



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

City Delivery Office Efficiency – Connecticut Valley District

Audit Report

Report Number
DR-AR-15-008

July 24, 2015





OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

The Connecticut Valley District has opportunities to enhance efficiency in city delivery office operations.

Background

City delivery office operations cover all duties a U.S. Postal Service letter carrier performs in the office. These duties include casing mail (placing mail in delivery order), preparing parcels for delivery, and retrieving accountable items. City carriers are delivering more packages and fewer letters to more addresses each year. To accommodate these changes, the Postal Service must deliver the increased package volume while maintaining efficiency.

In fiscal year (FY) 2014, Connecticut Valley District city carriers delivered over 2.4 billion mailpieces on 3,888 routes to more than 1.9 million delivery points. City delivery office workhours for this period totaled 1,959,793.

Our objective was to assess the office efficiency of city delivery operations in the Connecticut Valley District.

What the OIG Found

The Connecticut Valley District has opportunities to enhance efficiency in city delivery office operations. We found the Connecticut Valley District's percent to standard, a measurement used to assess office efficiency, was 118.45 percent, 11.36 percentage points above the national average of 107.09 percent. A percent to standard score greater than 100 percent indicates performance is less than the desired standard. In FY 2014, 71 of the Connecticut Valley District's

213 delivery units (33 percent) used 221,787 more office workhours (or \$10.3 million), or about 18 more minutes of office time per day on each city carrier route.

These conditions occurred because mail sometimes arrived late, the mail mix was incorrect, carriers engaged in time wasting practices, integrated operating plans (used to establish appropriate staffing levels and reporting times for carriers) were non-existent, and managers did not enforce policies and procedures. Eliminating the extra workhours would increase overall efficiency at the delivery units and allow a one-time cost avoidance of about \$10.3 million in the following year.

We also identified inadequate safeguards over stamp stock and money orders valued at \$128,255 at eight delivery units. Management immediately initiated corrective action on these matters; therefore, we are not making a recommendation on this issue.

What the OIG Recommended

We recommended management eliminate 221,787 workhours at the delivery units. We also recommended management prepare up-to-date integrated operating plans, eliminate inefficient office practices, and ensure adherence to Postal Service supervisor policies and procedures.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 24, 2015

MEMORANDUM FOR: DAVID D. MASTROIANNI JR.
DISTRICT MANAGER, CONNECTICUT VALLEY DISTRICT

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

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

SUBJECT: Audit Report – City Delivery Office Efficiency –
Connecticut Valley District
(Report Number DR-AR-15-008)

This report presents the results of our audit of the City Delivery Office Efficiency – Connecticut Valley District (Project Number 15XG007DR000).

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, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Findings

The Connecticut Valley District's percent to standard was above the national average of 107.09 percent.

Introduction

This report presents the results of our self-initiated audit of City Delivery Office Efficiency – Connecticut Valley District (Project Number 15XG007DR000). Our objective was to assess the office efficiency of city delivery operations in the Connecticut Valley District. See [Appendix A](#) for additional information about this audit.

City delivery office operations cover every duty a letter carrier performs in the office. These duties include casing¹ mail, preparing parcels for delivery, and retrieving accountable items. City carriers are delivering more packages and fewer letters to more addresses each year. Accommodating these changes in the delivery network requires the U.S. Postal Service to deliver the increased package volume while maintaining efficiency.

Conclusion

The Connecticut Valley District has opportunities to enhance efficiency in city delivery office operations. We found the Connecticut Valley District's percent to standard, a measurement used to assess office efficiency, was 118.45 percent, 11.36 percentage points above the national average of 107.09 percent. A percent to standard score greater than 100 percent indicates performance is less than the desired standard. In fiscal year (FY) 2014, 71² of the Connecticut Valley District's 213 delivery units (33 percent) used 221,787 more office workhours³ (or \$10.3 million) or about 18⁴ more minutes of office time, per day on each city carrier route.

These conditions occurred because mail sometimes arrived late, the mail mix was incorrect, carriers engaged in time wasting practices, integrated operating plans (used to establish appropriate staffing levels and reporting times for carriers) were non-existent, and managers did not enforce policies and procedures. Eliminating the extra workhours would increase overall efficiency at the delivery units and allow a one-time cost avoidance of about \$10.3 million in the following year.

We also identified inadequate safeguards over stamp stock and money orders valued at \$128,255 at eight delivery units. Management immediately initiated corrective action on these matters; therefore, we are not making a recommendation on this issue.

Office Efficiency

In FY 2014, the Connecticut Valley District city carriers delivered over 2.4 billion mailpieces on 3,888 routes to more than 2.9 million delivery points. City delivery office workhours for this period totaled 1,959,793. The Connecticut Valley District's percent to standard⁵ was the ninth highest in the nation, at 118.45 percent. This was 11.36 percentage points above the national average of 107.09 percent. This variance means delivery units in the Connecticut Valley District used more office time on average than the national average (see [Table 1](#)).

