

February 29, 2000

RUDOLPH K. UMSCHIED
VICE PRESIDENT, FACILITIES

SUBJECT: Management Advisory Report - Roofing
Product at United States Postal Facilities
(Report Number FA-MA-00-002)

This report presents the results of our review of an Office of Inspector General (OIG) Hotline allegation concerning a newly installed roof of the Houston Processing and Distribution Center. Specifically, the complaint alleged that six months after the installation of a new roof, it was replaced for an additional \$1 million.

Results in Brief

A preliminary review disclosed that the hotline complaint was not accurate. Specifically, a general contractor had installed a new roof at the Houston Processing and Distribution Center using defective roofing product; however, the roof was replaced under warranty at no cost. We offered management two suggestions to ensure that the Postal Service does not incur cost for repairing roofs where the defective roofing product was used. Management agreed with our conclusion and has planned corrective actions that are responsive to our suggestions.

Objective, Scope, and Methodology

The objective of the review was to determine the validity of the hotline complaint. We conducted interviews with the Houston, Texas manager of Administrative Services, and the Memphis Facilities Office project manager. We also reviewed contract files and other relevant documents. This review was conducted from May 1999 through February 2000, in accordance with the President's Council on Integrity and Efficiency, Quality Standards for Inspections.

**Defective Roofing
Product
Observations**

The review confirmed that in June 1995 a general roofing contractor installed a new roof on the Houston Processing and Distribution Center. OIG discussions with the Administrative Service Office and the project manager revealed that Postal Service staff had conducted several inspections of the center's roof and were aware of problems with the roofing product that caused water to infiltrate areas of the roof. Postal Service personnel negotiated with the roofing product distributor, who agreed that the use of a defective roofing product caused the problem. As a result, the roof was repaired by the distributor and was covered under the warranty, at no additional cost to the Postal Service.

The contract to repair the roof included a twenty-year no dollar limit gold shield roofing system guarantee, effective February 1998. This guarantee warrants repairing any leaks that are attributed to defective workmanship and/or materials.

The distributor's database revealed that over the past decade, roofing contractors used the same type of product to repair over five hundred postal facilities. More importantly, further analysis by the OIG revealed that between 1994 and 1999, the roofing product was used on at least 125 postal facilities nationwide. Without further complaints or roof inspections, the Postal Service cannot determine which of these facilities would be affected by the defective-roofing product. Attached is a list of the 125 postal facilities (Appendix A), in which the defective roofing product may have been installed.

To ensure that the Postal Service does not incur costs to repair roofs where the defective roofing product was used, Postal Service management should notify the managers of the 125 facilities of the defective roofing product and advised them of related warranty information.

Suggestions

We suggest that the vice president, Facilities direct the manager, Major Facilities Office to:

1. Issue a Customer Alert Notice to managers of the 125 postal facilities, where the defective roofing product was used to advise them of potential problems associated

with this product and the availability of repairs under warranty.

2. Seek recovery from the roofing product distributor any costs already incurred to repair roofs on facilities where the defective roofing product was used.

**Management's
Comments**

The vice president, Facilities, indicated agreement with our suggestions and stated that the report will be forwarded to the eleven Facilities Service Offices, requesting that they pass the information to the respective area offices for appropriate action. Management's comments, in their entirety, are included in Appendix B.

**Evaluation of
Management's
Comments**

Management's comments are responsive to our suggestions and the planned actions should ensure that the Postal Service does not incur costs to repair roofs where the defective roofing product was used.

We appreciated the cooperation and courtesies provided by your staff during the review. If you have any questions, please contact [REDACTED], [REDACTED], [REDACTED], or me at (703) 248-2300.

