



September 14, 2009

MICHAEL L. BARBER  
PLANT MANAGER, FORT WORTH PROCESSING AND DISTRIBUTION CENTER

SUBJECT: Audit Report – Fort Worth Processing and Distribution Center  
Delayed Mail Issues (Report Number NO-AR-09-009)

This report presents the results of our audit focusing on delayed mail issues at the Fort Worth Processing and Distribution Center (P&DC) located in the Fort Worth Texas District, Southwest Area (Project Number 08XG044NO000). Our objective was to determine if mail at the Fort Worth P&DC was processed in a timely manner. This self-initiated audit was identified by the Performance and Results Information Systems – Network and Delivery Optimization Risk Model<sup>1</sup> as being high risk with regard to delayed mail. This audit addresses operational risk. See [Appendix A](#) for additional information about this audit.

## Conclusion

The Fort Worth P&DC had difficulty processing its mail timely.

- Delayed mail volumes increased significantly. Delayed mail volumes rose from over 4 million pieces by the end of fiscal year (FY) 2008 to over 21 million pieces in Quarter 1, FY 2009. Most of the delayed mail was Standard and Periodicals.
- The Fort Worth P&DC's ability to process delayed mail diminished over time. By the end of FY 2008, the Fort Worth P&DC ranked twelfth out of 36<sup>2</sup> Group 1 sites<sup>3</sup> in processing delayed mail. By Quarter 1, FY 2009, its ranking worsened to twenty-fourth out of 36 sites.
- The Fort Worth P&DC was not fully utilizing the Automated Flat Sorting Machine (AFSM) 100 to process Standard and Periodicals mail.

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<sup>1</sup> In Quarters 1 and 2, FY 2008 the Fort Worth District ranked sixth and seventh, respectively, of 80 districts in having the most delayed mail.

<sup>2</sup> The lower the ranking the lower the amount of mail being delayed relative to similarly sized or Group 1 sites. For example, a ranking of 1 indicates the particular plant delays the least amount of mail relative to its counterparts while a ranking of 36 indicates that particular plant delays the most amount of mail relative to its counterparts.

<sup>3</sup> The Fort Worth P&DC is a Group 1 processing plant (based on FY 2006 groupings). There are a total of 36 plants considered to be Group 1 based on the volume of mail they process.

This delayed mail occurred because of staffing shortages resulting from excessive leave usage. Management did not have established procedures in place to identify employees who abused sick leave in order to take corrective action as necessary. As a result, the Fort Worth District experienced a negative impact on customer service and an increase in customer complaints. During our audit, management began to take corrective action and had reduced delayed mail volume to 1.8 million pieces in March 2009. See [Appendix B](#) for our detailed analysis of this topic.

We recommend the Plant Manager, Fort Worth Processing and Distribution Center:

1. Follow established standards for identifying employees with attendance problems and ensure necessary disciplinary actions are taken for those who abuse leave privileges.
2. Ensure a sufficient number of employees are available to work Automated Flat Sorting Machines in order to process Standard Mail and Periodicals timely.

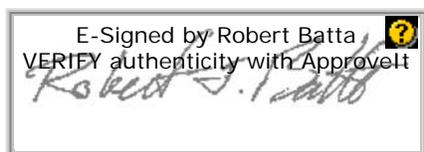
### Management's Comments

Management agreed with our findings and recommendations. Management's comments indicated they completed attendance training for supervisors and realigned staffing for its automated equipment. See [Appendix C](#) 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 in the report.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact James L. Ballard, Director, Network Processing, or me at (703) 248-2100.



E-Signed by Robert Batta   
VERIFY authenticity with ApproveIt  
*Robert J. Batta*

Robert J. Batta  
Deputy Assistant Inspector General  
for Mission Operations

Attachments

cc: Patrick R. Donahoe  
Steve J. Forte  
Jordan M. Small  
Ellis A. Burgoyne  
David E. Williams  
Bill Harris