1 Placing mail in proper separations (wickets) in a letter or flat case.

2 From the 213 delivery units, we identified a universe of 71 delivery units with 15 or more routes with a percent to standard higher than the national average. We selected a sample of 30 units to observe from this universe of 71.

3 The amount of office time each carrier needs to complete his or her office tasks based on the carrier's workload and mail volume for that day.

4 Computation was based on 13,307,216 minutes (221,787 hours above the national average percent to standard multiplied by 60 minutes per hour) divided by 2,512 routes divided by 302 annual delivery days equals approximately 18 minutes per route per day.

5 Percent to standard is a measure of carrier office workhours performance in relation to mail volume and delivery points. A figure of 100 percent indicates the office performs at the stated performance goal. A figure greater than 100 percent indicates the delivery unit's office performance is less than the desired standard. We did not include street efficiency in our review.

The Connecticut Valley District could increase office efficiency and eliminate 221,787 workhours annually, saving 18 minutes on each route per day.

Table 1. Top 10 District's Percent to Standard Comparison

October 1, 2013 through September 30, 2014

| Top 10 Districts | Percent to Standard |
|------------------|---------------------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |
| 6 | |
| 7 | |
| 8 | |
| 9 | |
| 10 | |
| 11 | |

Mouse over a location to reveal its Percentage to Standard

Source: Postal Service e-Flash Data System

The Connecticut Valley District could increase office efficiency and eliminate 221,787 workhours annually, saving 18 minutes on each route per day. This could be done by adjusting mail arrival times, correcting inefficient office practices, completing Integrated Operating Plans (IOPs) and enforcing policies and procedures at delivery units. We visited 30 randomly selected city delivery units (see [Appendix B](#)) and identified instances of:

- Late mail arrival or improper mail mix at 15 units;
- Time wasting practices by carriers at 13 units;
- Nonexistent IOPs at 26 units; and
- Managers not enforcing policies and procedures at 13 units.

Mail Arrival

At 15 of 30 delivery units we visited, mail did not always arrive from the processing and distribution centers (P&DCs) on time or in the correct mail mix, as outlined in the IOP.⁶ Also, mail received from Amazon did not always arrive at the delivery unit in time to be sorted and integrated with mail received earlier from the P&DCs. We observed carriers in several units waiting for parcels to be distributed (see [Figure 1](#)).

⁶ Delivery unit and processing plant management establish, coordinate, and update IOPs 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.

We observed instances of carrier inefficiencies while on office duty, including carriers loading their vehicles on office time and not clocking back to office time when returning to the office in the afternoon.

Figure 1. Carriers Waiting for Mail



Source: U.S. Postal Service Office of Inspector General (OIG) photograph taken January 14, 2015.



Source: OIG photograph taken February 4, 2015.

Inefficient Office Practices

We observed instances of carrier inefficiencies while on office duty, including carriers loading their vehicles on office time and not clocking back to office time when returning to the office in the afternoon.

We observed city carriers at 13 of the 30 delivery units loading mail into vehicles on office time rather than clocking⁷ to street time. This resulted in unnecessary office time at these units. Postal Service policy⁸ states carriers should proceed directly to their vehicles and load the mail in an orderly fashion after clocking onto street time.

Additionally, in 20 of the 30 delivery units we observed, we found carriers' afternoon office time needs to be better monitored. We observed some carriers spending more than the allotted time⁹ in the office after returning from their routes. Further, review of the Route/Carrier Daily Performance/Analysis Report showed 144 routes with zero minutes for P.M. office time. This indicates carriers were not clocking back to office time when returning to the unit in the afternoon, resulting in office operations being recorded as street time. This occurred because supervisors did not always provide sufficient oversight of carriers in the afternoon.

Non-Existent Integrated Operating Plans

In 26 of the 30 units we visited, management could not provide an IOP when requested. The IOP agreements cover mail arrival from the plant and identify the mail product agreed to for each individual trip. The primary purpose of the IOP is to stabilize mail flow and help the delivery unit establish appropriate staffing and reporting times to ensure carriers are not delayed.

⁷ References to clock rings include time entries that are recorded electronically, mechanically (using a time clock), or manually (written in). All nonexempt employees are required to use time clocks (if available) to record clock rings on their time cards.

⁸ Handbook M-39, *Management of Delivery Services*, March 1998, Section 125.1.

⁹ Postal Service policy allows a standard 5 minutes for carriers to perform afternoon office duties.

Management did not always enforce policies and procedures for supervising city delivery office operations.

Enforcing Policies and Procedures

Management did not always enforce policies and procedures for supervising city delivery office operations. For example, supervisors at 13 of the 30 delivery units we observed did not always set daily expectations for carrier route performance. Additionally, supervisors at 17 of 30 delivery units did not review performance from the previous day with carriers during morning office operations. Some supervisors printed the required reports¹⁰ but did not always discuss them with the carriers. In some instances, supervisors did not even print the reports.

