

## **Review of Miami-Dade County's Courier Services**

This report is in response to a request from Commissioner Heyman. Its purpose is to assess the extent to which Miami-Dade County (County) can utilize light duty employees, its fleet of cars and other internal resources to handle its courier activities instead of outsourcing them. To make our assessment, we discussed the current state of the County's courier activities with courier service administrators in the County's most concerned departments: Animal Services; Communications; Parks, Recreation and Open Spaces (PROS); Miami-Dade Police; and the Office of the Citizens Independent Transportation Trust (OCITT). We looked at those departments' capacity to deliver their mails in terms of the availability of staff (light duty employees) and vehicles, and their ability to use email to minimize the use of courier activities or as a substitute to courier services. Further, we looked at the Internal Services Department's (ISD) fleet of vehicles and Generic Mail Room.

### **Summary**

OCA's assessment of whether County departments can use internal resources to deliver mails revealed the following:

- The departments do not currently have light duty employees<sup>1</sup> that could be used to deliver mails. Even if they did, light duty workers would be unfit to do some of the work because the work involves heavy lifting. Further, using employees to handle courier activities may result in a more costly situation for the County, given the overheads that might be involved.
- Using email is not feasible for some departments because, in most cases, the documents being transferred can be very large, and may need to be delivered in their original form.
- Some of the departments receive an allocation in the current County courier contract, but are expected to use much less or none of the amount allocated. Hence, the ultimate cost for courier services for those departments could be much less than the amount specified in the current contract.
- For the departments to handle all their courier activities internally, those that need vehicles would have to procure their own vehicles or the County would have to expand its current fleet of vehicles.

### **Background**

Historically, some County departments have always relied on external courier service providers to deliver their local mails. For instance, Regulatory and Economic Resources (RER) has been using external courier services for more than 20 years. As a result, from time to time, the County has to sign a contract with a courier company to ensure continued delivery of mails for the relevant departments.

The County signed its most recent courier services contract in January 2017. The contract (FB-00432) which expires in December 2022, was awarded to Global Courier Services Inc. in the amount of \$590,000 for a period of 60 months. While only five departments are listed as recipients of the services provided by the contract, all County departments have the option of using the

---

<sup>1</sup> Light duty employees are generally employees who had been assigned less challenging tasks because they had suffered injuries that impede their ability to perform certain physically demanding activities.

contract to purchase courier services from the provider. The non-listed departments can individually purchase courier services from Global Courier Services Inc. in excess of the \$590,000 for up to \$25,000 each, without having to obtain authorization from the Board of County Commissioners (BCC). The contract classifies the recipients of the courier services into the following:

- Group A – Regulatory and Economic Resources Department;
- Group B – Police Department;
- Group C – Citizens’ Independent Transportation Trust and Parks, Recreation and Open Spaces Department; and
- Group D – Unscheduled, on-demand and emergency pick-ups and deliveries.

Requests for courier services that may be issued from the non-listed departments would fall under Group D. Under this contract, the service provider gets paid only when a County department uses the services. The previous contract (7487-0/16) expired on December 31, 2016, and was valued at \$723,668 for a 61 months period.

### **The County Departments Courier Activities**

As stated above, our assessment focused on the most relevant County departments. Those departments are the ones whose courier activities are covered in the 2017 County courier contract. The Internal Service Department (ISD) is not listed in the contract, but is included in this report because County departments that do not have cars and that desire to insource their courier activities might have to turn to the ISD for cars in the event they cannot purchase them. The departments’ courier activities are summarized as follows:

#### ***Animal Services Department (ASD)***

This department uses courier three days a week (Monday, Wednesday and Friday). During those three days, the courier picks up and delivers packages from and to the office of the Mayor, the Human Resources Department, and the County’s Generic Mail Room in Stephen P. Clark Center (SPCC). Other trips are scheduled as needed.

ASD does not currently have light duty employees. Even if it had, they may not be able to handle its courier activities given that some of the packages that have to be delivered or picked up can require heavy lifting. Animal Services courier activities involve (1) delivering animal tags, which consist of packing multiple small boxes inside large boxes and transporting the boxes to their destination, and (2) picking up boxes of flyers. In both cases, those boxes can be heavy.