//Signed//

Sylvia L. Owens
Assistant Inspector General
For Revenue/Cost Containment

cc: James McGuire
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APPENDIX A. LISTING OF POSTAL FACILITIES

<u>Number of Locations</u>	<u>Postal Facilities</u>	<u>Actual Roof Square Footage</u> in 00's
1	United States Post Office Gibbsboro St, New Jersey	264
2	United States Post Office Atlantic Ave, Florida	336
3	Oceanside Main Post Office, California	309
4	Las Cruces Post Office, New Mexico	285
5	Adelanto Main Post Office, California	204
6	Southside Branch Post Office, Florida	305
7	Cross City Post Office, Florida	68
8	McLean Post Office, Virginia	30
9	Nashville Post Office VMF, Tennessee	164
10	Tampa Station Post Office, Florida	230
11	Gulfwinds Post Office, Florida	280
12	United States Post Office Via Ancho Rd, Florida	313
13	Waycross GMF Post Office, Georgia	36
14	Coco River Post Office, Florida	347
15	Doral Branch Post Office, Florida	217
16	Daphne Post Office, Alabama	88
17	Powder Springs Post Office, Georgia	227
18	United States Post Office E. Tenth St, Texas	62
19	Main Post Office N. Madden St., Texas	36
20	Sheridan Post Office 67 & Gore St., Oklahoma	205
21	Howell Mill Post Office, Georgia	260
22	Tri City Post Office, Florida	280
23	Eldorado Station Post Office, New Mexico	265
24	Northcross Post Office, Texas	229
25	Warrenton Post Office, Georgia	25
26	Hobbs Post Office, New Mexico	280
27	McMinville Tenn Post Office, Tennessee	58
28	Julius Melcher Post Office, Texas	198
29	United States Post Office W. Washington St, Washington	841
30	Survey Creek Post Office, Florida	260
31	Blackwood Post Office, New Jersey	151
32	Indianola Post Office, Indiana	64
33	First Colony Post Office, Texas	300
34	United States Post Office Philadelphia, Pennsylvania	1530
35	Main Post Office Milgen Rd, Georgia	880
36	Westland Station Post Office, Florida	346
37	Tebeau St. Post Office, Georgia	282

38	Gulf Breeze Post Office, Florida	85
39	Lecanto Post Office, Florida	385
40	Tallahassee, Post Office, Florida	1262
41	St. Petersburg, Post Office, Florida	312
42	Houston, GMF	2272
43	Bulk Mail Center Byberry Rd, Pennsylvania	3200
44	McAllen GMF, Texas	591
46	Northside Post Office, Alabama	168
47	San Bruno Post Office, California	225
48	Lutz Post Office (addition) HWY 41, Florida	14
49	Discovery Bay S Post Office, California	94
50	St. Mary's Main Post Office, Georgia	166
51	United States Post Office Mercer St, New Jersey	158
52	4 Hills Post Office, New Mexico	228
53	Panther Creek Post Office, Texas	314
54	Hampton Post Office, Georgia	190
55	Encinitas Main Post Office, California	280
56	Budd Lake Post Office, New Jersey	100
57	County Line Post Office, Florida	87
58	Lamarque Post Office, Texas	101
59	N Valley Annex Post Office, New Mexico	203
60	Colonial Park Post Office, New York	33
61	Fenkell St. Post Office, Michigan	21
62	Eastwood Station Post Office, Texas	235
63	Norristown Post Office, Pennsylvania	118
64	West Station Post Office, Alabama	200
65	Dublin Post Office, Virginia	119
66	United States Post Office Ramona, California	223
67	New Batesville Post Office, Mississippi	183
68	Van Buren Post Office, Arkansas	219
69	Cahaba Heights Post Office, Alabama	224
70	United States Post Office Petsmart Westminster, Colorado	723
71	Ponte Vedra Beach Post Office, Florida	242
72	Cypress Post Office, Texas	350
73	Starkville Main Post Office, Mississippi	260
74	Monticello Post Office, New York	20
75	Ellenboro Post Office, NC	34
76	Grinnell Post Office, Indiana	60
77	United States Post Office Dogwood Dr, Florida	122
78	Mt. Juliet Post Office, Tennessee	192
79	Manville Post Office, New Jersey	88
80	South Station Post Office, Tennessee	154
81	Little River Post Office, Florida	240
82	United States Post Office Adams St., Florida	315