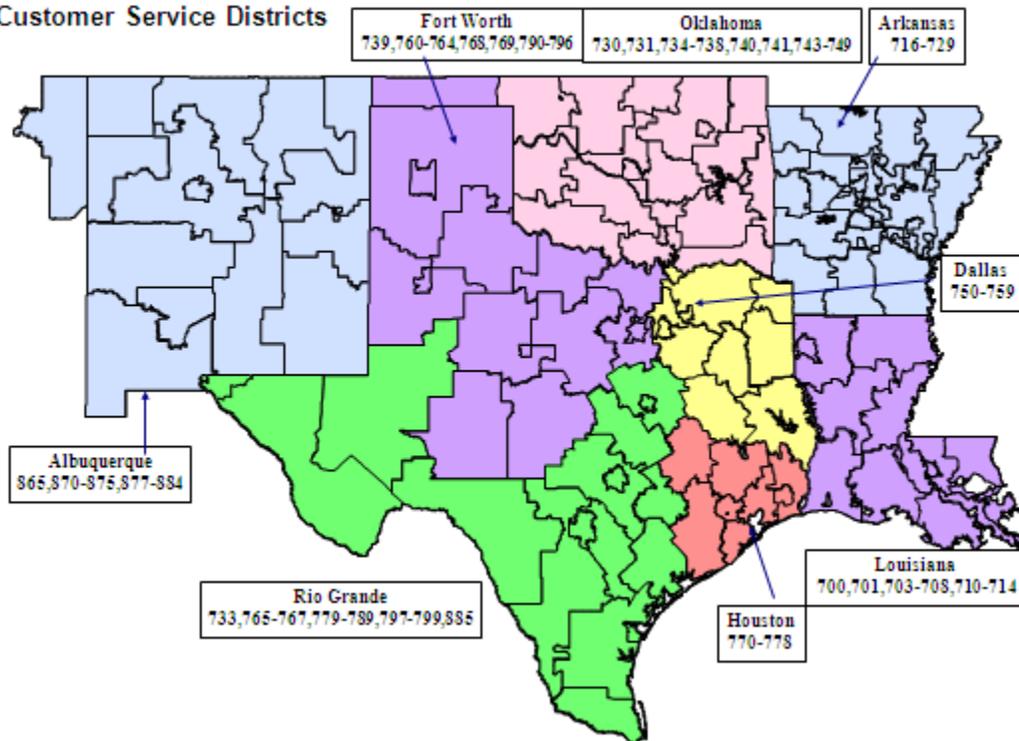
## APPENDIX A: ADDITIONAL INFORMATION

### BACKGROUND

The Fort Worth P&DC is located in the Fort Worth Customer Service District in the Southwest Area. The map below shows the Southwest Area districts by three-digit ZIP Code™.

### Southwest Area

Customer Service Districts



The Fort Worth Customer Service District is comprised of the following mail processing facilities: the Fort Worth P&DC, the Lubbock Processing and Distribution Facility (P&DF), the Amarillo P&DF, the Abilene Post Office (PO), the and Wichita Falls PO. The Fort Worth P&DC processed over 1.8 billion pieces of mail and used 2.1 million workhours in FY 2008. The Postal Service owns the Fort Worth P&DC building and has occupied the facility since 1985. The facility has an area of over 485,000 total square feet with 305,000 square feet of interior space. This facility processes Priority Mail, First-Class Mail, Periodicals, Standard Mail, and Packages. As of Pay Period 11, calendar year 2009, the facility has 1,874 bargaining unit employees.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

Our objective was to determine if mail at the Fort Worth P&DC was processed in a timely manner. To meet our objective, we conducted interviews; performed analysis of mail volumes, workhours, and machine output; analyzed trends; and conducted observations.

We used computer-processed data from the Web Enterprise Information System, Web Mail Condition Reporting System, Enterprise Data Warehouse, and Management Operating Data System. We pulled data from October 1, 2007, through December 31, 2008, but did not test controls over these systems. However, we checked the reasonableness of results by confirming our analysis and results with management and multiple data sources.

We conducted this performance audit from October 2008 through September 2009 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. 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 officials on July 9, 2009, and included their comments where appropriate.

