



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

**City Delivery Efficiency –
South Florida District**

Audit Report

March 4, 2014

Report Number DR-AR-14-004



HIGHLIGHTS

BACKGROUND:

The U.S. Postal Service Office of Inspector General (OIG) developed a series of interrelated city delivery efficiency indicators to rank the relative risk of the 67 Postal Service districts for operational and service issues. The South Florida District was ranked as the second most “at-risk” district, as of fiscal year (FY) 2013, Quarter 3.

In FY 2013, South Florida District city letter carriers delivered almost 2.8 billion mailpieces on 4,096 routes to over 2.5 million delivery points. City delivery office and street operational workhours totaled 9,844,953. Our objective was to assess the efficiency of city delivery operations in the South Florida District.

WHAT THE OIG FOUND:

The South Florida District has opportunities to enhance efficiency in city delivery operations. We found that 83 of 112 delivery units (74 percent) used 374,982 more workhours than projected. This occurred because management did not always enforce policies and procedures for supervising city delivery operations. Also, office and street supervision was inconsistent at the delivery units, allowing for some inefficiency in operations. Officials

indicated their office workload priorities limited their ability to monitor carriers delivering mail. We identified the potential to eliminate 374,982 workhours through improved supervision and other efforts. This would increase overall efficiency at these delivery units and allow the Postal Service to avoid about \$15 million in costs annually.

We also identified assets at risk totaling \$165,508 at four delivery units due to inadequate safeguards. Management immediately initiated corrective action on these security matters.

WHAT THE OIG RECOMMENDED:

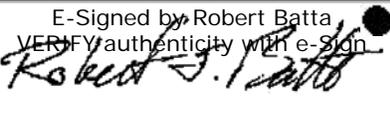
We recommended the manager, South Florida District, instruct unit supervisors at the 83 delivery units to eliminate 374,982 workhours. We also recommended the manager reinforce policies and procedures for supervising city delivery office and street operations at these delivery units and eliminate inefficient practices. Further, we recommended the manager require delivery supervisors to establish, review, and update integrated operating plans to ensure mail arrives timely and in route order for easy retrieval by letter carriers.

[Link to review entire report.](#)



March 4, 2014

MEMORANDUM FOR: JEFFERY A. TAYLOR
MANAGER, SOUTH FLORIDA DISTRICT

E-Signed by Robert Batta
VERIFY authenticity with e-Sign


FROM: Robert J. Batta
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Audit Report – City Delivery Efficiency – South Florida
District (Report Number DR-AR-14-004)

This report presents the results of our audit of the U.S. Postal Service's City Delivery Efficiency in the South Florida District (Project Number 13XG043DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita F. Oliver, director, Delivery and Post Office Operations, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Introduction

This report presents the results of our self-initiated audit of city delivery efficiency in the South Florida District (Project Number 13XG043DR000). The audit is in response to the U.S. Postal Service Office of Inspector General's (OIG) City Delivery Efficiency Indicator results used during fiscal year (FY) 2013, which ranked the South Florida District as the second most “at-risk” district, as of FY 2013, Quarter (Q) 3. Our objective was to assess the efficiency of city delivery operations in the South Florida District.

City delivery office and street operations cover every duty a letter carrier performs, including sorting and delivering mail, completing paperwork, scanning mail, loading the delivery vehicle, collecting mail along the route, and returning to the delivery unit to unload the delivery vehicle. In FY 2013, South Florida District city letter carriers delivered almost 2.8 billion mailpieces on 4,096 routes to over 2.5 million delivery points. City delivery office and street operational workhours totaled 9,844,953 (see [Appendix A](#) for additional information).

Conclusion

The South Florida District has opportunities to enhance efficiency in city delivery operations. We found 83 of 112 delivery units (74 percent) used 374,982 more workhours than projected. This occurred because management did not always enforce policies and procedures for supervising city delivery operations. Also, office and street supervision was inconsistent at the delivery units, allowing for some inefficiency in operations. Officials indicated their office workload priorities limited their ability to monitor carriers delivering mail. We identified the potential to eliminate 374,982 workhours through improved supervision and other efforts. This would increase overall efficiency at these delivery units and avoid about \$15 million in costs annually (see [Appendix B](#)).

This audit also identified assets at risk totaling \$165,508 due to inadequate safeguards related to unsecured retail stamp inventory. Management immediately initiated corrective action on these security matters.

