



# OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

## City Delivery Office Efficiency- San Francisco District

### Audit Report

Report Number  
DR-AR-15-011

September 15, 2015





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

## Highlights

***The San Francisco 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 2014, San Francisco District city carriers delivered over 1.5 billion mailpieces on 2,116 routes to more than 1.2 million delivery points. City delivery office workhours totaled 1,430,600 for this period.

Our objective was to assess the office efficiency of city delivery operations in the San Francisco District.

### What The OIG Found

The San Francisco District has opportunities to enhance efficiency in city delivery office operations. We found the San Francisco District's percent to standard, a measurement used to assess office efficiency, was 116.93 percent, 11.85 percentage points above the national average of 105.08 percent. A percent to standard score greater than 100 percent indicates performance is less than the desired standard. In 2014, 32 of the San Francisco District's 52 delivery

units (62 percent) used 158,847 more office workhours, or about 19 more minutes of office time per day per city carrier route, than necessary. These additional workhours cost \$7 million in 2014.

These conditions occurred because mail sometimes arrived late, the mail mix was incorrect, or carriers engaged in time wasting practices. Also, integrated operating plans (used to establish appropriate staffing levels and reporting times for carriers) were outdated or non-existent. Finally, managers did not enforce policies and procedures. Eliminating the extra workhours would increase overall efficiency at the delivery units and allow a onetime cost avoidance of about \$7.2 million in the following year.

We also identified inadequate safeguards over stamp stock and money orders valued at \$37,542 at four 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 recommend the, district manager, San Francisco District, eliminate 158,847 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.

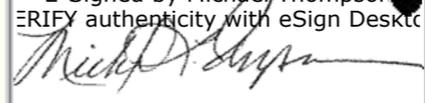
# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

September 15, 2015

**MEMORANDUM FOR:** NOEMI L. LUNA  
ACTING DISTRICT MANAGER,  
SAN FRANCISCO DISTRICT

E-Signed by Michael Thompson  
VERIFY authenticity with eSign Desktop  


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

**SUBJECT:** Audit Report – City Delivery Office Efficiency –  
San Francisco District (Report Number DR-AR-15-011)

This report presents the results of our audit of the City Delivery Office Efficiency – San Francisco District (Project Number 15XG025DR000).

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

***We also identified inadequate safeguards over stamp stock and money orders valued at \$37,542 at four delivery units.***

## Introduction

This report presents the results of our self-initiated audit of City Delivery Office Efficiency – San Francisco District (Project Number 15XG025DR000). Our objective was to assess the office efficiency of city delivery operations in the San Francisco 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 casing<sup>1</sup> 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 San Francisco District has opportunities to enhance efficiency in city delivery office operations. We found the San Francisco District's percent to standard, a measurement used to assess office efficiency, was 116.93 percent, 11.85 percentage points above the national average of 105.08 percent. A percent to standard score greater than 100 percent indicates performance is less than the desired standard. In 2014, 32<sup>2</sup> of the San Francisco District's 52 delivery units (62 percent) used 158,847 more office workhours<sup>3</sup> (at a cost of \$7 million), or about 19<sup>4</sup> more minutes of office time per day on each city carrier route, than necessary.

These conditions occurred because mail sometimes arrived late, the mail mix was incorrect, or carriers engaged in time wasting practices. Integrated operating plans (IOPs), which are used to establish appropriate staffing levels and reporting times for carriers, were outdated<sup>5</sup> or non-existent. Additionally, managers did not enforce policies and procedures. Eliminating the extra workhours would increase overall efficiency at the delivery units and allow a onetime cost avoidance of about \$7.2 million in the following year.

We also identified inadequate safeguards over stamp stock and money orders valued at \$37,542 at four delivery units. Management immediately initiated corrective action on these matters; therefore, we are not making a recommendation on this issue.

## Office Efficiency

In 2014, San Francisco District city carriers delivered over 1.5 billion mailpieces on 2,116 routes to more than 1.2 million delivery points. City delivery office workhours for this period totaled 1,430,600. The San Francisco District's percent to standard<sup>6</sup> was the fifth highest in the nation, at 116.93 percent. This was 11.85 percentage points above the national average of 105.08 percent. This variance means delivery units in the San Francisco District used more office time on average than the national average ([see Table 1](#)).

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

2 From the 52 delivery units, we identified a universe of 32 delivery units with 15 or more routes with a percent to standard higher than the national average. We selected judgmentally the 29 units to observe.