**PRIOR AUDIT COVERAGE**

<b>Report Title</b>	<b>Report Number</b>	<b>Final Report Date</b>	<b>Monetary Impact</b>	<b>Report Results</b>
<i>Timeliness of Mail Processing at the San Juan Processing and Distribution Center</i>	NO-AR-09-002	January 29, 2009	\$0	We recommended management monitor delayed mail daily and develop action plans, if necessary, to ensure timely processing of mail; develop and submit a request to modify the Universal Sorter Machine to reduce damaged mail; assign accountability to ensure dispatches to the islands are accurate and expedite turn-around time of any mail sent to the wrong island; increase small parcel bundle sorter and AFSM windows of operation during peak volume periods; ensure employees are properly trained to identify delayed mail and ensure all mail is accurately reported on Web Mail Condition Reporting system; and consider and weigh the benefits of service over risks to all the U.S. Virgin Islands to keep and cancel local letter mail as is done in other U.S. territories.
<i>Delayed Mail at the North Texas P&amp;DC</i>	NO-AR-08-006	August 14, 2008	\$0	We recommended management ensure supervisors oversee mail processing, monitor delayed mail regularly, and develop action plans; develop and implement a mail arrival profile; ensure Standard Mail and Periodicals are staged and processed using first-in, first-out (FIFO) procedures; rearrange delivery bar code sorters or move sort programs to different pieces of mail sorting equipment to eliminate bottlenecks in the dispatch of delivery point sequence mail; and direct sack mail operations be returned to the Dallas Bulk Mail Center.
<i>Delayed Mail at the Waco P&amp;DF</i>	NO-AR-08-002	March 13, 2008	\$0	We recommended management ensure supervisors oversee mail processing, monitor delayed mail regularly, and develop action plans, if necessary, to ensure the timely processing of Standard Mail; develop and implement a mail arrival profile; and relocate accumulated mail transport equipment to allow full use of the mail processing floor.
<i>Timeliness of Mail Processing at the Chicago, Illinois Cardiss Collins P&amp;DC</i>	NO-AR-07-012	September 28, 2007	\$0	We recommended management provide consistent, high-quality supervision and training, improve planning, make employees accountable, and continue monitoring and adjusting mail processing operations to ensure the timely processing of mail.
<i>Mail Processing</i>	NO-AR-	August 6,	\$0	We recommended management implement

<p><i>at the Southeastern Pennsylvania P&amp;DC</i></p>	<p>07-007</p>	<p>2007</p>		<p>procedures for sending mail to other facilities for final processing when volume at the Southeastern P&amp;DC exceeds capacity and instruct plant managers to process mail using the FIFO method.</p>
<p><i>Timeliness of Mail Processing at the Los Angeles, California P&amp;DC</i></p>	<p>NO-AR-07-001</p>	<p>February 9, 2007</p>	<p>\$0</p>	<p>We recommended management correct deficiencies in the timely processing of Periodicals and Standard Mail.</p>

**APPENDIX B: DETAILED ANALYSIS**

**Delayed Mail**

Delayed mail volumes increased significantly. Delayed mail volumes rose from over 4 million pieces by the end of FY 2008 to over 21 million pieces in Quarter 1, FY 2009. Most of the delayed mail was Standard and Periodicals. Delays occurred in all classes of mail, with Priority Mail, Periodicals, Standard, and Packages delayed mail increasing by 482 percent, 610 percent, 381 percent, and 811 percent, respectively, from Quarter 4, FY 2008 to Quarter 1, FY 2009. First-Class Mail® delays increased 80 percent over the same period. See Table 1.

**Table 1: Percentage of Delayed Mail by Class,  
Quarter 4, FY 2008 and Quarter 1, FY 2009<sup>4</sup>**

	<b>Priority</b>	<b>First-Class Mail</b>	<b>Periodicals</b>	<b>Standard</b>	<b>Packages</b>	<b>Total</b>
<b>Q4, FY 2008</b>	6,430	332,912	797,563	3,039,727	1,598	4,178,230
<b>Q1, FY 2009</b>	37,420	599,008	5,663,535	14,630,108	14,556	20,944,627
<b>Change from: Q4, FY 2008 to Q1, FY 2009</b>	482%	80%	610%	381%	811%	401%

<sup>4</sup> At the end of Quarter 1, FY 2009, Periodicals and Standard Mail comprised 96 percent (20,293,643 of 20,944,627) of total delayed mail volume. While delayed mail significantly increased among Priority Mail, First-Class Mail and Package Services, the volume increases in these categories were insignificant when compared to total delayed mail volume. First-Class Mail was almost 3 percent (599,008 of 20,944,627) of total delayed mail volume and Priority Mail (37,420 of 20,944,627) and Package Services (14,556 of 20,944,627) were less than 1 percent each; thus we focused on the Periodicals and Standard Mail delays.

The Fort Worth P&DC had a significant amount of delayed mail compared to like-sized facilities. We also compared the amount of the Fort Worth P&DC's delayed mail to average delayed mail volumes at similarly sized Group 1 sites. The charts below benchmark the Fort Worth P&DC's performance against the average of the remaining Group 1 sites. Total delayed mail for Group 1 sites increased from 517 million pieces in Quarter 4, FY 2008 to 832 million pieces in Quarter 1, FY 2009, an increase of 314.8 million pieces (an average increase of 61 percent). In contrast, delayed mail at the Fort Worth P&DC increased from 4.2 million pieces to 20.9 million pieces over the same period — an increase of 16.8 million pieces (or 401 percent). See Table 2.