In 2008, ASD had an in-house personnel handling its courier activities. It was determined then that it was not feasible to continue with that type of arrangement because it was too costly. Further, there were times when that employee was idling because the department did not have work for him on a consistent basis. Yet, he had to be kept on payroll per union contract. Currently, it would cost the department up to \$44,000 a year to insource the courier service, approximately four times the annual allocated amount in the current contract. This cost would include an annual salary of \$33,000 for the courier; up to \$5,000 in annual debt service for the purchase of a small car and \$6,000 for the maintenance of the car (Insurance, fuel, tolls parking and service). Additionally, a

spare car would be needed from the County car fleet to cover for those times when the department's car is being serviced.

An amount of \$65,000 for the life of the contract (60 months) or \$13,000 a year is allocated to ASD in the current County courier contract with Global Courier Services Inc. However, the department is expected to use no more than \$5,000 of that allocated amount per year. This will be \$39,000 less than the estimated annual amount (\$44,000) it would cost to insource the courier service.

Using email as a substitute for courier would not be a viable alternative given that the materials delivered are, in most cases, needed in their original forms (e.g. pay checks and vouchers for travel reimbursements).

#### ***Communications Department (Communications)***

The department has been reducing its dependency on physical courier by forwarding invoices digitally and by distributing information on County programs and services online. However, it still needs courier service to deliver some printed materials, including regulations guides and hurricane preparation guides. These materials are accessible to the public in digital format, but there are some customers that request them in printed format. Therefore, Communications distributes the printed materials as necessary.

The department does not currently have any light duty employee that it could use for courier service. Even if it had, the employee may not be able to perform the work as it involves heavy lifting. The department delivers documents, packages, envelopes and boxes at the following locations: Clerk of Courts, Jackson Memorial Hospital, Library, Animal Services, Dade County Federal Credit Union, Regulatory and Economic Resources, and Friends of WLRN Radio.

The amount allocated to Communications on the current courier service contract is \$2,000. Given that the department has relatively less demand for courier services, it would be inefficient for this department to purchase a vehicle and spend \$33,000 in salary for an employee to handle its courier activities. If the department chose to assign a current employee to do the work on a part time basis, it may still have to purchase some kind of insurance to cover the employee while on the road for mail service. Additionally, since most County jobs are bargaining unit positions, the Union may need to be consulted for the designated employee's job to be reclassified to include courier in its description.

#### ***Parks, Recreation and Open Spaces (PROS)***

PROS has always been using its staff to deliver its mails. It has never used external courier services to handle its courier activities. It may be forced to use the County contracted courier service provider if it suffers staff attrition. To the extent that no budget cut nor any other events forces the department to reduce staff, it plans to continue to use internal resources to meet its courier needs.

PROS uses its in-house couriers to deliver documents, boxes of items, park plans and flyers from park locations to its headquarters. Documents are also delivered to third parties such as Community Based Organizations and Vendors with which the County has contractual agreements. PROS has two mail distribution routes: the South Route which contains 22 points of pickup and delivery in

the Southern part of the County, and the North Route in the Northern part of the County which contains 19 points of pickup and delivery. One driver covers the South Route Monday, Wednesday and Friday from 7 a.m. to 3:30 p.m. Another driver covers the North Route Tuesday and Thursday from 7 a.m. to 3:30 p.m.

The Department has received an allocation of \$25,000 in the current County courier contract with Global Courier Services Inc.; but it does not expect to use any of this money as it never did before. The allocation is intended to serve as a backup.

PROS currently has three employees (two drivers and one supervisor) assigned to its courier activities. These employees cost the department approximately \$680,000 in salaries over a five year period. This amount does not include insurance and other benefits. PROS has three cars, two of which are used on a regular basis and one that is used as a spare. Two of those cars were financed through the Internal Services Department (ISD), and one was paid for in cash. Based on the useful life of those cars, we determined that they would cost the County approximately \$43,600 in purchase expense over a five year period. The three vehicles would also cost approximately \$21,000 in repairs, \$13,000 in liability insurance and \$31,000 in fuel expense over five years. *Table I* below shows the estimated total cost of PROS courier activities for a five year period using internal resources.

