



AUDIT REPORT

Late and Extra Trips at the Los Angeles, CA, Processing and Distribution Center

January 11, 2021





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MEMORANDUM FOR: BRITTON D. SOTO
SOUTHERN CALIFORNIA DIVISION DIRECTOR,
PROCESSING OPERATIONS

PEDRO ORTIZ
SOUTHERN CALIFORNIA DIVISION DIRECTOR,
LOGISTICS

A handwritten signature in black ink, appearing to read "Adam Bieda", is centered below the recipient information.

FROM: Adam Bieda
Acting Director, Plant Evaluation Team

SUBJECT: Audit Report – Late and Extra Trips at the Los Angeles, CA,
Processing and Distribution Center
(Report Number 21-028-R21)

This report presents the results of our audit of Late and Extra Trips at the Los Angeles, CA, Processing and Distribution Center.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jeff Giordano, Operations Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Chief Logistics and Processing Operations Officer and Executive Vice President
Vice President, Processing and Maintenance Operations
Vice President, Logistics
Vice President, Western Region Processing Operations
Director, Western Region Logistics
Southern California Division Director Logistics
Corporate Audit and Response Manager

Background

This report presents the results of our self-initiated audit of late and extra trips at the Los Angeles Processing and Distribution Center (P&DC) in Los Angeles, CA (Project Number 21-028). We conducted this audit to provide U.S. Postal Service management with timely information on operational risks at the Los Angeles P&DC.

On March 13, 2020, the President of the United States issued a national emergency declaration concerning the novel coronavirus (COVID-19) pandemic. The Postal Service faced unforeseen and uncontrollable challenges, including higher package volumes and employee absenteeism. In addition, on July 10, 2020, the Postmaster General implemented operational changes, specifically, eliminating unnecessary late and extra trips outside of regularly scheduled transportation service. This initiative would require mail to be transported on regular routes or held until the next regular route is available.

Late trips occur when various conditions cause a delay in the arrival or departure of transportation beyond the scheduled times. In fiscal year (FY), 2020, the Postal Service reported 1,157,269 late trips from P&DCs to delivery units. When mail processing operations do not process mail timely or mail volume is above normal or expected levels, managers may have to call extra trips to transport this mail. In FY 2020, the Postal Service reported 346,238 extra trips from P&DCs to delivery units. Late and extra trips to delivery units can cause disruptions and increase the number of carriers returning after 6 p.m. When carriers return after 6:00 p.m., customer service can suffer, and mail collected by carriers may be late to the P&DC. In addition, late returning carriers can cause increased overtime and penalty overtime costs.

The Los Angeles P&DC is in the Southern California Division of the Logistics and Processing Operations Western Region. The P&DC processes letters, flats, and parcels. From July 1 to September 30, 2020, it reported 4,637 late trips (highest among P&DCs) and 1,535 extra trips (second highest among P&DCs) from the plant to delivery units.

Objective, Scope, and Methodology

Our objective was to assess the causes of late and extra trips from the Los Angeles P&DC to delivery units.

To accomplish our objective, we analyzed Los Angeles P&DC late and extra trip data from July 1 to September 30, 2020. During our site visit from November 16-18, 2020, we interviewed P&DC management and observed dock operations. We also reviewed

the P&DC's operating plan to identify mail clearance times¹ and compared them to clearance times in the Web End-of-Run (WebEOR)² and Run Plan Generator report.³

We relied on computer-generated data from the Enterprise Data Warehouse (EDW)⁴, Surface Visibility Web 2.0 (SVweb),⁵ and eFlash.⁶ Although we did not test the validity of controls over these systems, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. Therefore, we determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from November 2020 through January 2021, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on December 29, 2020 and included their comments where appropriate.

Finding #1: Package Volume and Employee Availability

We found operations were affected by COVID-19, which resulted in transportation issues from the Los Angeles P&DC to delivery units. Specifically, increased package volume in fiscal year (FY) 2020 increased the number of late and extra trips. Package volume at the Los Angeles P&DC from July through September 2020 increased by 10.3 million mailpieces (33 percent) compared to the same period last year (SPLY) (see Figure 1).

¹ The latest time committed mail can clear an operation for proper dispatch or delivery.

² A web-based application used in collecting operational data from automated and mechanized mail processing equipment.