**Table 2: Volume and Percentage of Change in Delayed Mail**

	<b>Group 1</b>	<b>Fort Worth P&amp;DC</b>
<b>Quarter 4, FY 2008</b>	517,166,657	4,178,230
<b>Quarter 1, FY 2009</b>	832,017,586	20,944,627
<b>Percent Change: Quarter 4, FY 2008 to Quarter 1, 2009</b>	61%	401%

By class of mail, the Fort Worth P&DC ranked high compared to a total of 36 sites (the higher the ranking, the more delayed mail relative to its Group 1 counterparts). For example, it ranked:

- Twenty-sixth in delayed Periodicals in Quarter 4, FY 2008, with a decline to thirty-fourth in Quarter 1, FY 2009. This indicated only two other P&DCs delayed more Periodicals than the Fort Worth P&DC during the first quarter of FY 2009.
- Twelfth in delayed Standard Mail in Quarter 4, FY 2008 with a decline to eighteenth in Quarter 1, FY 2009.
- Twenty-ninth in delayed Package Services mail in the Quarter 4, FY 2008 and remained 29<sup>th</sup> in Quarter 1, FY 2009. This ranking shows that only six other Group 1 plants delayed more Package Service mail than the Fort Worth P&DC.
- Twenty-sixth in delayed First-Class Mail in Quarter 4, FY 2008, but improved to twenty-third in Quarter 1, FY 2009. This ranking indicates that, although the Fort Worth P&DC improved, it still delayed more First-Class Mail than the majority of its counterparts.

The following three pictures show examples of delayed mail during our observations.

Picture 1: Delayed Standard Mail in the flat sorting area



Eleven containers with delayed Standard Mail in the AFSM preparation area labeled with orange tags dated October 25, 2008, for Tuesday delivery. (Tuesday, October 28, 2008, 5:29 A.M.)

Picture 2: Delayed Standard Mail in the flat prep area



Wire container with Standard Mail labeled with blue tag that should have been delivered on Tuesday. (Wednesday, October 15, 2008, 5:40 A.M. Note: Monday, October 13, 2008, was Columbus Day.)

Picture 3: Color-code label on mail container with delayed Standard Mail



Close-up of violet tag dated December 7, 2008, for Thursday delivery. The mail in this container was not processed at the time this photo was taken and could not meet the scheduled delivery date on the color-code tag. (Thursday, December 11, 2008, 5:58 A.M.)

### Machine Capacity

The Fort Worth P&DC generally had sufficient processing capacity to process its mail volume timely. However, opportunities exist to better use the machine capacity on the AFSM 100 for standard mail and Periodicals.

The AFSM 100 operated at a utilization level lower than the weekly run hour target. For example, in Quarter 4, FY 2008, the AFSM 100 utilization was 309 hours per week compared to the weekly run hour target of 420 hours. In Quarter 1, FY 2009, the AFSM 100 utilization improved to 342 hours per week, but declined relative to the weekly run hour target of 525.<sup>5</sup> See Table 3.

**Table 3: AFSM 100 Utilization and Targets**

	Fort Worth P&DC	Weekly Hour Run Target	Percent of Utilization
Quarter 4, FY 2008	309	420	74
Quarter 1, FY 2009	342	525	65

<sup>5</sup> In Quarter 4, FY 2008, the Fort Worth P&DC operated four AFSM 100s at a weekly run hour target of 105 hours per machine for a combined goal of 420 hours per week. In Quarter 1, FY 2009, the Fort Worth P&DC added one machine for a combined goal of 525 hours per week.

Productivity on the AFSM 100s was also below the national average. In Quarter 4, FY 2008, the national average FHP productivity was 1,473 pieces per hour. During the same period, the Fort Worth P&DC's FHP productivity was 1,250 pieces per hour, or 15.10 percent below the national average. In Quarter 1, FY 2009, the Fort Worth P&DC's FHP productivity had risen to 1,334 pieces per hour. However, it was still 9.20 percent below the national average FHP productivity of 1,469 pieces per hour. See Table 4.

By increasing FHP productivity to the national average of 1,469 pieces per hour and running AFSM 100s an additional 183 hours per week, the Fort Worth P&DC could process an additional 268,915 pieces of flat mail per week.