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 9,530,820 minutes (158,847 hours above the national average percent to standard multiplied by 60 minutes per hour) divided by 1,646 routes divided by 302 annual delivery days, which equals approximately 19 minutes per route per day.

5 On Jan 5, 2015 the Postal Service implemented Network rationalization Phase II, which reduced most overnight service standards to 2 day and allowed many Processing Centers to realign their workload in a way that advanced mail arrival to the delivery units.

6 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.

### Table 1. Top 10 Districts' Percent to Standard Comparison

January 1, 2014, through December 31, 2014

***We visited 29 judgmentally selected city delivery units and identified instances of late mail arrival or improper mail mix at 21 units, time wasting practices by carriers at 15 units, nonexistent IOPs at 29 units, and managers not enforcing policies and procedures at 27 units.***



Source: Postal Service Enterprise Data Warehouse (EDW) System.

The San Francisco District could increase office efficiency and eliminate 158,847 workhours annually, saving 19 minutes on each route per day. This could be done by adjusting mail arrival times, correcting inefficient office practices, completing IOPs and enforcing policies and procedures at delivery units. We visited 29 judgmentally selected city delivery units ([see Appendix B](#)) and identified instances of:

- Late mail arrival or improper mail mix at 21 units.
- Time wasting practices by carriers at 15 units.
- Outdated or nonexistent IOPs at 29 units.
- Managers not enforcing policies and procedures at 27 units.

## Mail Arrival

At 21 of 29 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.<sup>7</sup> Also, mail received from FedEx did not always arrive at the delivery unit in time to be integrated for sorting with mail received earlier from the P&DCs. We observed carriers in several units waiting for parcels to be distributed (see Figures 1 and 2).

### Figures 1 and 2. Carriers Waiting for Mail



Source: U.S. Postal Service Office of Inspector General (OIG) photograph taken April 8, 2015.



Source: OIG photograph taken April 10, 2015.

## Inefficient Office Practices

We observed instances of carriers being inefficient 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.

Specifically, we observed city carriers at 15 of the 29 delivery units loading mail into vehicles on office time rather than clocking<sup>8</sup> to street time. This resulted in unnecessary office time at these units. Postal Service policy<sup>9</sup> states carriers should proceed directly to their vehicles and load the mail in an orderly fashion after clocking onto street time.

<sup>7</sup> 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.

<sup>8</sup> References to clock rings include time entries that are recorded electronically, mechanically (using a time clock), or manually (written in). All bargaining unit and casual employees are required to use time clocks (if available) to record clock rings on their time cards.

<sup>9</sup> Handbook M-39, *Management of Delivery Services*, March 1998, Section 125.1.

Additionally, in 27 of the 29 delivery units we observed, we found supervisors need to better monitor carriers' afternoon office time. We saw some carriers spending more than the allotted time<sup>10</sup> in the office after returning from their routes. Further, review of the *Route/Carrier Daily Performance/Analysis Report* showed 284 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.

### **Non-Existent Integrated Operating Plans**

Management could not provide IOPs in 8 of the 29 units we visited. The IOP contracts cover mail arrival from the plant and identifies the mail product or class agreed to for each individual trip. Additionally, all IOPs need to be updated to reflect changes in mail arrival due to the implementation of Network Rationalization Phase II. The IOP is meant to stabilize mail flow and help the delivery unit establish appropriate staffing and reporting times to ensure carriers are not delayed.

### **Enforcing Policies and Procedures**

Management did not always enforce policies and procedures for supervising city delivery office operations. For example, supervisors at 19 of the 29 delivery units we observed did not always set daily expectations for carrier route performance. Additionally, supervisors at 27 of the 29 delivery units did not review performance from the previous day with carriers during morning office operations. Some supervisors printed the required reports<sup>11</sup> 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.<sup>12</sup>

During 2014, the San Francisco District used 158,847 more workhours than necessary, resulting in \$7 million in questioned costs. Furthermore, increasing overall efficiency at these delivery units would allow a onetime cost avoidance of about \$7.2 million in the following year.

### **Assets at Risk**

Employees did not always properly secure and lock stamp stock inventory at four<sup>13</sup> of the 29 locations we visited. This inventory included stamp stock and money orders worth a total of \$37,542 (see [Figures 3 and 4](#)). 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.

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<sup>10</sup> Postal Service policy allows a standard 5 minutes for carriers to perform afternoon office duties.

<sup>11</sup> *Field Operations Standardization Development, Morning (AM) Standard Operating Procedures (AMSOP) II Guidebook*, 2007, Section 5-7.