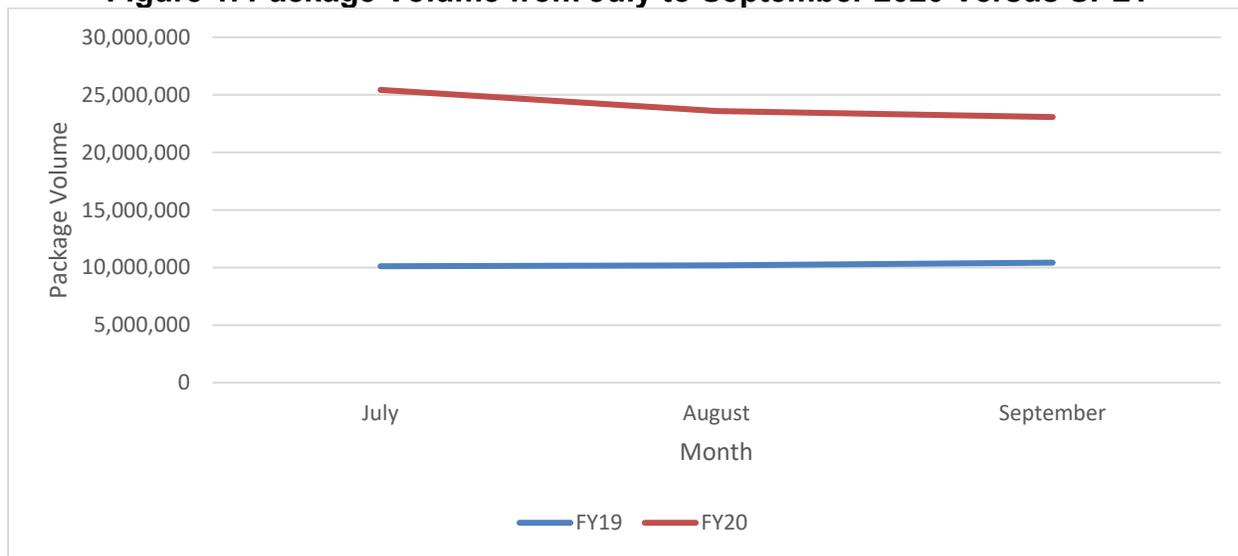
³ An application that mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.

⁴ A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

⁵ A website dedicated to the Surface Visibility program. SVweb provides real time transportation updates and reporting on the movement of trailers in the surface network. The data captured to identify early, on time, late or cancelled trips is also used to evaluate and improve transportation schedules.

⁶ A weekly operating reporting management system. It combines data from Delivery, Mail Processing, Employee Relations, Labor Relations, and Finance.

Figure 1. Package Volume from July to September 2020 Versus SPLY



Source: EDW.

Los Angeles P&DC management mitigated the increase in package volume by offloading some of its packages to other nearby processing facilities and adjusting machine start times. Specifically, according to management, the Carson Surface Transportation Center,⁷ a nearby facility, processed between 150,000 to 250,000 packages daily.⁸ In addition, management adjusted machine end times to process the increased package volume. For example, flats processing times were made earlier to allow staff more time to process packages. See Table 1 for adjusted Automated Flat Sorting Machine (AFSM) end times.

Table 1. Adjusted AFSM End Times

Machine Type	Old End Time	New End Time
AFSM100 #6	2:00 a.m.	12:00 a.m.
AFSM100 #7	3:15 a.m.	2:00 a.m.
AFSM100 #21	3:30 a.m.	2:00 a.m.
AFSM100 #22	3:30 a.m.	2:00 a.m.

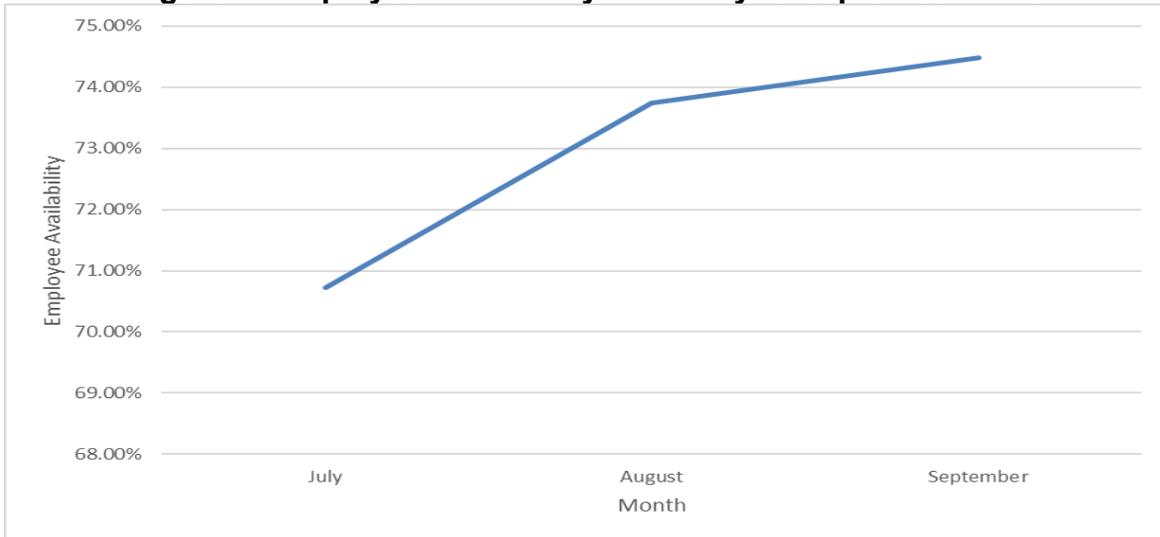
Source: WebEOR.