**Table 4: AFSM Productivity  
Fort Worth P&DC Compared to National Achievement**

<b>AFSM</b>	<b>Q4, FY 2008</b>	<b>Q1, FY 2009</b>
<b>Fort Worth P&amp;DC FHP Productivity</b>	1,250	1,334
<b>National FHP Productivity</b>	1,473	1,469
<b>Fort Worth P&amp;DC Percent Below National</b>	15.10%	9.20%

**Criteria**

The *President's Commission on the U.S. Postal Service* report dated July 31, 2003, states that the mission of the Postal Service is:

. . . to provide high-quality, essential postal services to all persons and communities by the most cost-effective and efficient means possible at affordable and, where appropriate, uniform rates.

Title 39 U.S.C., Part 1, Chapter 4, §403, states:

The Postal Service shall plan, develop, promote, and provide adequate and efficient postal services at fair and reasonable rates and fees.

Handbook PO-420, *Small Plant Best Practices Guidelines*, dated November 1999, Chapter 7 (In-Plant Support) and Chapter 9 (Success Strategies), states that:

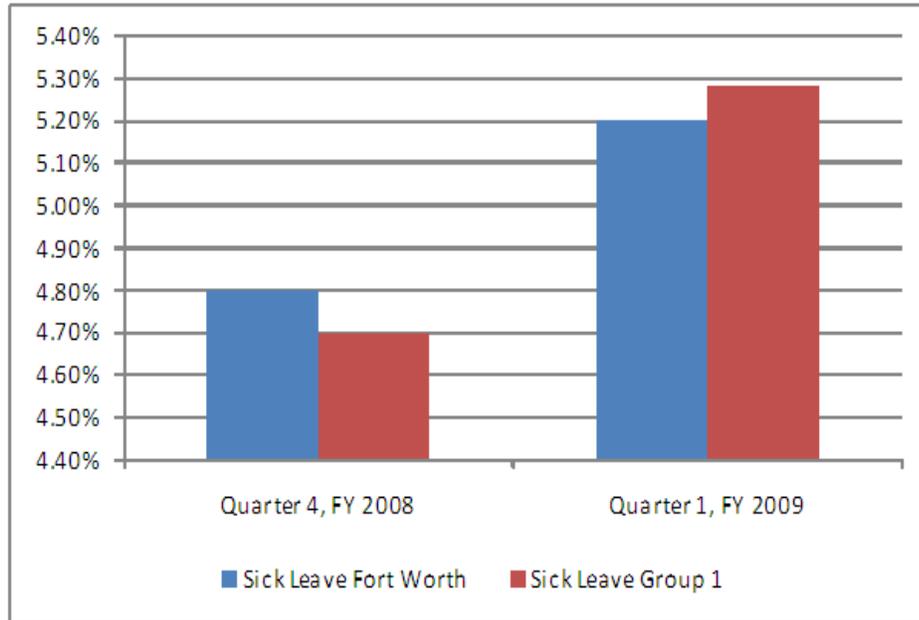
In-Plant Support personnel may assist operations in maintaining and updating all signage; and successful small plants maintain excellent signage for staging and dispatch areas, respectively.

## Causes

The excessive delayed mail occurred because of staffing shortages resulting from Family Medical Leave Act (FMLA) leave usage. Management did not have established procedures in place to track and monitor leave usage. Management advised that they had difficulty fully staffing operations because employees used excessive amounts of sick leave and leave covered by the FMLA.