Table I  
**PROS Estimated Cost of Insourced Courier Activities**

| <b>Expenses</b>                       | <b>Yearly Total</b> | <b>5 Years Total</b> |
|---------------------------------------|---------------------|----------------------|
| Salaries for three employees          | 135,817.26          | 679,086.30           |
| Purchase of three cars (debt service) | 8,715.01            | 43,575.08            |
| Repairs for three cars                | 4,281.83            | 21,409.15            |
| Insurance for three cars              | 2,660.85            | 13,304.25            |
| Fuel for three cars                   | 6,193.02            | 30,965.10            |
| <b>Total</b>                          | <b>157,667.97</b>   | <b>788,339.88</b>    |

*Sources: PROS and ISD*

Looking at the numbers, it is obvious that PROS estimated costs of \$788,339.88 over a five year period exceeds the value of the contract (\$590,000) with Global Courier Services Inc. for courier services. Although PROS's cost of using external courier (*if it resorted to doing that*) for its courier activities may be significant due to the volume and spread of deliveries and pickups, it is unlikely that it would spend as much as \$788,000 in courier contract.

#### ***Miami-Dade Police Department (MDPD)***

MDPD used to handle all of its mails in-house through its own courier service personnel. However, in 2009, it suffered a staff reduction. Three of its five employees were let go. As a result, it ended up relying on the County's contracted courier services for the delivery of a portion of its mail.

MDPD needs courier services to transport law enforcement documents from County jail to the Central Record Bureau, a 24/7 operation, for the positive identification of arrested subjects in a timely manner as mandated by the Florida Department Law of Enforcement. Documents are picked up at 4 a.m., 6 a.m. and 11 a.m. daily, three times a week.

An amount of \$163,000 is allocated for the MDPD in the 2017 County courier services contract with Global Courier Services Inc. However, the MDPD is expected to use less than \$27,000 of that amount on an annual basis. The cost of its courier activities has declined over the years. In 2010, it expended approximately \$61,000 on courier services. In 2016, its expenditure on courier services was approximately \$23,000. The decline in cost is due partly to the fact that the courier company had rearranged its pick up schedule from five times a day, seven days a week with an average daily rate of \$107.95 to three times a day, seven days a week with an average daily rate of \$59.97. The average daily rate in the current contract is \$72.75 for up to four pick up times per day.

In the new contract with Global Courier Services Inc., the MDPD's yearly courier cost is expected to rise to approximately \$26,600. The department's total cost for five years would be approximately \$133,000. This will be \$30,000 less than the amount allocated (163,000) in the contract. *Table II* below summarizes the declining trend in the MDPD costs of contracted courier services for the last seven years. This is, however, in addition to the cost of using internal resources for a certain portion of its courier activities.

Table II  
**MDPD Cost of Outsourced Courier Services**

| <b>Year</b> | <b>Amount</b> |
|-------------|---------------|
| 2010        | 61,290        |
| 2011        | 60,971        |
| 2012        | 31,340        |
| 2013        | 21,800        |
| 2014        | 21,730        |
| 2015        | 20,990        |
| 2016        | 22,790        |

*Source: MDPD*

MDPD internal courier division is still in operation – The division functions to complement the services provided by the courier contractor. It is currently staffed with three employees; and it operates from 7 a.m. to 4:30 p.m. Monday through Friday.

Two of these three employees serve as drivers/messengers, and one serves as a supervisor. The driver/messengers are responsible for the daily receipt and processing of all incoming and outgoing MDPD Districts/Bureaus and County agencies mails in the Mailroom Center. On a daily basis, the Mail Room Center receives, a large volume of external and inter-office mails that must be processed and delivered.

Two scheduled pickups/deliveries (10 a.m. and 1 p.m.) are made daily around downtown to the Government Center, Medical Examiner, Gerstein Court House, Miami-Dade Public School (MDPS) Board and other locations as required. While one staff is in the downtown area for pickups/deliveries, another is delivering Certified mails, Packages, trays of outgoing False Alarm Mail, and other confidential items that cannot be given to the postmen/women.

MDPD would need to hire additional employees in order for it to provide its courier services using only internal resources. The department has not had any light duty employees in recent times. Thus, it cannot use any as couriers. It is possible that it could budget for the purchase or the lease of another car, if required, to insource all its courier service activities.

### ***Regulatory and Economic Resources (RER) Department***

Most of RER courier activities involve reviewing residential and commercial construction plans. Builders submit their plans for review with RER and expect to receive a permit to implement their work within a reasonable time frame. The County's *Administrative Order 4115* requires that the department reviews a residential plan within 30 days and a commercial plan within 50 days.

Reviewing plans requires moving them through all the different departments or agencies that are involved in the process. A single family home, for instance, would require reviews for the following: electrical, building, structural, mechanical and plumbing. Therefore, permits may be required from Department of Environmental Resources Management (DERM), Public Works, Zoning, etc. A commercial property would require, in addition to all the above-mentioned reviews, a fire review.