City Delivery Efficiency

Our audit of the 14 delivery units with the highest variances¹ determined that management did not always reinforce Postal Service policies and procedures for city

¹ For office operations, when carriers on routes within a delivery unit actually use fewer office hours than projected, a positive office variance occurs. Conversely, when carriers on routes within a delivery unit use more office hours than projected, a negative office variance occurs. For street operations, when carriers on routes within a delivery unit actually use fewer street hours than projected, a negative street variance occurs. Conversely, when carriers on routes within a delivery unit use more street hours than projected, a positive street variance occurs. The total net highest variance is the difference between the total office and street variance.

delivery operations at delivery units or eliminate inefficient and inconsistent practices (see [Appendix C](#)). Management must ensure that:

- Delivery point sequence (DPS)² letters processed at plants arrive at delivery units staged in route order for easy retrieval by carriers (see [Figure 1](#)).
- Delivery unit and processing plant management establish, coordinate, and update integrated operating plans (IOPs)³ for units to receive the proper mail types at scheduled times so carriers do not have to wait for mail before departing for the street, potentially delaying their return to the office (see [Figure 2](#)).
- Carriers perform office and street duties using the most efficient habits to avoid incurring unnecessary additional time (see [Figures 3 through 7](#)).

Supervision

Supervisors did not always adequately oversee office and street operations. When asked, several carriers said they only occasionally saw supervisors on the workroom floor observing operations or on the street observing deliveries. Some supervisors said they would like to observe operations more frequently and correct inefficient carrier habits, but they are too busy with other office tasks.

Postal Service (PS) Form 3999, Inspection of Letter Carrier Route, is one of the tools management uses to supervise street delivery. It documents a carrier's ability to perform his or her street route. Our review indicated that unit management rarely had current copies of these forms. Forms were over 1 year old or not updated, based on the last route adjustment, at nine of the 12 units (75 percent) we visited. A current PS Form 3999 allows a supervisor to know a carrier's exact LOT, including the modes of delivery used and where a carrier should be and at what time.

Delivery Point Sequencing Handling

At the delivery units we observed, some DPS letters processed by plants arrived late in mail transport containers stacked on top of each other and not staged for easy retrieval by the carriers. Usually, a clerk or supervisor reorganizes the DPS mail; however, some carriers unloaded and sorted through the containers to identify the DPS mail for their routes while on street time (see [Figure 1](#)).

² A process to sort barcoded letter mail at processing plants and delivery units into the carrier's Line-Of-Travel (LOT) so the carrier can deliver it without manual sorting before going to the street.

³ The IOP covers mail arriving from the plant and identifies the mail products for each individual trip. The primary purpose is to stabilize mail flow.

Figure 1. DPS Mail Received in Unshelved Containers



Source: OIG photograph taken October 22, 2013, [REDACTED] Post Office.

When carriers have to search for their DPS mail trays, their loading and departure are delayed, thereby extending their street time. Postal Service policy⁴ states that:

. . . mail processing should stage DPS letters for transport in shelved or modified containers so individual trays do not have to be rehandled at the delivery unit.

In addition, policy⁵ states that:

DPS mail is not to be distributed to carriers, but staged near the exit for transport to vehicles so [it] can be taken directly to the street without further handling.

⁴ *Field Operations Standardization Development, Morning Guidebook, Section 2-6, 2007.*

⁵ *Field Operations Standardization Development, Morning Guidebook, Section 4-5, 2007.*

Integrated Operating Plan

Mail did not always arrive on time, or in the proper mail mix. We observed several instances in which the majority of flat mail arrived with DPS mail on the last dispatch of the morning. Further, we observed parcels arriving with DPS mail or arriving later than expected. We also observed managers at most of the units we visited inconsistently used the IOP Discrepancy Report System to report mail arrival issues. Further, in several instances, the delivery units had outdated IOPs. The Postal Service designed the IOP system to help stabilize mail flow and it is critical to establishing appropriate staffing and reporting times to eliminate carrier delays.

Delays can prolong carriers' return times beyond 5 p.m., which may also contribute to overtime hours. At the delivery units we observed, carriers' start times began around 9 a.m. or later, which led to carriers returning after 5 p.m. (see Figure 2). Unit managers have met with district officials, via teleconferences, on individual issues, but they have not worked together on comprehensive solutions to late mail arrival, mail out of route order, or other systemic problems.

Figure 2. Carrier Delivering Mail After 5 p.m.



Source: OIG photograph taken November 7, 2013, [REDACTED] Branch.

