, in addition to the time spent obtaining the warrant from the auditor, purchasing stamps from the post office and taking them to the budget bureau. A budget bureau employee checks the post office receipt against the postage, sees that they have been perforated and initials the receipt. Originally this receipt

was returned to the auditor's office where it was filed with the original of the warrant. That office now reports that although some departments still return the receipt others have discontinued the practice. At the present time no check is made nor are any records maintained showing whether or not all stamps which are purchased have been perforated in accordance with the 1931 directive.

The post office originally maintained a check on the use of such postage and refused to allow personal letters to go through if stamped with a "T.H." perforated stamp. The postmaster says now, however, that he is not aware that the territory still makes use of perforated postage. In order to ascertain if any kind of check is presently made on their use for personal mail, 12 personal envelopes were addressed, stamped with perforated stamps and mailed on separate days in equal groups. All were delivered to their destination without question.

It appears that the rather complicated procedure serves only as a psychological deterrent to the use of government stamps, and that actual follow-up on departmental stamp purchasing and use of stamps has been long forgotten.

Some departments make further positive effort to eliminate leakage of postage through personal use by employees. One department, for example, has assigned to one employee in the business office responsibility for all stamps, with envelopes from all divisions being routed to her for affixing postage. Responsibility has not been so fixed in other departments, however, and adequate

safeguards in accounting for stamps is consequently lacking.

As long as stamps are available, there is always the possibility that some will be diverted for personal use. Employees who would never think of touching loose change belonging to the department may use departmental postage without hesitancy.

With responsibility for affixing stamps so decentralized, it is inevitable that incorrect postage will be attached to mail, particularly to bulky envelopes or packages. The tendency is to put on "about the right amount", even though it may be a penny or two more than is actually necessary if the correct amount of postage is not known, or is not available in the exact denomination. Carelessness with pennies makes efficiency with dollars impossible.

Although the only item of expense commonly imputed to mail is the actual cost of postage, an item more costly by far is the labor involved in handling mail. The most serious problem connected with present mail handling procedure is the inefficiency which results because of the inappropriate assigning of duties to personnel and the failure to utilize modern equipment.

One department, for example, presently spends an estimated four hours a day handling mail. About two hours daily is spent by a CAF 1 manually stamping each item of mail and sealing it with the aid of a sealing machine. An equal amount of time is spent by a CAF 7 in opening, sorting and routing incoming mail. Labor costs involved in these two mail handling operations approximate five dollars a day or over \$1200.00 per year.

Desirable Organization and Procedure

In order for the many government offices to render the expeditious service expected of them, it is essential that an organization for handling communications speedily and dependably be established. The organization should seek the following objectives:

(1) Incoming mail should reach the addressee as soon as possible after being processed by the post office; outgoing mail should be expedited. (2) Postage controls should be adequate to assure the exact amount on each item and to prevent its use for personal correspondence; (3) Labor saving mechanical equipment must be used wherever feasible; (4) Interdepartmental communications must have comprehensive coverage and be available for all departments.

To accomplish these objectives the following functions should be performed:

1. Regular pick-up and delivery of mail--pick-up to be as frequent as practicable, delivery as frequent as necessary to take advantage of the outgoing mail schedules operated by the post office;
2. Prompt opening, sorting and routing of mail to departments and individual addressees;
3. Speedy and economical addressing, sealing and stamping of outgoing mail; and
4. Regular and dependable departmental and interdepartmental messenger service, and "on-call" messenger service when required.

Private business organizations, as well as many mainland government organizations have achieved these objectives and efficiently perform the above functions by the following means:

1. Establishment of a central mail and messenger service within the organization, (either coordinated or integrated with the central duplicating unit) whose responsibility it is to make periodic pick-up of mail from the local post office, sort, open and route incoming mail to all addressees within the organization.

2. Routing all outgoing mail to the central mail service, unsealed and unstamped, where it is processed through a postage-metering machine which seals, stamps and postmarks the mail in one operation.

3. Utilization of addressograph equipment in all cases where regular mailing lists are involved, and the use of window envelopes or gummed labels wherever feasible.

4. Establishing, within the central unit, a comprehensive messenger service--available to all departments within the organization, responsible for expeditious delivery of materials to other departments.

SUGGESTED ORGANIZATION

To accomplish the objective and achieve the standards of efficient communications so desirable for good administration and government service, it is respectfully recommended as follows:

1. That a centralized mail and messenger service be established in an administrative services unit under the direction of the bureau of the budget, one section of the central unit to be located in the new public welfare building to serve those departments to be housed there, and one section to be located in the vicinity of the tax office building to serve the remainder of the territorial departments and offices in the downtown area.²

2. That the administrative responsibility for the central service be assigned a qualified person whose duties would be to supervise (a) picking up incoming mail at the post office several times daily; (b) opening and sorting mail and delivering it to the proper offices and officers at the time each office is opened for business and at regularly scheduled times thereafter during the day; (c) collecting all outgoing mail from the departments served by the central unit (at the same times that incoming mail is being delivered) for sealing and affixing postage thereto, and delivering such mail to the post office several times daily in the case of regular mail and immediately in the case of mail requiring special handling; and (d) a system of messenger services coordinated with mail pick-up and delivery, designed to give to all departments concerned prompt and dependable departmental and interdepartmental communications service.