RER allows builders to submit their plans online for review. However, many builders are not equipped to submit their plans electronically. In addition, the plans review process requires that RER interfaces with other entities, some of which have not automated their review process. As a result, RER has to continue to handle its review process the way it is doing it now.

RER has three locations: Airport Satellite Review, Overtown Transit Village, and Permitting and Inspection in South Miami. Courier services are needed to transport building permit plans from and to those locations and other places. Those plans can weigh more than 100 pounds. On a daily basis, the courier may transport up to 20 plans per trip. At the end of the day, an average of 40 to 45 plans may have been transported. Those documents are typically 24 by 36 inches in size. Sometimes the clients have to load them on carts to bring them to RER offices.

A total of \$312,000 is allocated to RER in the existing County contract for courier services. RER needs courier services because it cannot afford to lose plans nor waste time. Per the department, if it were to rely on its employees, its activities would be adversely affected when employees are absent due to sickness or other reasons, a situation that it cannot afford. Further, RER does not have a car available to handle its courier activities internally. If it were required to do that, it would have to purchase a car; in which case, it would end up with the same scenario as Animal Services Department. It does not currently have any light duty employees either.

### ***Office of the Citizens Independent Transportation Trust (OCITT)***

The OCITT was added to the courier contract with Global Courier Services Inc. on May 2, 2017 after obtaining the BBC's approval for an allocation of \$23,000.

The OCITT does not have light duty employees to use for courier services. If it were to assign an employee to deliver its packages, it would cost much more than what it is paying now, given that the salary for this employee could range between \$33,000 and \$40,000. It does not have a vehicle it could use for courier service, as no car is assigned to the department.

The OCITT courier activities are exclusively related to its board activities. It forwards documents, packages and other materials in preparation for upcoming board meetings to board members who reside in different locations of the County. The OCITT cannot force its board members to receive their packages via email because board members are volunteers. While some would be willing to receive materials via email, others simply do not want to. Some OCITT board members would not want to be put in a position to have to print a large volume of materials from their personal printers in preparation for board meetings. Thus, using email as an alternative to physical delivery is not feasible from the OCITT's standpoint.

The OCITT does not expect to use all the \$23,000 allocated in the contract as its board meetings have been limited to once a month, unlike in previous years when it would meet twice a month. Since the frequency of its board meetings has been reduced, it has saved \$1,200 a year (each board meeting costs \$100 in courier fees). The OCITT total courier expenses over the next five years is expected to be \$6,000. This is \$17,000 less than the allocated amount of \$23,000 in the courier contract. In the previous County courier contract, the OCITT used \$10,000 of its \$50,000 allocation.

### ***Internal Services Department (ISD)***

The ISD provides a wide range of internal support services for the ongoing operation of the County government. Its fleet management division provides the following services:

- Fuel service for County government entities;
- Car repairs and servicing for County cars; and
- Car pool to enhance employees' mobility.

Its fleet currently contains 287 vehicles, most of which are small cars. The fleet operates at capacity most of the time. As a result, employees sometimes have to make reservations to ensure that they will get a car at the specific time it is needed. Fleet Management also responds to special requests from County departments that sometimes need a set number of cars to fulfill a particular obligation. Those special demands may severely disrupt the ISD's regular car pool activities, causing shortage of cars for County employees for their regular official activities. For instance, in 2016, Fleet Management had to loan 50 cars to the Department of Transportation and Public Works. That special demand caused it to be overwhelmed.

ISD also operates the County's Print Shop and Generic Mail Room. In addition to providing printing and copying services to the County, this subdivision serves as a mail exchange center where the different County departments exchange mails. A department sends an employee to drop mails at the mail room for other departments or County agencies. The recipient department or agency sends an employee to pick up the mails belonging to the department from the Mail Room. The Mail Room is not equipped to assume the function of a courier service provider for the County. To operate at such capacity, it would have to be redesigned and equipped accordingly. In such case, a feasibility study would have to be conducted to determine whether it would be cost efficient to implement the project.

### **Conclusion**

The current state of the County departments courier activities does not seem to show that the County could achieve much efficiency by insourcing all of the courier activities. Some of the

departments resorted to using external courier service provider as a cost saving measure alternative to handling their courier activities internally. Insourcing the courier activities would most likely put them in the same situation they were before those activities were outsourced. Further, those departments that have been using external service provider for reasons other than cost-savings would have to make adjustments that may impact their service delivery process.