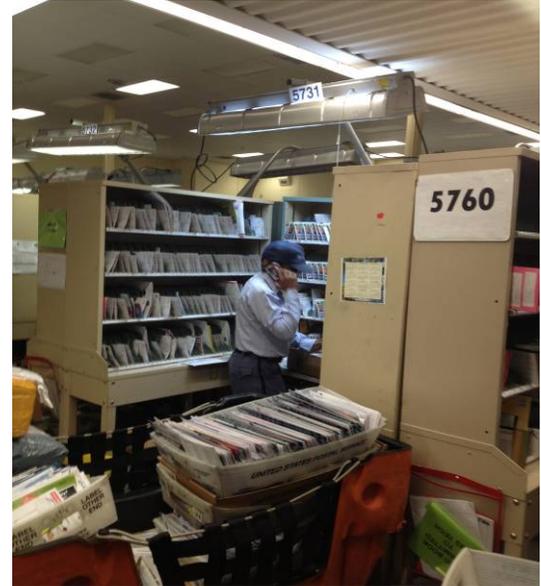
Inefficient Carrier Practices

The OIG also observed instances of carrier inefficiencies while on office duty. We traced some inefficient loading habits to carriers waiting for mail or parcels and found opportunities for carriers to save office time by preparing mail for delivery and save street time by loading vehicles. We observed time-wasting practices, such as carriers waiting in line for accountable mail, excessive talking on cell phones during mail sorting, and visits to personal vehicles (see Figures 3 and 4).

Figure 3. Carriers Waiting in Line for Accountable Mail During Office Operations



Figure 4. Carrier Talking on Personal Cell Phone During Office Operations



Source: OIG photographs taken November 6, 2013, [REDACTED] Annex and October 24, 2013, [REDACTED] Branch.

The OIG also observed instances of carriers being inefficient while on street duty by, for example, going to their personal vehicles and not using satchels (see [Figures 5 and 6](#)).

When carriers do not use their satchels to deliver mail, they make multiple trips to and from their vehicles and incur additional street time. Postal Service procedures require carriers delivering mail on park-and-loop routes⁶ to use their vehicles as movable relay boxes from which they withdraw a substantial amount of mail that they place into their satchels before beginning their routes. Carriers must carry the appropriate amount of mail — up to 35 pounds — to complete each assigned relay without additional trips to the vehicle or relay box.⁷

⁶ A delivery method that is basically the same as the one that uses foot routes with relays. The carrier uses the vehicle as a movable relay box from which he or she withdraws a substantial amount of mail, placing it into his or her satchel. The carrier then delivers to one side of the street up to a certain location and then the other side (looping) back to the vehicle for additional relays, parcel post delivery, and or other park points.

⁷ PS Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, Section 273, March 1998.

Figure 5. Carrier at Personal Vehicle During Street Time Loading



Figure 6. Carriers Without Satchels



Source: OIG photograph taken October 22, 2013, [redacted] Branch and [redacted] Annex.

The OIG witnessed other instances of carrier inefficiencies while on street duty. For example, we observed carriers using multiple delivery modes on one street including walking, dismounting, and delivering curbside (see Figure 7). One carrier who performed multiple modes of delivery on the route told us that carriers could save at least 1 hour of street time daily by using one mode of delivery, particularly curbside.⁸

Figure 7. Multiple Delivery Modes on One Street



Source: OIG photograph taken October 24, 2013, [redacted] Station.

Overall efficiency at South Florida District delivery units would increase by adjusting operations and improving supervision during carrier street delivery. We estimate this

⁸ The OIG plans a future review of carriers' use of multiple modes of delivery on one street.

would allow the Postal Service to avoid costs of \$15 million annually by reducing 374,982 workhours (see [Appendix B](#)).

Assets at Risk

Employees did not properly secure and lock stamp stock inventory valued at \$165,508 at four of the 12 locations we visited. Physical access controls reduce the security risk to Postal Service employees and safeguarding controls reduces the potential for loss or misappropriation of assets. We brought these issues to the attention of station managers who took immediate action to correct the situation. We are not making recommendations on this issue.

Recommendations

We recommend the manager, South Florida District, instruct unit supervisors at delivery units to:

1. Implement efforts to eliminate 374,982 workhours at the delivery units cited.
2. Reinforce and ensure adherence to Postal Service policies and procedures for supervising city delivery operations at delivery units.
3. Eliminate inefficient carrier practices, such as carriers waiting in line for accountable mail, excessive talking on cell phones during mail sorting, and visits to personal vehicles.
4. Increase mail arrival efficiency by preparing integrated operating plans with facility processing managers.
5. Use the Integrated Operating Plan Discrepancy Report System to monitor compliance and identify and correct systemic issues.
6. Ensure delivery point sequence mail arrives timely and in route order for easy retrieval by carriers.

Management's Comments

Management agreed with the findings, recommendations, and monetary impact. Management reviewed a discussion draft of this report and submitted comments. We incorporated management's suggested changes into this final report.