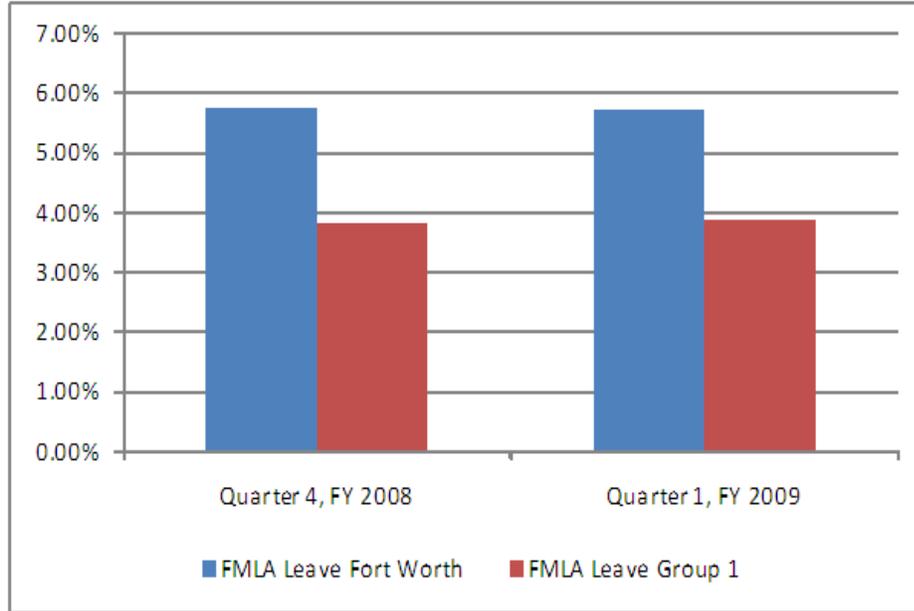
We found sick leave usage at the Fort Worth P&DC in line with other Group 1 facilities. For example, in Quarter 4, FY 2008, Fort Worth P&DC employees' sick leave usage was 4.80 percent of total workhours. Sick leave hours of employees at the remaining Group 1 facilities accounted for 4.70 percent of total workhours. During Quarter 1, FY 2009, Fort Worth P&DC employees' sick leave hours accounted for 5.20 percent of total workhours while remaining Group 1 employees' sick leave was 5.29 percent of total workhours. See Graph 1 below.

**Graph 1: Sick Leave as a Percentage of Total Workhours  
Fort Worth P&DC and Group 1 Facilities  
(Quarter 4, FY 2008 and Quarter 1, FY 2009)**



However, in contrast, Fort Worth P&DC employees used significantly more FMLA leave when compared to total workhours than the average of the other Group 1 facilities. For example, Fort Worth P&DC employees FMLA leave accounted for 5.75 percent of total workhours in Quarter 4, FY 2008, while their Group 1 counterparts' FMLA leave was 3.84 percent of total workhours. Additionally, in Quarter 1, FY 2009, Fort Worth P&DC employees' FMLA leave usage accounted for 5.71 percent of their total workhours. The remaining Group 1 facilities' FMLA leave usage was 3.88 percent of total workhours during the same time period. See Graph 2 on the following page.

**Graph 2: FMLA Leave as a Percentage of Total Workhours  
Fort Worth P&DC and Group 1 Facilities  
(Quarter 4, FY 2008 and Quarter 1, FY 2009)**



### Impact

As a result of delayed mail, the Fort Worth District experienced a negative impact on customer service and an increase in customer complaints. For example, from Quarter 4, FY 2008 to Quarter 1, FY 2009, service scores declined in all categories. Overnight scores dropped from 97.0 percent to 96.1 percent and 2-day scores declined from 95.2 percent to 93.9 percent. Also, 3-day scores fell from 93.1 percent to 85.6 percent. In addition, delayed mail complaints in the Fort Worth District increased from 430 in Quarter 4, FY 2008 to 607 in Quarter 1, FY 2009.

## APPENDIX C: MANAGEMENT'S COMMENTS

FORT WORTH PROCESSING AND DISTRIBUTION CENTER



September 9, 2009

LUCINE M. WILLIS  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Fort Worth Processing and Distribution Center Delayed Mail Issues  
(Report Number NO-AR-09-DRAFT)

The Fort Worth Processing and Distribution Center provides the following response as requested.

There is agreement on the findings of delayed mail volumes as provided in the report.

The Ft. Worth P&DC has taken the following actions as recommended in the audit findings.

- 1.) Additional attendance management training has been provided to Mail Processing supervisors.
- 2.) The staffing of AFSM bids has been realigned to provide the necessary coverage required.
- 3.) An additional activity has been planned to further assist in maintaining manageable On-Hand mail volumes and avoiding delayed mail. A new APPS staffing plan has been developed and will be implemented within the next 2 months. This staffing will provide the necessary number of employees daily to maximize the utilization of this equipment and reduce the inventory levels experienced during Quarter 1, FY 2009.

In summary, the Ft. Worth P&DC accepts the findings in this draft report and has implemented activities as recommended. We do not believe that this report contains any proprietary business information and may be disclosed pursuant to the Freedom of Information Act.

Please contact Allan McClurkan, Manager, In-Plant Support (817 317-3662) if additional information or clarification is required.

A handwritten signature in cursive script, appearing to read "Mike L. Barber".

Mike L. Barber  
Senior Plant Manager

4600 MARK IV PARKWAY  
FORT WORTH, TEXAS 76161-9711  
817-317-3662  
FAX: 817-317-3749