83	Morrisania Post Office, New York	45
84	United States Post Office Gray Lane E. Hampton, New York	75
85	United States Post Office Sth,Fesslers Ln, Tennessee	75
86	Milltown Post Office, New Jersey	92
87	Green Acres Br.Post Office, Florida	370
88	Middletown Post Office, Kentucky	266
89	Bergenfield Post Office, New Jersey	210
90	United States Post Office Livernois, Michigan	218
91	Post Office & Book Store, 112 St, New York	74
92	Chapel Lakes Post Office, Florida	240
93	Destin Post Office, Florida	97
94	Tamarac Post Office, Florida	258
95	Pflugerville Post Office, Texas	270
96	New Albany Post Office, Mississippi	130
97	New Port Post Office, Tennessee	112
98	Main Post Office 10th St., Alabama	317
99	Main Post Office, Florida Blvd, Louisiana	900
100	Sand Hills Post Office, South Carolina	166
101	United States Post Office Brasher Rd, New Mexico	348
102	United States Post Office N.7th St., Arizona	8
103	Sylacauga Post Office, Alabama	147
104	Main Post Office Glover Ave, Alabama	229
105	United States Post Office Van Born St., Michigan	267
106	United States Post Office E. Jefferson St, Indiana	28
107	Georgetown Main Post Office, South Carolina	180
108	Alhambra Main Post Office, California	246
109	Andalusia Post Office, Alabama	135
110	Daytona Beach Post Office, Florida	122
111	Dumas Main Post Office, Texas	104
112	Irwinton Post Office, Georgia	25
113	Aztec Main Post Office, New Mexico	140
114	Ft. Pierce Post Office, Florida	180
115	Hialeah Br. Post Office, Florida	258
116	Delray Post Office, Florida	93
117	Melbourne Post Office	250
118	Moss Point Post Office, Mississippi	300
119	United States Post Office Mayfield, Tennessee	205
120	Show Low Post Office, Arizona	112
121	United States Post Office Trees Annex, California	204
122	United States Post Office, Vine St., Illinois	120
123	United States Post Office Ardmore Station, Alabama	225
124	United States Post Office Hallendale, Florida	271
125	United States Post Office Riverview, Florida	270

APPENDIX B. MANAGEMENT'S COMMENTS

RUDY UMSCHIED
VICE PRESIDENT, FACILITIES



February 28, 2000

SYLVIA L. OWENS
ASSISTANT INSPECTOR GENERAL
REVENUE COST AND CONTAINMENT

SUBJECT: Roofing Product at United States Postal Facilities

We agree with the conclusion in the management advisory report dated Feb. 14, 2000, referenced above. In response, we will forward this report to the eleven Facilities Service Offices when it is finalized and ask them to forward the information to the respective Area offices for appropriate actions as necessary. Based on the square foot information provided, it appears that most of these were small repair and alteration projects that are under the purview of the Administrative Service Offices.

Based on our past experience, we believe this is a respected manufacturer with a proven track record. While it is possible that the defective roofing product was installed in some other projects, it is also highly possible that this specific incident is related to the specific batch or run of material that was found to be bad. We would recommend that the manufacture of the product including the specific product name, batch or run of the material be stated in the report, as well as a confirmation that it was used on the 125 projects listed. Following is suggested to be added to the final report:

'The roof installed was a Modified Bitumen roof with DynaKap membrane provided by Schuller/Johns Manville Roofing System. The new roof was substantially completed in June 1995, due to manufacturer material defect; it then was repaired/overlaid by Schuller System in February 1998 at no cost to USPS. A 20 -Year No Dollar Limit Gold Shield Roofing System Guarantee was reissued starting the roofing warranty from February 1998.'

A handwritten signature in black ink, appearing to be "Rudy Umschied", written over a large, faint, curved line that spans across the signature area.

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