Regarding recommendation 1, management agreed to implement efforts to eliminate 374,982 workhours at the delivery units cited in the report. Officials indicated they have implemented several initiatives to reduce workhours, including having daily meetings to discuss office and street performance and increasing their focus on carrier activities. Daily meetings could result in supervisors meeting with employees to schedule an office count or discuss performance, as well as conducting street inspections/observations.

Officials also stated their oversight includes having daily morning district level teleconferences, reviewing budget/production performance, reviewing offices that do not follow their operating plan, and taking corrective action to improve performance. Officials also said they implemented five levels of oversight for each delivery unit, including level one for weekly monitoring, level two for daily operational monitoring, level three for site visits and monitoring, level four for district-level functional team review, and level five for intervention/support team action. Officials indicated they have eliminated 132,385 workhours as of week 20 and still plan to capture the remaining hours. The target implementation date is September 30, 2014.

Regarding recommendation 2, management agreed to reinforce and ensure adherence to Postal Service policies and procedures for supervising city delivery operations at delivery units. Officials said their implementation of oversight levels at each delivery unit includes using a support team to coach and mentor current supervisors to reinforce policies and procedures and to assist with any difficulties they are having in performing their duties efficiently. Officials stated they have about 50 vacant supervisor positions and will post them to Executive and Administrative Schedule (EAS) personnel first and then to craft employees if they remain unfilled. Filling the vacancies will create a more stable and consistent supervisory staff to reinforce policies and procedures. The target implementation date is June 30, 2014.

Regarding recommendation 3, management agreed to eliminate inefficient carrier practices, such as carriers waiting in line for accountable mail, excessive talking on cell phones during mail sorting, and visits to personal vehicles. Management said it rewrote and distributed the policy on cell phone use and instructed offices to give service talks on time-wasting practices. Officials stated they will continue following up on their observations. The target implementation date is March 15, 2014.

Regarding recommendation 4, management agreed to increase mail arrival efficiency by preparing IOPs with facility processing managers. Officials indicated they plan to work with their processing plant partners to update the IOP agreements, especially after closing two facilities. The target implementation date is September 1, 2014.

Regarding recommendation 5, management agreed to use the IOP Discrepancy Report System to monitor compliance and identify and correct systemic issues. Officials stated that, although they are not using the system, they are identifying IOP discrepancies during daily morning teleconferences with processing plant partners. Management further stated that its Operations Support and In-Plant Support departments will review the feasibility of using the system and make recommendations. The target implementation date is April 1, 2014.

Regarding recommendation 6, management agreed to ensure delivery point sequence mail arrives timely and in route order for easy retrieval by carriers. Management said Customer Service personnel work each day with their plant partners and Postal Service management is addressing this subject daily during the morning teleconferences. Officials further stated that unit managers are going into their processing plants, locating

the mail processing machines, and establishing relationships with staff members that include discussing the impact of noted mail arrival problems at their delivery units. The target implementation date is April 1, 2014.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

The OIG considers all recommendations significant, and therefore, requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective action is completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendix A: Additional Information

Background

City delivery office and street operations cover every duty a letter carrier performs, including sorting and delivering mail, completing paperwork, scanning mail, loading the delivery vehicle, collecting mail along the route, and returning to the delivery unit to unload the delivery vehicle. In FY 2013, South Florida District city letter carriers delivered 2,773,467,068 mailpieces on 4,096 routes to 2,591,031 delivery points. City delivery office and street operations workhours totaled 9,844,953.

The OIG developed a series of interrelated city delivery efficiency indicators at the district level to rank the 67 districts from the most to the least “at risk” for operational and service issues. The indicators include the following performance information (see [Appendix D](#)):

- Overtime.
- Delayed mail.
- DPS percentage.
- Carriers returning after 5 p.m.
- Staffing ratio.
- Managed service point scans.
- Overnight ranking.
- Office Efficiency Indicator (OEI).
- Street Efficiency Indicator (SEI).

As shown in Table 1, the South Florida District consistently ranked in the top five most “at-risk” districts as of FY 2013, Q3.

**Table 1. City Delivery Efficiency Indicator Top Five Most At-Risk District Ranking
FY 2012, Q3 – FY 2013, Q3**

Ranking	FY 2012, Q3	FY 2012, Q4	FY 2013, Q1	FY 2013, Q2	FY 2013, Q3
67	Caribbean	South Florida	South Florida	South Florida	Houston
66	Houston	Houston	Colorado/Wyoming	Gateway	South Florida
65	Louisiana	Hawkeye	Caribbean	Houston	Dallas
64	South Florida	Caribbean	Northern Virginia	Dallas	Central PA
63	Dallas	Dallas	Connecticut Valley	Los Angeles	Northern Ohio

Source: OIG city delivery efficiency indicator results.