3. That the present procedure established regarding the use of "T.H." perforated stamps be abolished.

4. That the central mail service sections be equipped with automatic postage metering machines, electric addressograph machines, automatic letter-openers and such other time and labor saving devices as may be practical.

²Further study is necessary to determine the feasibility of including all offices that will remain on the immediate Palace grounds. Departments and agencies which are geographically removed from this immediate vicinity would be excluded from the central unit. Administratively these central services would be integrated with the central duplicating service recommended in a previous report.

While it may at one time have been true that mail and messenger services could most efficiently be handled on an individual department basis, the large and growing volume of territorial mail and communications no longer makes this method efficient. Only with centralizing of these services can the present limitations be offset with efficient and economical operations.

Centralized mail and messenger services for the greater part of the territorial departments would result in improved services and more efficient management in the following particulars and for the following reasons:

1. Efficient and economical organization of messenger services would provide regular and prompt service and eliminate present duplication of effort.

2. Increased efficiency would result from the assigning of routine mail and messenger tasks to employees of lower classifications and salaries, thus relieving secretaries, stenographers and departmental administrators for the best utilization of the skills for which they are presently being paid.

3. Increased efficiency would be possible through greater utilization of mechanical equipment for sealing envelopes and affixing stamps thereto. Firms which have installed postage metering machines to seal and stamp outgoing mail report remarkable savings in the cost of handling mail, ranging from 10 to 90 percent. The Hawaiian Electric Company, for example, reports that over three times as much labor would be required for the

mailing process if postage metering machines were not in use.

This does not take into account the savings which accrue from the fact that the correct amount of postage can always be ascertained and is immediately available. Other Honolulu firms utilizing such automatic equipment include the Mutual Telephone Company, Honolulu Gas Company, Bishop Bank, Bank of Hawaii, Bishop Trust Company, Liberty House and Castle and Cooke.

Individual territorial departments may have correctly assumed in the past that such equipment would be uneconomical when only their mailing was considered, in view of an initial expenditure of about \$600 involved in the purchase of the equipment, and a quarterly rental of \$33. While this conclusion may have been supportable on an individual department basis, by consolidating this service and making it available to all departments, substantial savings in labor, time and postage costs become immediately apparent. The one department, for example, which now estimates a yearly cost of over \$1200 for mail handling alone, would be able to take advantage of time saving equipment and thereby reduce its mail handling costs by several hundred dollars per year.

It takes but a second to set the dial on a postage metering machine. Once set, envelopes are run through at the rate of 175 per minute. In this time, the envelopes are sealed, stamped and cancelled. Mail thus metered meets no delay at the post office for cancellation.

4. Increased efficiency would result in handling incoming mail. Mail is continuously being sorted and put up at the post office, yet is delivered but twice each day to territorial offices by postal employees. A few departments have rented post office boxes, at from eight to twenty dollars per year, and send their

employees to pick up mail up to four times daily.

The postmaster estimates that the bulk of the mail for the territorial offices concerned with these recommendations could be adequately handled with two post office boxes. All mail arriving at the post office after four in the afternoon is sorted and distributed and ready for delivery by 7:00 A.M. the following morning. Mail can thus be picked up at or before that hour, be opened, sorted and routed to the separate offices and officers by the time they open for business.

5. Increased efficiency could be achieved in addressing mail. While addressograph machines can be used only when there are regular mailing lists, addressing equipment could be more fully utilized and all long mailing lists handled in the mail room. Standards established for typing addresses in commercial firms indicate that a well trained typist can address from 175 to 200 envelopes per hour. Modern addressographing equipment (such as is located in at least three of the territorial departments surveyed) is capable of addressing up to 100 envelopes per minute, thus doing in two minutes the work that can be done by a trained typist in a full hour.

In addition to utilizing addressographing equipment, other mailing aids, such as gummed labels and window envelopes could be encouraged by the mail room supervisor, where practicable.

6. Increased efficiency would be effected through the integration of mail and messenger services with the central duplicating service previously recommended. All duplicated materials could be delivered or mailed from this location with-

out necessitating return to the department. One department now has a mechanical letter folder which could be installed in a central unit so that it could be more fully utilized.

7. The existing procedures for using perforated stamps is cumbersome and costly and undoubtedly outweighs any possible savings from the use of postage for personal correspondence. Most of the larger departments now prepare vouchers for stamp purchases about once a month, with many of the smaller departments buying less frequently. The labor cost for preparing approximately 200 vouchers and 200 warrants a year is large. By centralizing mail services and stamp purchases the number of vouchers and warrants could be reduced to less than ten, since a postage machine can be set for a two or three months supply of postage.