<sup>12</sup> Handbook M-39, TL-13, Section 1, Administration of City Delivery Service.

<sup>13</sup> Palo Alto Post Office, Los Altos Post Office (Loyola Corners), Rohnert Park Post Office, and Parkside Station.

**Figures 3 and 4. Assets at Risk**



Source: OIG photograph taken April 7, 2015.



Source: OIG photograph taken May 5, 2015.

# Recommendations

***We recommend management eliminate 158,847 workhours at the delivery units; eliminate inefficient office practices; prepare up-to-date integrated operating plans; and ensure adherence to Postal Service policies and procedures for supervising city delivery operations at delivery units.***

We recommend the district manager, San Francisco District:

1. Eliminate 158,847 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 conditionally agreed with amount of workhour savings.

In response to recommendation 1, management conditionally agreed with the need to eliminate 164,798 workhours. Management stated their conditional agreement was due to the high turnover in the City Carrier Assistant (CCA) position during the period of study which resulted in higher training hours and lower efficiency, and a higher than normal volume of Political Mail. Management further stated that a reduction of workhours will be achieved through better office and street efficiencies and reduction of overtime. These actions will be accomplished through training Postmasters, Managers, and Supervisors to identify and correct inefficiencies and issue corrective action where warranted. This will be completed by March 31, 2016.

In response to recommendation 2, management agreed with the need to eliminate inefficient office practices such as loading vehicles on office time and excessive PM office times. Management stated this will be achieved through 1-day counts and effective supervision through individual engagement with City Carriers. Also, on a daily basis, office performance will continue to be shared with the Senior Operations Managers, Postmasters, and Customer Service Managers. Management stated training for observing and correcting inefficient office work practices will be completed by March 31, 2016.

In response to recommendation 3, management agreed with the need to have up-to-date Mail Arrival Profiles (MAPs) or IOP agreements. Management stated all MAPs/IOPs are being updated with the implementation of zero base line transportation schedules and consistent with Operation Window Change. Completed agreements will be signed by the District Manager and Senior Plant manager. Copies will be kept locally and in the San Francisco District repository, signed and posted where appropriate by March 31, 2016.

In response to recommendation 4, management agreed policy and procedures need to be followed. Management stated that Postmaster, Manager, and Supervisor skills are developed through training by delivery symposiums, employee engagement and coaching sessions with labor relations. Additionally, on-site visits made by Senior Operations Manager and San Francisco District staff conducting on-site reviews will assist the office in identifying opportunities to correct inefficient practices. City delivery supervisors will be provided refresher and new training on delivery topics by March 31, 2016.

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 management's conditional agreement with the monetary impact due to CCA turnover and a higher than normal volume of political mail; the OIG acknowledges unexpected employee turnover and higher than expected workload can effect efficiency. However, CCA workhours accounted for just 11 percent of the total office workhours used by delivery units in the San Francisco District. While CCA turnover is an operational concern, the OIG does not agree that it contributed substantially to the use of additional workhours. In regards to the political mail, the OIG's position is that political mail is a normal and recurring mail event which should be counted as part of the carrier's daily workload and did not materially contribute to the excess workhour usage identified in our report.

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

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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, 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 San Francisco District. To accomplish our objective, we:

- Ranked each of the seven areas from highest to lowest in terms of percent to standard from January 1, 2014, through December 31, 2014. We used the Enterprise Data Warehouse (EDW)<sup>14</sup> national percent to standard measurement of 105.08 percent as a baseline guide.
- Selected the Pacific Area and, within that area, selected the San Francisco District for review because it had the fifth highest percent to standard in the nation<sup>15</sup> at 116.93, compared with the national average of 105.08 percent.
- Analyzed the percent to standard for 52 delivery units in the San Francisco District and identified a universe of 32 delivery units with 15 or more routes with a percent to standard higher than the national average of 105.08 percent. We judgmentally selected the 29 units to conduct onsite observations of city delivery office operations.
- Obtained, reviewed, and analyzed city delivery unit data from 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 and Postal Service Handbooks M-39<sup>16</sup> and M-41.<sup>17</sup>

We conducted this performance audit from March 2015 through September 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 July 24, 2015, and included their comments where appropriate.

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<sup>14</sup> 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-sale, and other sources.

<sup>15</sup> We selected the San Francisco district over the top four districts because we have previously conducted audits in the Los Angeles, Greater Boston, Connecticut Valley, and Sierra Coastal districts.