Objective, Scope, and Methodology

Our objective was to assess the efficiency of delivery operations in the South Florida District. To accomplish our objective, we:

- Reviewed documentation and applicable policies and procedures related to city delivery efficiency in office and street operations to identify opportunities to improve operational efficiency.
- Reviewed city delivery efficiency indicators for FY 2012, Q3 through FY 2013, Q3 and identified inefficiencies in the South Florida District.
- Obtained and analyzed city delivery office and street workhour variances for FY 2012, Q3 through FY 2013, Q3 to determine the total variance between projected office workhours and street workhours that exceeded actual workhours.
- Relied on delivery unit data from the Enterprise Data Warehouse (EDW), Delivery Operations Information System (DOIS), and managed service points from FY 2012, Q3 through FY 2013, Q3 to determine potential cost impact.
- Judgmentally selected and observed 12 delivery units. Our selection considered the units' high positive variances.
- Interviewed South Florida District and selected unit officials to discuss city delivery efficiency in office and street operations.

We conducted this performance audit from September 2013 through March 2014, 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 on January 23, 2014, and included its comments where appropriate.

We relied on data obtained from Postal Service database systems, such as DOIS and EDW. We did not directly audit the systems, but performed a limited data integrity review to support our data reliance. We assessed the reliability of systems' data by reviewing existing information about the data and the systems that produced it, and by interviewing agency officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>City Delivery – Street Efficiency Southern, Pacific, and Western Areas</i>	DR-AR-13-004	5/24/2013	\$28,080,953
<p>Report Results: Our report determined the Bay-Valley, Dakotas, Houston, Oklahoma, and Portland districts could use 7 fewer minutes of street time per day on each route, or 340,499 workhours annually, for enhanced delivery efficiency. The Postal Service did not always enforce Postal Service policy and procedures and street supervision was inconsistent at the delivery units. Reducing 340,499 workhours and improving supervision could improve overall efficiency. Management agreed with our findings, recommendations, and monetary impact.</p>			
<i>City Delivery Operations – Lancaster Carrier Annex</i>	DR-MA-12-003	9/28/2012	\$1,900,064
<p>Report Results: Our report determined the Lancaster Carrier Annex could improve city delivery efficiency by reducing 12,339 workhours annually. We determined it did not always enforce policy and procedures or use Global Positioning System equipment to track route time and had a low supervisor-to-employee ratio at delivery units. Management agreed with our findings, recommendations, and monetary impact.</p>			
<i>City Delivery Operations – Brick Main Post Office</i>	DR-MA-12-004	9/27/2012	\$1,228,120
<p>Report Results: Our report determined the Brick Main Post Office had opportunities to enhance city letter carrier efficiency and reduce 7,744 workhours annually. We determined it did not always reinforce Postal Service policies and procedures for supervising city delivery operations and ensure carriers used efficient office and street practices. Also, management did not have automated vehicle tracking technology to assist in more effective street supervision. Management agreed, or agreed in principle, with the findings, recommendations, and monetary impact.</p>			
<i>City Delivery – Street Efficiency Capital District</i>	DR-AR-12-003	8/16/2012	\$9,138,265

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<p>Report Results: Our report determined the Capital District has opportunities to enhance street delivery efficiency. We determined the Capital District could use about 12 fewer minutes of street time per day on each carrier route, or 110,740 workhours, and save about \$4.5 million annually. Our review of selected delivery units determined that management did not always reinforce Postal Service policies and procedures for supervising city delivery street operations at delivery units, which allowed for some inefficient delivery practices. Management agreed with our findings, recommendations, and monetary impact.</p>			
<i>City Delivery – Street Efficiency Louisiana District</i>	DR-AR-12-004	8/16/2012	\$8,874,598
<p>Report Results: Our report determined the Louisiana District has opportunities to enhance street delivery efficiency. We determined the Louisiana District could use about 12 fewer minutes of street time per day on each carrier route, or 107,550 workhours, and save about \$4.4 million annually. Our review of selected delivery units determined that management did not always reinforce Postal Service policies and procedures for supervising city delivery street operations at delivery units, which allowed for some inefficient delivery practices. Management agreed with our findings, recommendations, and monetary impact.</p>			
<i>City Delivery – Street Efficiency San Diego District</i>	DR-AR-12-001	6/5/2012	\$6,840,240
<p>Report Results: Our report determined the San Diego District has opportunities to enhance street delivery efficiency. Management could save about 83,930 carrier street workhours through more efficient practices. Our review of selected delivery units determined management did not always reinforce Postal Service policies and procedures for supervising city delivery street operations in delivery units, which allowed for some inefficient delivery practices. Management agreed with our findings, recommendations, and monetary impact.</p>			

Appendix B: Monetary and Other Impacts

Monetary Impact

Recommendations	Impact Category	Amount
1 and 2	Funds Put to Better Use ⁹	\$30,587,250

We calculated funds put to better use for reducing city carrier workhours in the South Florida District.