Supervisors are required to discuss expectations with each carrier every day. Also, if a carrier is not meeting performance standards, a supervisor must investigate and discuss deficiencies with that carrier. All delivery service managers should develop and maintain delivery units at a high degree of efficiency and assure Postal Service standards are maintained.¹¹

During FY 2014, the Connecticut Valley District used 221,787 more workhours than necessary, resulting in \$10.3 million in question costs. Furthermore, increasing overall efficiency at these delivery units would allow a one-time cost avoidance of about \$10.3 million in the following year.

Assets at Risk

Employees did not always properly secure and lock stamp stock inventory at eight of the 30 locations we visited. This inventory included stamp stock and money orders worth a total of \$128,255 (see Figure 2). Physical access controls reduce the security risk to Postal Service employees and safeguarding controls reduce the potential for loss or misappropriation of assets. We brought these issues to the attention of the station managers, who took immediate corrective action. Therefore, we are not making a recommendation on this issue.

Figure 2. Assets at Risk



Source: OIG photograph taken January 14, 2015.



Source: OIG photograph taken February 4, 2015.

¹⁰ *Field Operations Standardization Development, Morning (AM) Standard Operating Procedures (AMSOP) II Guidebook*, 2007, Section 5-7.

¹¹ Handbook M-39, TL-13, Section 1, Administration of City Delivery Service.

Recommendations

We recommend management eliminate 221,787 workhours at delivery units; eliminate inefficient office practices; prepare up-to-date integrated operating plans; and ensure adherence to supervisor policies and procedures.

We recommend the district manager, Connecticut Valley District:

1. Eliminate 221,787 workhours at delivery units.
2. Eliminate inefficient office practices such as loading vehicles on office time and excessive P.M. office time.
3. Increase mail arrival efficiency by preparing up-to-date integrated operating plans with facility processing managers.
4. Ensure adherence to Postal Service policies and procedures for supervising city delivery operations at delivery units.

Management's Comments

Management agreed with the findings and recommendations. However, management disagreed with the monetary impact. Management questioned the hourly labor rate used by the audit team to calculate projected savings. Management stated using Connecticut Valley District hourly rate of \$41.98 in the cost savings calculation, instead of the \$46.52 hourly rate used by the OIG, reduces the cost savings from \$10.3 million to \$9.31 million.

In response to recommendation 1, management agreed with the need to save workhours. Management stated to reduce workhours, they rolled out the Lean Mail Delivery initiative in all offices and performed follow up audits on all vital sites to ensure completion. Also, management stated they initiated daily meetings to focus on reducing carriers returning after 5:00 p.m. Management completed these initiatives between March 27, 2015 and June 23, 2015 and expects to see a reduction in hours by September 30, 2015.

In response to recommendation 2, management agreed to eliminate inefficient office practices by providing specialized training classes in an effort to show newer supervisors how to identify and correct performance issues. Also, management stated they are conducting performance based internal audits on a monthly basis as well as adjusting routes to improve quality and efficiency. Management completed training during Quarter 3, FY 2015, however their efforts are ongoing and the expects to see an increase in efficiency by September 30, 2015.

In response to recommendation 3, management agreed with the need to have current IOP agreements. Management stated new IOPs have been started, workroom floor layouts are being reviewed and modified, and training has been provided to all managers on operational workload change and impacts from service standard changes. Management expects to have IOPs completed by September 30, 2015.

In response to recommendation 4, management agreed policy and procedures need to be followed. Management stated that training has been provided for all supervisors, performance is discussed daily and meetings reinforce the importance of utilizing delivery tools to manage workhours to workload. Management implemented these trainings in January 2015 and expects to see adherence to policy by September 30, 2015.

See [Appendix C](#) 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 taken or planned should resolve the issues identified in the report.

In regards to the monetary impact, the OIG used the national average labor rate of \$46.52 for FY 2014 which represents the year the data was pulled. The national number is provided by the Postal Service's finance department and is intended to be used for all business cases and financial analysis.

The OIG considers recommendation 1 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. This recommendation 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.

Appendices

***Click on the appendix title
to the right to navigate to
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Appendix A: Additional Information

Background

City delivery office operations cover every duty a letter carrier performs in the office. These duties include casing mail,¹² preparing parcels for delivery, and retrieving accountable items. City carriers are delivering more packages, and fewer letters, to a growing number of addresses that are added to the delivery network each year. Accommodating this new growth requires the Postal Service to deliver the increased package volume while maintaining efficiency.

Objective, Scope, and Methodology

Our objective was to assess the office efficiency of city delivery operations in the Connecticut Valley District. To accomplish our objective, we:

- Ranked each of the seven areas from highest to lowest in terms of percent to standard from October 1, 2013 through September 30, 2014. We used the eFlash¹³ national percent to standard measurement of 107.09 percent as a baseline.
- Selected the Northeast Area and, within that area, selected the Connecticut Valley District for review because it had the ninth highest percent to standard in the nation¹⁴ at 118.45, compared with the national average of 107.09 percent.¹⁵
- Analyzed the percent to standard for 213 delivery units in the Connecticut Valley District and identified a universe of 71 delivery units with 15 or more routes with a percent to standard higher than the national average of 107.09 percent. We randomly selected a sample of 30 units from this universe of 71 to conduct onsite observations of city delivery office operations.
- Obtained, reviewed, and analyzed city delivery unit data from eFlash and the Enterprise Data Warehouse¹⁶ (EDW) for all city carrier routes.
- Conducted interviews on-site and obtained information on city carrier office operations, unit operations, processes, and procedures.
- Reviewed documentation and applicable policies and procedures for city delivery including Postal Service Handbooks M-39¹⁷ and M-41.¹⁸

¹² To place letter and flat mail into the order in which it will be delivered.