<sup>16</sup> Handbook M-39, *Management of Delivery Services*, March 1998 – Updated March 2004.

<sup>17</sup> Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, March 1998 – Updated April 2001.

We relied on data primarily from EDW. We obtained data from January 1, 2014, through December 31, 2014. We did not directly audit the system, 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 system 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 Office Efficiency – Greater Boston District</i>	<a href="#">DR-AR-15-007</a>	5/28/2015	\$24,698,590
<p><b>Report Results:</b> The Greater Boston District has opportunities to enhance efficiency in city delivery operations. We found that 68 of 183 delivery units (37 percent) used 265,462 more workhours than projected. These conditions occurred because of late mail arrival, time-wasting practices of carriers, and improperly staged delivery point sequence letters. We also found outdated or non-existent IOPs, and managers not always enforcing policies and procedures. Eliminating these workhours would increase overall efficiency at delivery units and allow an additional one-time cost avoidance of about \$12.3 million. Management agreed with our findings, recommendations and not the monetary impact.</p>			
<i>City Delivery Efficiency – South Florida District</i>	<a href="#">DR-AR-14-004</a>	3/4/2014	\$30,587,250
<p><b>Report Results:</b> 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. We identified the potential to eliminate 374,982 workhours through improved supervision and other efforts. Management agreed with our findings and recommendations.</p>			
<i>City Delivery Operations – Lancaster Carrier Annex</i>	<a href="#">DR-MA-12-003</a>	9/28/2012	\$1,900,064
<p><b>Report Results:</b> 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.</p>			
<i>City Delivery Operations – Brick Main Post Office</i>	<a href="#">DR-MA-12-004</a>	9/27/2012	\$1,228,120
<p><b>Report Results:</b> 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.</p>			

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

	<b>DELIVERY UNITS</b>	<b>PERCENT TO STANDARD</b>	<b>NUMBER OF CITY ROUTES</b>
1	San Mateo, MAIN POST OFFICE	161.73%	109
2	Palo Alto, MAIN POST OFFICE	153.19%	92
3	Menlo Park, MAIN POST OFFICE	143.86%	57
4	San Rafael Civic Center Carriers	142.36%	17
5	Loyola Corners Annex	140.17%	39
6	Pacifica Main Office	138.11%	29
7	Burlingame Carrier Annex	137.55%	65
8	SF North Beach, STATION	137.15%	18
9	Arcata, MAIN POST OFFICE	132.50%	19
10	Santa Rosa Annex	130.53%	67
11	SF Bryant Street Station	129.16%	75
12	SF Marina, STATION	128.19%	26
13	SF Parkside, STATION	127.21%	28
14	San Rafael, MAIN POST OFFICE	123.14%	77
15	Sonoma, MAIN POST OFFICE	123.12%	24
16	Eureka, MAIN POST OFFICE	122.71%	40
17	Ukiah, ANNEX	119.21%	18
18	Daly City, MAIN POST OFFICE	119.00%	62
19	Townsend Carrier Annex	118.90%	69
20	Corte Madera, MAIN POST OFFICE	118.84%	20
21	SF Pine Street	117.90%	51
22	Santa Rosa, MAIN POST OFFICE	117.48%	74
23	SF BAYVIEW	117.35%	18
24	SF Steiner Street Station	116.58%	60
25	Novato, MAIN POST OFFICE	115.05%	60
26	SF Napoleon Carrier Complex	109.50%	176
27	Rohnert Park, MAIN POST OFFICE	109.42%	31
28	Mill Valley, MAIN POST OFFICE	108.53%	33
29	San Anselmo, MAIN POST OFFICE	108.41%	23

Source: Postal Service EDW Data System for 2014.

## Appendix C: Management's Comments



September 1, 2015

Lori Lau Dillard  
Director, Audit Operations  
Office of Inspector General  
United States Postal Service

Subject: City Delivery Office Efficiency – San Francisco District Response  
Project Number 15XG025DR000

In reference to the OIG audit report (Project Number 15XG025DR000) management agrees with the findings. The finding and observation management agree are on timely mail arrival and correct mail mix, inefficient office practices, absence of copies of Mail Arrival Profiles (i.e. Integrated Operating Plans), and the consistent enforcement of policies and procedures for supervising delivery operations.

Management conditionally agrees with the OIG calculations of monetary impact. The impact was calculated based on hours and employee wages. However, a contributing factor to the workhours was the high turnover of City Carrier Assistants (CCA) in the period of the study. Turnover of new carriers contributed to higher hours and lower efficiencies due to learning curve.