We calculated the "net" total office and street variance for FY 2012, Q3 through FY 2013, Q3 and used the sum to identify offices with over 15 routes with a positive office variance. We calculated the total number of routes and variance hours associated with those routes and multiplied those hours by the projected overtime rate for FYs 2014 and 2015.

We calculated an estimated total savings of over 374,982 workhours (over 2 years). To reach this figure, we divided the number of minutes by the number of routes in the South Florida District and divided that number by 303 annual delivery days.

We used the 374,982 total workhours of positive variance to calculate monetary impact. We used the carrier overtime rate of \$40.40 and multiplied it by total workhour variance for an FY 2014 projection of \$15,149,257. For FY 2015, we used an overtime rate of \$41.17, using an escalation factor of 1.9 percent, which results in \$15,437,993. We combined these numbers for a 2-year projection totaling \$30,587,250.

Other Impact

Impact Category	Amount
Assets at Risk ¹⁰	\$165,508

⁹ Funds that could be used more efficiently by implementing recommended actions.

¹⁰ Assets or accountable items (for example, cash, stamps, and money orders) that are at risk of loss because of inadequate internal controls.

Appendix C: South Florida District – Top 14 Delivery Units With Highest Variances

Rank	Delivery Unit	Office Variance	Street Variance	Total Net Variance
1	Margate Branch	21,144	(1,985)	19,159
2	Boca Raton Main Office	9,221	4,770	13,992
3	Tropical Reef Station	13,835	(209)	13,625
4	Snapper Creek Branch	15,063	(1,721)	13,342
5	North Miami Branch	10,881	2,363	13,244
6	Hollywood, Main Office	6,694	3,944	10,637
7	Ft. Lauderdale Florida Main Office Carrier Annex	8,810	1,647	10,457
8	Little River Station	5,145	5,120	10,266
9	Delray Beach Main Office	14,031	(3,872)	10,160
10	Sunrise Branch	6,685	3,428	10,114
11	Carol City Branch	8,315	1,268	9,584
12	Boca West Annex	5,783	3,765	9,548
13	Quail Heights Branch	10,575	(1,241)	9,334
14	Norland Branch	8,858	27	8,884
	Total	145,041	17,304	162,346

Source: EDW as of FY 2013, Q3.

Appendix D: Glossary – City Delivery Indicator Performance Information

1. Overtime. The overtime used by city delivery in relation to total city delivery workhours.
2. Delayed mail. Mail received at the delivery unit that is delayed (remains) at the unit after carriers have left to begin street delivery.
3. DPS percentage. The percentage of letter mail delivered to a carrier unit in walk sequence.
4. Carriers returning after 5 p.m. The percentage of city carriers who return to the station from delivering mail after 5 p.m.
5. Staffing ratio. Ratio showing that routes have adequate coverage to ensure that delivery service occurs. A ratio lower than 1.2 indicates that routes and all delivery points are not adequately covered.
6. Managed service point scans. Percentage showing street performance for scans during street delivery.
7. Overnight ranking. Measures the percentage of First-Class Mail delivered within the overnight standard.
8. OEI. The percentage is the cumulative possible deliveries and total number of actual office hours used to case mail, perform other carrier office functions, and routers.
9. SEI. The percentage is the quotient of total possible deliveries for the route over the week in relation to the total street time for the route for the week.

Appendix E: Management's Comments

DISTRICT MANAGER



February 19, 2014

TO: Judith Leonhardt
Director – Audit Operations

From: Jeffery A. Taylor
District Manager, South Florida District

RE: Audit Report Response – City Delivery Efficiency, South Florida District - Project #13XG043DR000

Below you will find my response to the recommendations put forth to me in Report number DR – AR – 14 – DRAFT, Project #13XG043DR000 and what actions we have implemented in the South Florida District to correct the inefficiencies noted.

As a matter of information, we have been pursuing various cost savings measures since January of last year. These include all operations functions within the South Florida district. Therefore, much of what is indicated in the response are management initiatives which have been implemented over the last twelve months and continue today. We continue to modify our activities to achieve better results. As is the case with virtually all such efforts, achievement is less a function of activities but more so in their successful execution. The observations and recommendations provided have been shared with our operations managers to highlight continued opportunities for improvement.