¹³ A weekly operating reporting management system that combines data from delivery, mail processing, employee relations, labor relations, and finance. The information is extracted from various host systems and loaded into eFlash.

¹⁴ We selected the Connecticut Valley District over the Long Island District because the Connecticut Valley District has consistently ranked as one of the weakest percent to standard districts over the last several quarters.

¹⁵ The OIG developed a series of interrelated city delivery efficiency indicators at the district level to rank the relative risk of the 67 Postal Service districts for operational and service issues. We analyzed the city delivery efficiency indicator for percent to standard for FY 2014 and the Connecticut Valley District ranked 23, 14, 20, and 4 out of 67 districts for Quarters 1 through 4.

¹⁶ The 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-sales, and other sources.

¹⁷ Handbook M-39, *Management of Delivery Services*, March 1998 – updated March 2004.

¹⁸ Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, March 1998 – updated April 2001.

We conducted this performance audit from October 2014 through July 2015 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 June 12, 2015 and included their comments where appropriate.

We relied on data primarily from eFlash and EDW. We obtained data from October 1, 2013 through September 30, 2014. 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 produce them and interviewing agency officials knowledgeable about the data. We determined that 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 Efficiency – South Florida District</i> | DR-AR-14-004 | 3/4/2014 | \$30,587,250 |
| Report Results: The report determined that 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, causing 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. Management agreed with our findings, recommendations, and monetary impact. | | | |
| <i>City Delivery Operations – Lancaster Carrier Annex</i> | DR-MA-12-003 | 9/28/2012 | \$1,900,064 |
| Report Results: The Lancaster Carrier Annex could improve city delivery efficiency by eliminating 12,339 workhours annually. We determined it did not always enforce policy and procedures, use Global Positioning System equipment to track route time, and monitor the low supervisor-to-employee ratio in the delivery units. Management agreed with our findings, recommendations, and monetary impact. | | | |
| <i>City Delivery Operations – Brick Main Post Office</i> | DR-MA-12-004 | 9/27/2012 | \$1,228,120 |
| Report Results: The Brick Main Post Office has opportunities to enhance city letter carrier efficiency and eliminate 7,744 workhours annually. Management did not always reinforce Postal Service policies and procedures for supervising city delivery operations or 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. | | | |

**Appendix B:
Units Randomly Selected
for Site Observations**

| | DELIVERY UNITS | PERCENT TO STANDARD | NUMBER OF CITY ROUTES |
|----|--------------------------|----------------------------|------------------------------|
| 1 | Hamden Branch | 201 | 20 |
| 2 | Allingtown Branch | 181 | 42 |
| 3 | Whitneyville Branch | 174 | 16 |
| 4 | New Haven | 172 | 53 |
| 5 | East Haven Carrier Annex | 169 | 53 |
| 6 | Newport | 146 | 25 |
| 7 | Branford | 141 | 24 |
| 8 | Manchester | 140 | 52 |
| 9 | Vernon | 139 | 18 |
| 10 | Meriden | 136 | 46 |
| 11 | Elmwood Branch | 132 | 76 |
| 12 | Bridgeport | 128 | 31 |
| 13 | Shelton | 127 | 32 |
| 14 | Norwich | 125 | 32 |
| 15 | Fairfield | 125 | 59 |
| 16 | Stamford | 123 | 81 |
| 17 | Wilton | 120 | 17 |
| 18 | Holyoke | 120 | 28 |
| 19 | Warwick | 118 | 80 |
| 20 | Watertown | 116 | 16 |
| 21 | Monroe | 115 | 41 |
| 22 | Torrington | 114 | 29 |
| 23 | Greenfield | 113 | 15 |
| 24 | Wilbraham | 113 | 28 |
| 25 | Attleboro | 112 | 21 |
| 26 | Milford | 112 | 66 |
| 27 | Danbury | 111 | 79 |
| 28 | Darien | 111 | 19 |
| 29 | Bayview | 111 | 46 |
| 30 | Fall River | 109 | 33 |

Source: Postal Service eFlash Data System for FY 2014.

Appendix C: Management's Comments

DAVID D. MASTROIANNI, JR.
DISTRICT MANAGER OF THE CONNECTICUT VALLEY DISTRICT



July 21, 2015

To: Laurie Dillard
DIRECTOR, AUDIT OPERATIONS

SUBJECT: City Delivery Office Efficiency-Connecticut Valley District (15XG007DR000-DRAFT)

The following management responses are presented in response to the recent subject review.