### **Recommendation #1**

Eliminate 164,798 workhours at delivery units.

Response: Management conditionally agrees with the recommendation.

The reduction of workhours at delivery units will be achieved through better office and street efficiencies and reduction of overtime. Postmasters, Managers, and Supervisors are continually trained to identify and correct inefficiencies and issue corrective action where warranted. Management conditionally agrees with the recommendation because one of the challenges San Francisco District faced is the high turnover of City Carrier Assistants during the period of study. The turnover has resulted into higher training hours among the offices and lower efficiency rate due to new employee learning curve. Additionally, the period of study included much higher than normal volume of political mail leading into the November elections.

### **Target Implementation Date:**

The reduction through better efficiencies and reduction of overtime has started and is an ongoing process. The data from Pacific Area below shows the improvements San Francisco District has made to achieve this reduction. In this particular snapshot San Francisco District went from 3.08 hours per route in the office in Week 3 to 1.90 hours per route in the office in Week 47.

(Source: Pacific Area Report)

Week = 47		Actual Office Workhours - AHPR							
District	SAT	MON	TUES	WED	THUR	FRI	WEEK TO DATE	WTD AHPR	
<b>LOS ANGELES PFC</b>	4,468	5,156	4,899	4,655	4,714	4,924	28,816	<b>1.54</b>	
LA Daily AHPR	1.43	1.65	1.57	1.49	1.51	1.57			
<b>SIERRA COASTAL PFC</b>	4,007	4,454	3,876	3,868	4,041	4,147	24,393	<b>1.46</b>	
SC Daily AHPR	1.43	1.59	1.39	1.38	1.45	1.48			
<b>SAN DIEGO PFC</b>	3,780	4,103	3,299	3,677	3,688	3,832	22,379	<b>1.27</b>	
SD Daily AHPR	1.28	1.39	1.12	1.25	1.25	1.30			
<b>SANTA ANA PFC</b>	5,014	5,385	4,927	5,136	4,955	5,151	30,569	<b>1.52</b>	
SA Daily AHPR	1.50	1.61	1.47	1.54	1.48	1.54			
<b>SAN FRANCISCO PFC</b>	3,975	4,854	4,085	3,964	3,936	4,103	24,916	<b>1.90</b>	
SF Daily AHPR	1.82	2.22	1.87	1.81	1.80	1.88			
<b>BAY-VALLEY PFC</b>	4,324	5,220	4,482	4,430	4,379	4,375	27,209	<b>1.41</b>	
BV Daily AHPR	1.35	1.63	1.40	1.38	1.37	1.36			
<b>SACRAMENTO PFC</b>	3,529	4,287	3,355	3,585	3,465	3,415	21,636	<b>1.69</b>	
SAC Daily AHPR	1.65	2.01	1.57	1.68	1.62	1.60			
<b>HONOLULU PFC</b>	1,095	943	932	957	971	1,024	5,923	<b>1.50</b>	
HON Daily AHPR	1.67	1.44	1.42	1.46	1.48	1.56			
<b>Area Total</b>	30,193	34,402	29,856	30,272	30,150	30,969	185,840	<b>1.52</b>	
Area Daily AHPR	1.48	1.69	1.46	1.48	1.48	1.52			

Week = 03		Actual Office Workhours - AHPR							
District	SAT	MON	TUES	WED	THUR	FRI	WEEK TO DATE	WTD AHPR	
<b>LOS ANGELES PFC</b>	6,297	-	7,865	7,475	6,485	6,392	34,514	<b>2.23</b>	
LA Daily AHPR	2.03	-	2.54	2.41	2.09	2.06			
<b>SIERRA COASTAL PFC</b>	5,882	-	6,534	5,904	5,616	5,751	29,688	<b>2.19</b>	
SC Daily AHPR	2.17	-	2.41	2.18	2.07	2.12			
<b>SAN DIEGO PFC</b>	4,850	-	5,901	5,013	5,484	5,428	26,676	<b>1.83</b>	
SD Daily AHPR	1.66	-	2.02	1.72	1.88	1.86			
<b>SANTA ANA PFC</b>	6,828	-	8,733	7,338	7,542	6,865	37,305	<b>2.26</b>	
SA Daily AHPR	2.07	-	2.64	2.22	2.28	2.08			
<b>SAN FRANCISCO PFC</b>	6,129	-	7,420	6,608	6,674	6,340	33,170	<b>3.08</b>	
SF Daily AHPR	2.84	-	3.44	3.07	3.10	2.94			
<b>BAY-VALLEY PFC</b>	6,511	-	7,564	6,769	6,807	6,743	34,393	<b>2.21</b>	
BV Daily AHPR	2.09	-	2.43	2.18	2.19	2.17			
<b>SACRAMENTO PFC</b>	4,321	-	5,624	4,502	4,529	4,393	23,370	<b>2.24</b>	
SAC Daily AHPR	2.07	-	2.69	2.16	2.17	2.11			
<b>HONOLULU PFC</b>	1,253	-	1,239	1,182	1,200	1,094	5,968	<b>1.90</b>	
HON Daily AHPR	2.00	-	1.97	1.88	1.91	1.74			
<b>Area Total</b>	42,071	-	50,879	44,791	44,336	43,006	225,083	<b>2.25</b>	
Area Daily AHPR	2.10	-	2.54	2.24	2.22	2.15			