Furthermore, during COVID-19, employee availability became an issue and contributed to late and extra trips at the Los Angeles P&DC. Specifically, employee availability for mail processing operations ranged from 70.7 percent to 74.5 percent during the period July to September 2020 (see [Figure 2](#)).

⁷ Also known as the Surface Transfer Center, it distributes, dispatches, consolidates, and transfers First-Class Mail, Priority Mail, and Periodicals within a specialized surface transportation network.

⁸ The Los Angeles National Distribution Center and the Los Angeles International Service Center also provided offload support for packages.

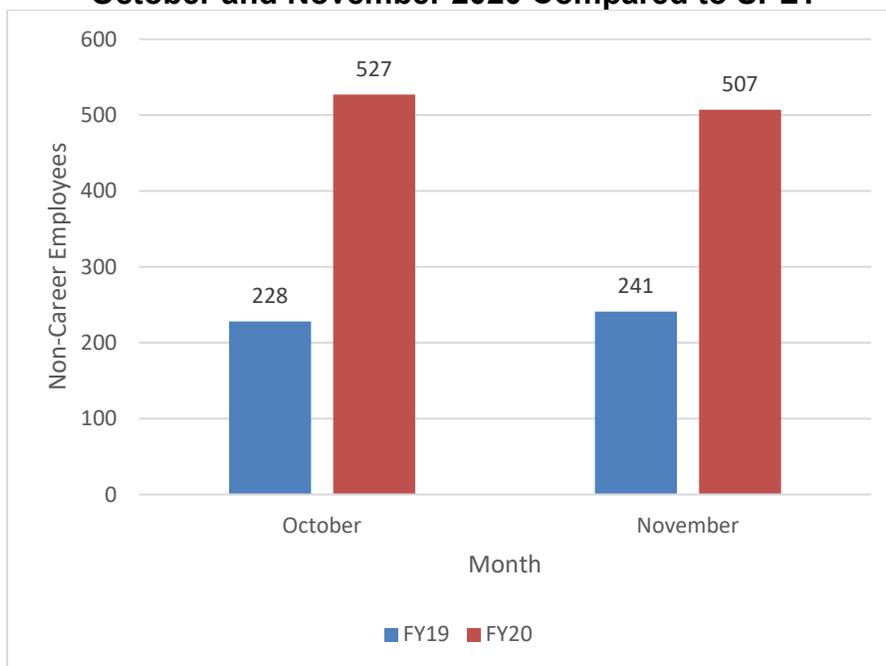
Figure 2. Employee Availability from July to September 2020



Source: Postal Service Employee Availability Dashboard.

To mitigate issues with employee availability, Los Angeles P&DC management began hiring more temporary employees to assist with mail processing operations. Specifically, temporary employees increased from 228 to 527 in October 2020 and from 241 to 507 in November 2020 when compared to the SPLY (see Figure 3).

Figure 3. Temporary Employees from October and November 2020 Compared to SPLY



Source: Postal Service Workforce system.

A facility uses its operating plan⁹ to efficiently move mail from one operation to the next and to ensure the accurate and timely processing and delivery of mail for optimum service performance. When mail volume significantly increases and employee availability decreases as it did during the COVID-19 pandemic, there are mail processing challenges which affects the processing and dispatching of mail to delivery units to meet service commitments. The mitigation measures by management at the Los Angeles P&DC have helped operations. For example, the routes that had the highest combined value¹⁰ for late trips and late minutes from July to September 2020 were the Artesia and Signal Hill Post Offices. During our site visit from November 16-18, 2020, we observed 15 trips to the Artesia and Signal Hill Post Offices and found only one late trip and no extra trips. Due to the mitigation measures management has taken, we will not be making a recommendation.