Recommendation 1: Eliminate 221,787 workhours at delivery units.

Management Response/Action Plan: We agree with the need to save the workhours in delivery units and throughout Quarter 3 have been taking actions to reduce these hours. One disagreement is the workhour rate used to calculate the cost avoidance. Specific actions and information listed below:

1. When calculating the cost avoidance for the 221,787 workhours, the national workhour rate of \$46.52 was used. If the current YTD workhour rate for the CT Valley District of \$41.98 is used for the calculation, the cost avoidance is reduced from \$10.3 million to \$9.31 Million. Details provided below.
2. Lean Mail Delivery was rolled out to the district with all offices meeting the completion date of 03/27/2015. Additionally all of the vital sites have had follow-up audits conducted by the District coordinator, these audits were completed once an office had identified by the survey that they had finalized all activities and after the Lean Mail Delivery rollout was complete. The last office audit was completed on 06/23/2015
3. The district MOPS conducts daily meetings with POOMS to discuss the number carriers after 1700 and 1800, there has been a strong focus on showing incremental improvement day to day and week to week. We track the amount of projected carriers after 1700 and 1800 and review daily the differences from what was projected and what the actual amount was. There has been a significant improvement in this indicator since the implementation of this meeting format.

Target Implementation Date: The specific actions have been put in place and we expect to see the hours savings by the end of PQ 4.

Responsible Official: The Manager of Operations Programs Support is responsible for administering the programs and the Post Office Operations Managers are responsible for compliance with the Post Offices.

141 Weston St
Hartford CT 06101-9997
860-524-6137

Recommendation 2: Eliminate inefficient office practices such as loading vehicles on office time and excessive PM office time.

Management Response/Action Plan: We agree with recommendation to eliminate inefficient office practices and the specific actions that have been put in place to address these issues are listed below:

1. The District has provided specialized 1838C training classes in an effort to show newer supervisors how to identify and correct any performance issues. Each POOM group has been utilizing several managers to complete 1838C "blitzes" in vital offices to demonstrate the workload available on perceived heavy volume days. These times are then used in the discussion of office performance with the carriers to reduce the total LDC 21 times and correct any inefficiencies of the office. These training classes have been conducted by OPS during QTR 3 and are ongoing.
2. The OPS department is visiting vital sites on a monthly basis to conduct quality, performance based audits with quick feedback to the office management and the POOM for action. The audits (attached) are specific to common time wasting practices with the results being provided to the POOM and Postmaster the same day.
3. There were two new Function 2 teams established in April focusing on offices that have been identified in the CDRAAP process to assist with changing processes to ensure that we have quality data available for the adjustment purposes. These teams will also be the gatekeepers for the quality of 3999 forms for the Fall CDRAAP zones.

Target Implementation Date: The specific actions have been put in place, training has been completed and will be ongoing, and we expect to see the efficiency increased by the end of PQ 4.

Responsible Official: The Manager of Operations Programs Support is responsible for administering the programs / training and the Post Office Operations Managers are responsible for compliance with the Post Offices.

Recommendation 3: Increase mail arrival efficiency by preparing up-to-date integrated operating plans with facility processing managers.

Management Response/Action Plan: We agree with recommendation that mail arrival profile needs to be correctly documented and adhered to. Specific actions that have been put in place to address these issues are listed below:

1. All POOMs have met with their respective plant managers to discuss future mail arrival profiles. The IOP agreement framework has been started and as the mail flow stabilizes with the Network Rationalization the agreements will be finalized. The DPS run times have been communicated and transportation schedules have been shared with the offices where the second pass completions have been modified. The expected completion date for all offices to have an updated, correct IOP agreement will be the end of QTR 4.
2. Each month from January through September there has been specialized Function 4 lean mail audits completed in a vital Post Office. These audits look specifically at how to increase the overall Function 4 operation as it relates to providing a timely product to the Function 2 operations. Workroom Floor layouts were reviewed and modified for efficiency, schedules were changed to match the current mail arrival profile and equipment was changed as necessary.
3. There were a series of meetings held in May where training was given on the expectations of Operational Workload Change. All EAS in the district were provided an explanation of the background of the service standard changes and how it impacted both the Post Offices and Processing Operations. The focus of these discussions was to have the Post Offices look at each operation individually and make incremental changes to support any improvements in mail distribution.

Target Implementation Date: The initial discussions have been completed and there will be another series of meetings that will be completed by the end of PQ 4.

Responsible Official: The Post Office Operations Managers and Postmasters will be responsible for the Customer Service side of the agreement and the individual Plant Managers are responsible for the processing operations.

Recommendation 4: Ensure adherence to Postal Service policies and procedures for supervising city delivery operations at delivery units.

