



September 29, 2005

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ACTING VICE PRESIDENT, FACILITIES

SUBJECT: Audit Report – Maintenance Offices' Acceptance of
Facilities Repair and Alterations Projects in the Southeast Area
(Report Number FA-AR-05-001)

This report presents the results of our self-initiated audit of Maintenance Offices' Acceptance of Facilities Repair and Alterations Projects in the Southeast Area (Project Number 05XG012FA000). Our objective was to evaluate the acceptance rates for facilities repair and alteration projects by the maintenance offices in the Southeast Area.

Background

Facilities is an enabling organization within the Postal Service, whose primary mission is to provide quality real estate, facilities products, and services to meet the present and future needs of Postal Service operations. Organizationally, Facilities is comprised of a headquarters organizational unit, with eight supporting facilities service offices (FSOs) throughout the country.

Facilities reengineered their support process by developing the Facilities Single Source Provider (FSSP) program. The FSSP program is a "shared service" concept that created a single point of contact for all facility work within a Postal Service area. Under the FSSP program, all facilities services previously provided by the FSO, the Administrative Services Office, and the Area Processing and Distribution team were incorporated under the management of the FSO. In addition, the FSO assumed facility repair work and lessor maintenance enforcement services that postmasters previously managed.

One component of the FSSP program is the Response Line, a toll-free number that allows Postal Service personnel to report all facility repair needs. Dedicated personnel manage the response line and record each problem in the FSSP Web-based tracking system. The FSSP system contains a report-generation function that management uses as a tool for workload management and budget planning. The system generates a customer satisfaction survey for every FSO-managed problem. Additionally, the system allows Postal Service personnel to track the status of individual problem assignments, provides automatic email notification to customers and the facility maintenance office, and generates reports which the FSO and area management can use.

Objective, Scope, and Methodology

The objective of our audit was to evaluate the acceptance rates for facility repair and alterations projects by maintenance offices in the Southeast Area. Specifically, we determined whether the maintenance offices declined repair and alteration projects for valid reasons, and whether there was any correlation between acceptance rates and the number of grievances related to facility repairs and alterations. To accomplish our objectives, we reviewed and analyzed the acceptance rates for each of the nine district maintenance offices in the area. In addition, we reviewed and analyzed all 1,603 projects that were declined by the maintenance offices from March through June 2005 and 252 grievance files related to subcontracting of facility repairs and alterations projects. We also conducted interviews with Postal Service officials from the Southeast Area office and the Southeast FSO.

We relied on computer-generated data from the FSSP system, including the Weekly FSSP Report and Problem Status Report by Performance Cluster. We believe the computer-generated data was sufficiently reliable to support the opinions or conclusions in this report.

This audit was conducted from March through September 2005, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. We discussed our observations and conclusions with Postal Service officials and included their comments where appropriate.

Prior Audit Coverage

In an August 11, 2005 management advisory, Data Integrity and Reliability of the Facilities Single Source Provider System (Report Number FA-MA-05-002), we reported that the data in the FSSP system was generally relevant, accurate, and complete. However, we identified errors in the maintenance offices' acceptance rates for repair and alteration projects. In addition, we noted the capability to delete or backdate transactions was not adequately restricted and the system did not provide a log or other audit trail to track transactions that employees changed or deleted. Postal Service officials agreed with the recommendations contained in the management advisory and we considered their taken or planned actions responsive.

Results

We found that the maintenance offices in the Southeast Area declined to perform facilities repair and alterations projects for valid reasons. As of March 2005, declination rates ranged from 17 to 36 percent, with an average declination rate of 24 percent. The maintenance offices declined 1,603 facilities repair and alteration projects from

March through June 2005. We reviewed all the declinations and verified that the work was normally declined for valid reasons, including capability or availability of maintenance technicians and lack of highly specialized tools/equipment.

We also reviewed 252 grievance files, and evaluated whether there was any correlation between acceptance rates and the number of grievance filings related to contracting out facility repairs and alterations projects. Because the grievance process is multi-tiered and can span several years, there was not sufficient data to determine whether a correlation existed between the number of grievance filings and the recent implementation of the FSSP in the Southeast Area. Consequently, we have no recommendations for Postal Service officials regarding the issues in this report.

We discussed the results of our review with management and provided them with a draft report. We have considered management's comments and incorporated them into the report, as appropriate. We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions, or need additional information, please contact Henry Hoffman, Acting Director, Facilities, or me at (703) 248-2300.



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