Finding #2: Inaccurate Data

We found issues with the recording and scanning of truck arrival and departure data. Specifically, from July to September 2020, we identified issues with the following SVweb data:

- Forty-nine extra trips totaling 4,600 minutes from the Los Angeles P&DC to delivery units that were incorrectly recorded as late trips. Extra trips are requested as needed and do not have scheduled departure times so they should not appear as late trips or have minutes late.
- One extra trip was recorded incorrectly and was 1,600 minutes late, which accounted for 43 percent of the late minutes for trips to the Artesia Post Office.
- One trip was late due to a driver waiting for a dock expeditor to scan him out. The trip would have departed on time if the dock expeditor was present to scan the driver out.
- One trip where the dock expeditor at the inbound dock door incorrectly scanned out the driver. This resulted in the driver bypassing the outbound dock and not picking up the mail.

This occurred because dock expeditors¹¹ were incorrectly scanning the trucks. Dock expeditors use handheld scanners to scan trailer barcodes which record trip arrival and departure data. In addition, management was not reviewing the SVweb data for errors and making the necessary adjustments. According to Postal Service policy, network specialists¹² are required to regularly review late and extra trips in SVweb to ensure

⁹ The operating plan provides an approach for planning mail processing operations to meet service commitments.

¹⁰ A combined Z-score method was used to measure standard deviations from the median for each metric and then combine the result for a cumulative score.

¹¹ Expedites the distribution and dispatch of mail and arranges for the proper transfer of mail for incoming and outgoing trips.

¹² Front-line supervisors within the surface transportation network.

their accuracy.¹³ Data integrity is necessary to ensure the Postal Service has accurate data to make informed decisions and identify potential issue areas before service is disrupted. Inaccurate scanning puts the Postal Service at risk of making operational decisions that can affect the transportation network.

Recommendation #1: We recommend the **Southern California Division Director, Processing Operations, in coordination with the Southern California Division Director, Logistics**, issue guidance to dock expeditors on proper scanning procedures and have management perform timely reviews of late and extra trip data in Surface Visibility Web 2.0.

Management's Comments

Management agreed with the report's findings and recommendation.

Regarding recommendation 1, management stated they will provide guidance to dock expeditors on proper scanning procedures and put measures in place to ensure timely reviews of late and extra trip data in Surface Visibility. The target implementation date is March 31, 2021.

See [Appendix A](#) for management's comments in their entirety.

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations and planned actions should resolve the issues identified in the report.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. Recommendation 1 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

¹³ *Standard Work Instruction - Network Specialist*, dated December 2016.

Appendix A: Management's Comments

January 7, 2021

JOSEPH E. WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Late and Extra Trips at the Los Angeles, CA, Processing and
Distribution Center (Project Number 21-028-DRAFT)

Management has reviewed the results of the Late and Extra Trips audit that was conducted at the Los Angeles P&DC. Management agrees that there is opportunity for improvement in the accuracy expeditor scanning of trips, and for the use of Surface Visibility in reviewing late and extra trip data.

Recommendation 1:

We recommend the Southern California Division Director, Processing Operations, in coordination with the Southern California Division Director, Logistics, issue guidance to dock expeditors on proper scanning procedures and have management perform timely reviews of late and extra trip data in Surface Visibility Web 2.0.

Management Response/Action Plan:

Management agrees with the recommendation to issue guidance to dock expeditors as there is opportunity to improve dock expeditor scanning accuracy. Additionally, management agrees that there are benefits to ensuring the timely reviews of the late and extra trip data in Surface Visibility.

Dock expeditors will be provided guidance on proper scanning procedures. Management will also put measures in place to ensure that there are timely reviews of late and extra trip data in Surface Visibility.

Target Implementation Date:

March 31, 2021

Responsible Official:

Los Angeles Manager Transportation/Networks, USPS



BRITTON D. SOTO
SOUTHERN CALIFORNIA DIVISION
DIRECTOR, PROCESSING OPERATIONS



PEDRO ORTIZ
SOUTHERN CALIFORNIA DIVISION
DIRECTOR, LOGISTICS

cc: Chief Logistics and Processing Operations Officer and Executive Vice President
Vice President, Processing and Maintenance Operations
Vice President, Logistics
Vice President, Western Region Processing Operations
Director, Western Region Logistics
Southern California Division Director Logistics
Corporate Audit and Response Manager