Recommendations:

Instruct Unit Supervisors at delivery units to:

Recommendation #1:

Implement efforts to eliminate 374, 982 work hours at the delivery units cited.

Response:

We agree with your findings to include the monetary impact as related to the workhour reduction. We also agree with your recommendation. We have implemented several initiatives to reduce workhours in the South Florida District. Each unit conducts meetings between the manager and supervisors as needed—many do so daily. These meetings are completed in the afternoon. In this meeting the parties discuss, yesterday's street performance, current day's office performance and the following day's schedule. Content includes specific carrier overruns that will be addressed by the supervisor the following morning with the employee. Typical activities may include scheduling the carrier for an official office count, an official street inspection/observation, official discussion to address performance for correct action, or similar activity.

District oversight includes a District level telecom normally slated for 8:30 AM Monday through Friday. Budgetary/production performance is reviewed with each MPOO. If the MPOO group did not make plan, each office may be reviewed individually and the MPOO is responsible for reviewing performance with each office identified during the meeting. Results reported back the following day or in some cases the same day, regarding steps taken with the local management team to improve performance in that office.

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PEMBROKE PINES, FL 33082
954-436-4468

In addition, we have implemented 5 levels of oversight for each MPOO. With this initiative, the MPOO places each of their units into a category. Below are the levels of intensity:

Level 1 – Weekly monitoring via expected results indicators such as FLASH, CDPOM, percent to standard achievement, etc. MPOO provides feedback to local unit via telecom.

Level 2 – Daily operational monitoring – moved to top opportunity within the MPOO group. MPOOs conduct telecoms multiple times per week to discuss plan and results from the local afternoon meetings. These meetings may include drill-downs to the route level, with identification of specific plans and subsequent assignments for managers and supervisors regarding particular carriers.

Level 3 – level 2 Monitoring coupled with site visits by the MPOO, district personnel, peer advisers, members of support teams, etc.

Level 4 – District Level Functional Review Team – MPOO and local manager meets with district Manager Operations Programs Support, District Finance Manager and as possible the District Manager to review daily performance.

Level 5 - Intervention/Support Team action – daily on site interaction normally running 4 to 8 weeks with on site coaching, supervisor support conducted by trained, experienced managers. In this level, improvement is realized or administrative action may result for management/supervisory staff.

Utilizing these initiatives, the South Florida District through week 20, has captured 132,385 hours to last year's usage.

Target Completion Date: This was implemented at FY 14 start on October 1, 2013 and the end date for capture of the hours would be by end of FY 14 on September 30, 2014.

Responsible Officials: Jeffery Taylor, District Manager - Olivia Mulloy, District Finance Manager/A Janice Atherly, MOPS/A - Joseph Croce, MPOO 1 - Enrique Suarez, Postmaster Miami - Scott Bower, Postmaster Ft. Lauderdale -Edwin Coppola, Postmaster Pompano – David Guiney, Postmaster Hollywood – Richard Fermo, Postmaster, West Palm Beach – Robert Weiser, MPOO 8

Recommendation #2:

Reinforce and ensure adherence to the Postal Service policies and procedures for supervising city delivery operations at delivery units.

Response:

We agree with your findings and recommendation. In addition to the initiatives listed in the response for Recommendation #1, the South Florida District has utilized the members of the Intervention/Support Teams to coach and mentor our current supervisory staff to reinforce our policies and procedures for daily supervision in our delivery units. These teams not only do this in the specific office the team is assigned to at the time but since they are MPOO Group based, the MPOO will move them to site specific offices when the need arises to assist with a supervisor or manager that is having difficulties in performing their duties efficiently.

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In the South Florida District, we currently have approximately 50 Supervisor Customer Service positions that are vacant. We have received permission to first post them to EAS personnel only and then positions that still remain vacant will be posted to the craft employees. By filling these vacancies, it will create a more stable and consistent supervisory staff, which in turn will reinforce the adherence to the USPS policies and procedures for supervising city delivery operations.

The South Florida District finished FY 13 with a 51.26% in the City Delivery Pivot Opportunity Model (CDPOM). Through the use of the above initiatives as well as other steps we have taken as mentioned in Recommendation #1, the South Florida District is at a 53.16% CDPOM year to date, ranking us #10 in the Southern Area. If we compare weeks 1 through 20 of FY 13 to weeks 1 through 20 of FY 14, there has been a 25.95% point difference. Weeks 1 to 20 in FY 13 we achieved a 27.21%. These weeks include the Peak Mailing Season of fall mailing as well as the Christmas holiday. For the last 4 weeks, we have achieved a 69.57% compared to 48.05% for the SPLY.