Management Response/Action Plan: We agree with recommendation policies and procedures need to be adhered to and followed in city delivery units. Specific actions that have been put in place to address these issues are listed below:

1. The district has provided 3999 training for all new supervisors as well as refresher training for supervisors / Postmasters that have not been walking routes recently. Additionally all participants of the NSP (National Supervisor Program) are receiving this training and we have taken groups of the NSP students and used them as a team in vital offices that need 3999 completed in a short period of time. These trainings began in March 2015 and will continue with each NSP class that is held.
2. OPS have conducted specialized training on the DMS program by bringing in small groups for each POOM assignment and having hands on sessions with the LOC specialists. We also discuss overall performance daily with the POOMs focusing on continuous improvement. These trainings started in January and will continue to be conducted on an as needed basis.
3. There were a series of meetings held in May where there was a "back to basics" discussion with all EAS. Items discussed were utilizing the current tools in delivery to manage workhours to workload. The concept of "pivoting" was also discussed and it was emphasized that when pivoting a route there has to be undertime captured from another regular route and an overall savings, not just covering an open assignment with overtime.

Target Implementation Date: The specific actions have been put in place, training has been completed and will be ongoing, and we expect to see the policy adherence by the end of PQ 4.

Responsible Official: The Manager of Operations Programs Support is responsible for administering the programs / training and the Post Office Operations Managers are responsible for compliance with the Post Offices.

During QTR 3 we have worked very hard to show incremental improvements in hours reductions and % to Standard improvements. The attached graphs show a steady improvement, although there is still work to be done. We are committed to continuous improvement and will actively pursue the target hours savings and % to STD goals.

As a whole the OIG report is very comprehensive and we appreciate the time that was put into the assessment. We are committed to improving our operations and developing our current EAS staff to understand their impact on the business goals as well as providing the best training available to the new EAS employees.

Respectfully,

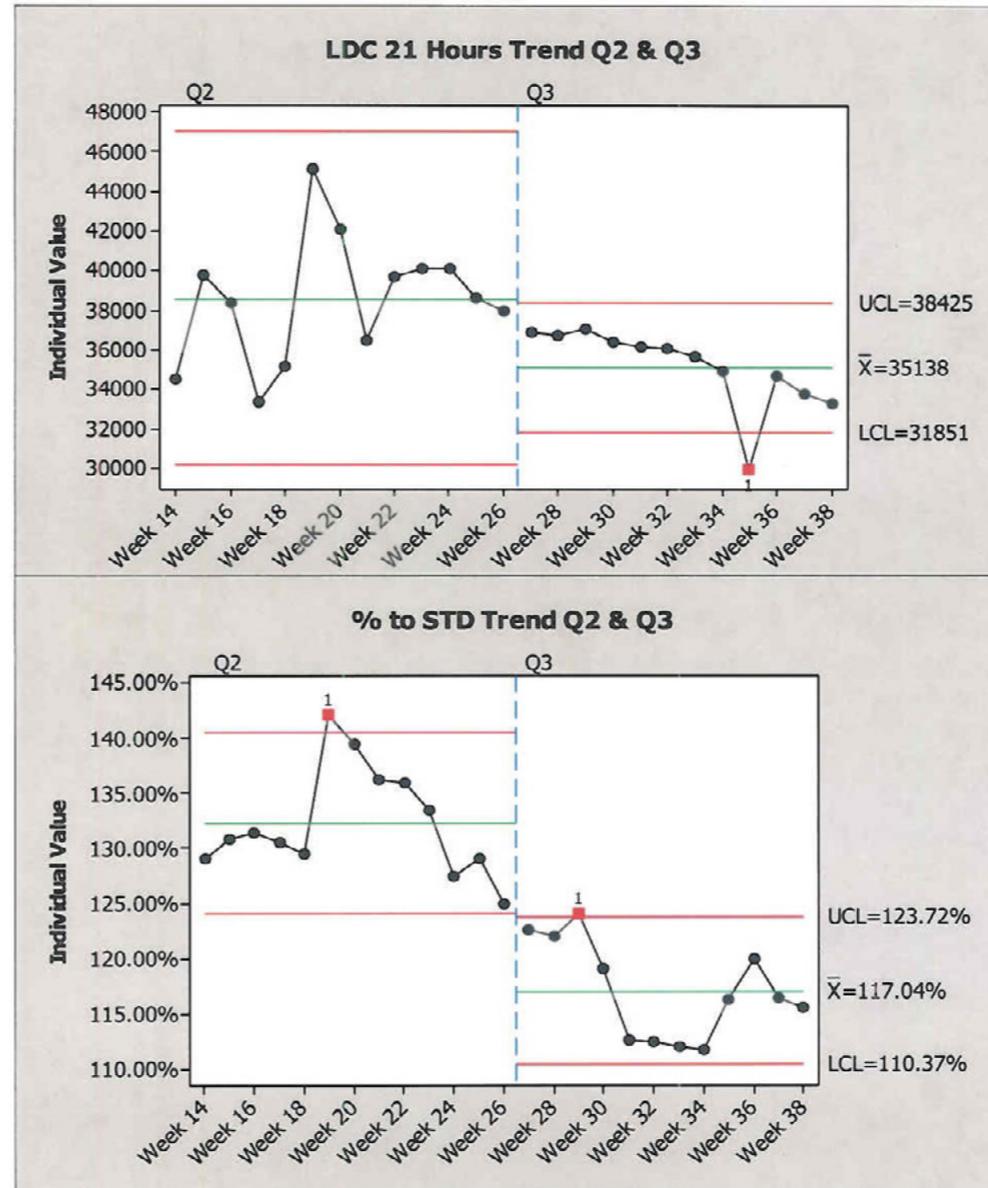
A handwritten signature in blue ink, appearing to read "David D. Mastroianni, Jr.", written over the typed name.

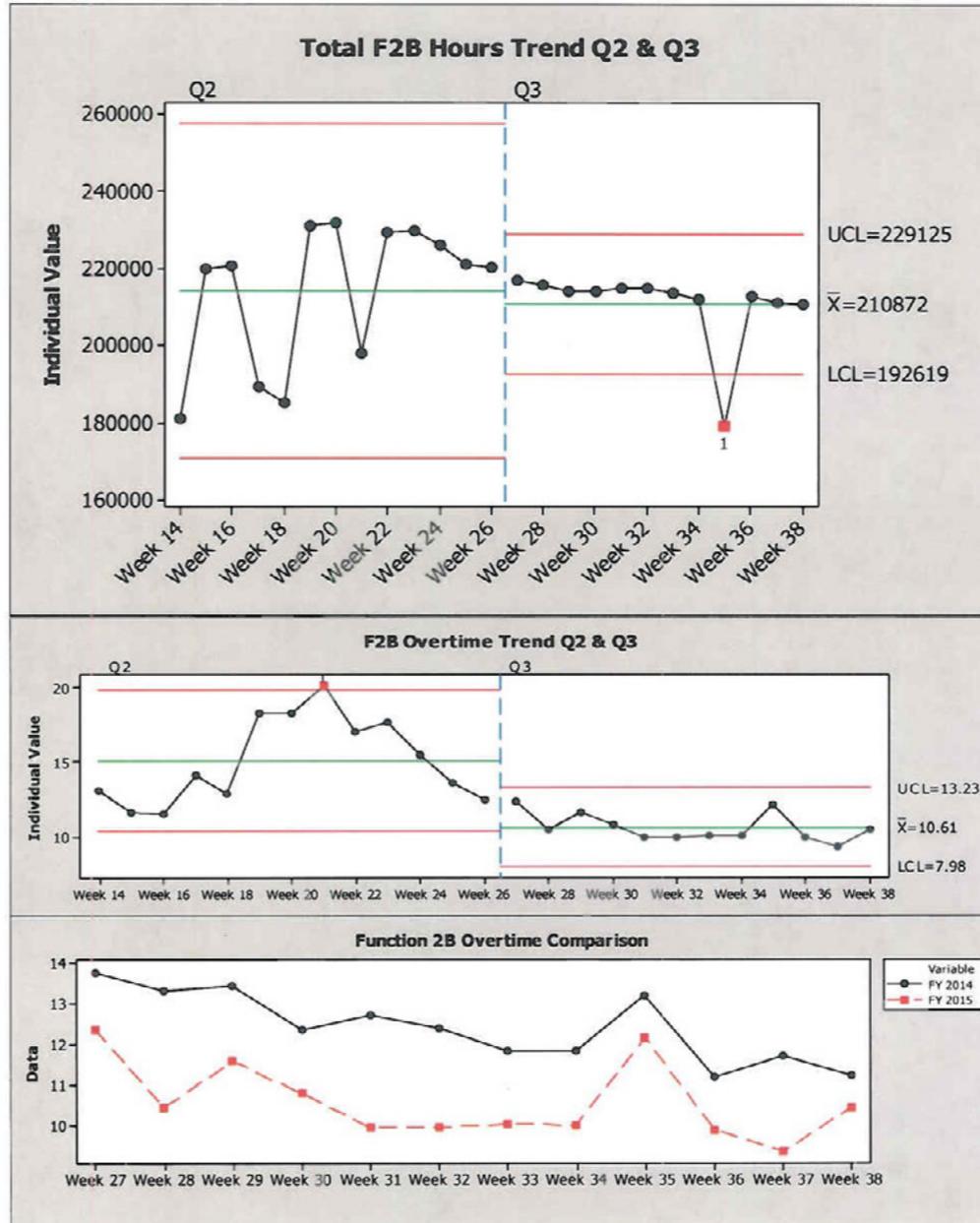
David D. Mastroianni, Jr.
District Manager
Connecticut Valley District