Targeted Completion Date: June 30, 2014

Responsible Officials: Jeffery Taylor, District Manager - Janice Atherly, MOPS/A - Joseph Croce, MPOO 1 - Enrique Suarez, Postmaster Miami - Scott Bower, Postmaster Ft. Lauderdale - Edwin Coppola, Pompano – David Guiney, Postmaster Hollywood – Richard Fermo, Postmaster, West Palm Beach – Robert Weiser, MPOO 8

Recommendation #3

Eliminate inefficient carrier practices observed such as carriers waiting in line for accountable mail, excessive talking on cell phones during mail sorting, and visits to personal vehicles.

Response:

We agree with these findings as well as the recommendation and have shared these recommendations with each of the MPOO's. They in turn deal directly with their offices regarding these observations. We have rewritten the policy on cell phone usage and it is being redistributed to the entire district. In addition, we have also instructed the offices through the use of service talks to speak to their carriers regarding other time wasting practices such as visiting their personal vehicles. We also have an office observation initiative across the district that also addresses these issues on it. Each office is required to utilize these forms as well as submit them to the district for review and archiving. We will continue follow up with our own observations.

Targeted Completion Date: March 15, 2014

Responsible Official: Joseph Croce, MPOO 1
 Enrique Suarez, Postmaster Miami - Scott Bower, Postmaster Ft. Lauderdale -
 Edwin Coppola, Pompano – David Guiney, Postmaster Hollywood – Richard
 Fermo, Postmaster, West Palm Beach – Robert Weiser, MPOO 8

Recommendation #4

Increase mail arrival efficiency by preparing the integrated operating plans with facility processing managers.

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Response:

We agree with your findings and recommendation. We continue to work together with our plant partners to update the IOP agreements, especially after the closure of two plant facilities here in South Florida, the Fort Lauderdale & South Florida P & DC's.

Targeted Implementation Date: September 1, 2014

Responsible Official: Sue Aronson, Senior Plant Manager – Rufus Graham, Plant Manager West Palm Beach, Robert Wright, Plant Manager South Florida L & DC/A – Sheldon Dixon, Senior MDO Miami – Joseph Croce, MPOO 1 – Enrique Suarez, Postmaster Miami – Scott Bower, Postmaster Ft. Lauderdale – Edwin Coppola, Postmaster Pompano – David Guiney, Postmaster Hollywood – Richard Fermo, Postmaster West Palm Beach – Robert Weiser, MPOO 8

Recommendation #5

Use the Integrated Operating Plan Discrepancy Report System to monitor compliance, identify and correct systemic issues.

Response:

We agree with your findings and recommendation. Although we do not currently utilize the IOP Discrepancy Report System, we do however, identify the IOP discrepancies on our 8:30 AM telecom with our plant partner each morning. Our Operations Support Department and In-Plant Support Department will look into the feasibility of utilizing the reporting system and make a recommendation whether to stay with the current method or with to the IOP Reporting System.

Targeted Implementation Date: April 1, 2014

Responsible Officials: Maxine McFarland , Lead MIPS – Janice Atherly, MOPS/A

Recommendation #6

Ensure delivery point sequence mail arrives timely and in route order for easy retrieval by carriers.

Response:

We agree with your findings and recommendation. Customer Service personnel work each day with their Plant Partners when this occurs. We now address this on the morning 8:30 telcons, send pictures into the respective Inplant office. In addition to this, MPOO and Station Managers have gone into their plant, located the DBCS machine their mail is run on as well as the machine crew that runs the mail and initiated a relationship there so that they can contact the crew and explain the impacts things such as this bring to the delivery unit.

Targeted Implementation Date: April 1, 2014

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Responsible Officials: Sue Aronson, Senior Plant Manager – Rufus Graham, Plant Manager West Palm Beach, Robert Wright, Plant Manager South Florida L & DC/A – Sheldon Dixon, Senior MDO Miami – Joseph Croce, MPOO 1 – Enrique Suarez, Postmaster Miami – Scott Bower, Postmaster Ft. Lauderdale – Edwin Coppola, Postmaster Pomano - David Guiney, Postmaster Hollywood – Richard Fermo, Postmaster West Palm Beach – Robert Weiser, MPOO 8 Maxine McFarland, Lead MIPS – Janice Atherly, MOPS/A

Thank you for submitting your findings to us so that we were afforded this opportunity to respond. We look forward to utilizing your recommendations along with the initiatives we have put in place to create a more efficient city delivery environment in the South Florida District.

The district has reviewed the report and do not feel there are any parts that need to be excluded due to the FOIA.

Sincerely,


Jeffery A. Taylor
District Manager