2 Labor Utilization Report - Year-to-Date

| LDC Code/Description | CONNECTICUT VALLEY PFC | | | | | | | | | | | | YTD % | YTD Total Overtime Dollars | YTD PD/Hourly Rate | YTD Work/Hour Rate |
|------------------------------|------------------------|--------------|----------------------|----------------|------------------|---------|-----------------|----------------|------------------|------------------|-------------------------|--------|----------------------------|----------------------------|--------------------|--------------------|
| | Month | JUN-15 | JUN-15 | JUN-15 | JUN-15 | JUN-15 | JUN-15 | JUN-15 | JUN-15 | JUN-15 | JUN-15 | JUN-15 | | | | |
| Metrics | YTD Workhours | YTD Overtime | YTD Penalty Overtime | YTD Sick Leave | YTD Annual Leave | YTD WOP | YTD Other Leave | YTD Hours Paid | YTD Salary | YTD Benefits | YTD Salary and Benefits | YTD % | YTD Total Overtime Dollars | YTD PD/Hourly Rate | YTD Work/Hour Rate | |
| TOTAL F1 - MAIL PROCESSING | 2,550,831 | 248,543 | 5,950 | 110,618 | 236,646 | 116,164 | 105,765 | 3,003,860 | \$82,586,244.32 | \$21,604,939.29 | \$108,493,183.61 | 23.0% | \$10,029,001.67 | \$36.1179 | \$42.5325 | |
| SUBTOTAL 28 - CITY DELIVERY | 8,320,422 | 1,033,701 | 51,321 | 317,609 | 659,043 | 214,934 | 378,667 | 9,676,001 | \$264,799,595.52 | \$54,488,833.67 | \$349,288,429.19 | 24.2% | \$40,531,967.42 | \$36.0984 | \$41.9797 | |
| TOTAL F4 - CUSTOMER SERVICES | 2,508,158 | 264,293 | 8,215 | 80,061 | 208,071 | 56,147 | 66,022 | 2,864,280 | \$78,594,716.23 | \$21,146,932.29 | \$104,541,698.52 | 24.1% | \$10,921,847.21 | \$36.1201 | \$41.8147 | |
| GRAND TOTAL | 17,810,983 | 1,829,883 | 91,719 | 990,078 | 1,439,965 | 648,950 | 770,294 | 23,713,410 | \$370,786,569.54 | \$178,696,129.47 | \$549,482,699.01 | 23.8% | \$73,656,869.23 | \$36.1836 | \$42.0799 | |

The workhour rate is based on an YTD figure extracted from the eflash program on June 13, 2015.





| | | | |
|------------------|---|-----|----|
| OFFICE: | | | |
| Date of Visit: | | | |
| Name of Auditor: | | | |
| | | YES | NO |
| 1 | Has DOIS been corrected from the previous day, ie, is the Route/Carrier Daily Performance Report clear of XXX routes and are the carrier moves correct? | | |
| 2 | Is DOIS being utilized as required to assess workload (Post the Workload Status Report to the Pivot Bd)? | | |
| 3 | Is the local office using the Workload Status Report and MSP data? | | |
| 4 | Are all carriers communicated to and expectations are set on leaves times for the morning and return times for the afternoon? | | |
| 5 | Does the unit use a pivot board and is it displayed for the carriers? | | |
| 6 | Were there any full open routes today? | | |
| 7 | Are the open routes being cased first? | | |
| 8 | Is the pivot board used to capture undertime or was it just an extension of the OTDL? Explain your findings | | |
| 9 | Does the unit follow control pulled for the hot case? | | |
| 10 | Does the unit limit the number of withdrawals the carries make to the letter and flat case? Explain in detail | | |
| 11 | Have the volumes been entered into DOIS early enough to help the supervisors make operational decisions? | | |
| 12 | Was a measuring device used? | | |
| 13 | How were the parcels and SPR's counted? Is the SOD report being utilized? | | |
| 14 | Are the SPR's kept separate from the parcels? | | |
| 15 | Is there an "All Up" call made for the carriers? | | |
| 16 | Is there a clerk assigned to monitor the throwback case after the "All Up" has been made to ensure all mail is sorted timely? | | |
| 17 | Are the carriers completing more than one line of the PS Form 3849 in the office? If yes, please provide specifics. | | |
| 18 | Is the FSS and DPS staged away from the carriers and not being brought the carrier's case? If no, explain in detail what you observed. | | |
| 19 | Is the unit handling WSS and EDDM mail correctly? If no, explain in detail what you observed. | | |
| 20 | Are morning vehicle checks being done efficiently by the carriers and are they being monitored by the local office? | | |
| 21 | Are the carriers loading mail/parcels into their vehicles while they are on office time LDC 21? | | |
| 22 | Is the control and correct procedure being utilized for 3996's? Explain your findings and review previous day's for completeness. | | |
| 23 | Are EAS are ON the workroom floor and validating carriers are leaving ON TIME or EARLY? | | |
| 24 | Validate the "accountable mail" process is handled properly, are carriers waiting for this? | | |
| 25 | Carriers: Was there excessive talking or leaving their cases observed? Provide specific comments | | |
| 26 | In offices with no am in office break, were carriers allowed to have food at the case? If yes, provide specifics | | |
| 27 | Are carriers working in an efficient manner per the M-41? | | |
| 28 | Has this office completed phase one of Lean Mail Delivery? | | |
| 29 | Upon the carrier returning to the office, ensure the carriers are cleared timely of their accountables? | | |
| 30 | Are the carriers then instructed to end their tour or are the carriers using excess PM office time? | | |

Please reference responses by question number and submit on separate. All responses must be received the day that the audit is conducted.



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

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