Responsible Officials:

The responsible officials in achieving the reduction are Postmasters, Managers, and Supervisors with oversight from district that includes District Manager and senior staff. These include Host Postmaster, Managers, Post Office Operations, Managers, Customer Service Operations, Manager, Finance, Manager, Human Resources, and Manager, Operations Programs Support.

**Recommendation #2**

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

Response: Management agrees with recommendation.

The elimination of inefficient office practices such as loading vehicles on office time and excessive PM office times are going to be achieved through one-day counts (i.e. use of 1838-C), effective supervision through individual engagement with City Carriers. On a daily basis, office performance is shared with the Senior Operations Managers, Postmasters, and Managers, Customer Services.

**Target Implementation Date:**

The elimination of inefficient office practices has started and is an ongoing process.

**Responsible Officials:**

The responsible officials in achieving the reduction are Postmasters, Managers, and Supervisors with oversight from district that includes District Manager and senior staff. These include Host Postmaster, Managers, Post Office Operations, Managers, Customer Service Operations, and Manager, Operations Programs Support.

**Recommendation #3**

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

Response: Management agrees with recommendation.

Mail Arrival Profiles are being updated with the implementation of zero base line transportation schedules and consistent with Operating Window Change (OWC). Completed agreements are signed by District Manager and Senior Plant Manager. Copies are kept locally and in district repository.

Mail Arrival Quality, a tool used to document truck arrivals and dispatch quality, is monitored on a daily basis. This is discussed on a daily Plant Operations and Customer Services meeting. Variances reported by Post Offices and Stations are addressed by Senior Operations Managers with Plant Operations and Transportation.

Since January 2015, improvements have been made by the district in the quality and timeliness of dispatch to the units. The Pacific Area Late AM Dispatches Report below shows the reduction of late AM dispatches from 20.5% in Quarter IV of FY 2014 to 10.6% in the current quarter 2015.

On vital units such as Pine Station, as an example, district sent a team to make on-site intervention to streamline process from beginning to end of day. Process checks were made on staffing and scheduling, employee engagement, and overtime approval, among others.

(Source: Pacific Area Report)

**Pacific Area Late AM Dispatches Report  
FY 2015 PQ 4**

Performance Cluster	% of Trips Leaving After Scheduled Departure Time										
	FY 2014 Q4	FY 2015 Q1	FY 2015 Q2	FY 2015 Q3	FY 2015 Q4 to date	Week 42 Week of 7/11	Week 43 Week of 7/18	Week 44 Week of 7/25	Week 45 Week of 8/1	Week 46 Week of 8/8	Week 47 Week of 8/15
Honolulu	15.9%	5.4%	5.2%	2.9%	2.6%	0.0%	3.2%	1.3%	8.6%	3.2%	3.9%
Los Angeles	47.3%	26.9%	17.2%	4.7%	6.6%	3.4%	2.8%	3.5%	7.4%	11.8%	13.0%
San Diego	8.5%	28.1%	12.0%	5.6%	6.7%	8.3%	3.8%	7.5%	7.1%	10.4%	6.3%
Santa Ana	20.4%	11.5%	11.8%	8.3%	6.7%	5.9%	6.6%	5.7%	7.7%	7.2%	5.5%
Bay-Valley	35.8%	26.1%	22.8%	8.8%	7.1%	7.1%	8.8%	5.8%	12.4%	6.1%	4.9%
Sacramento	19.5%	16.5%	15.3%	6.9%	9.7%	5.4%	7.1%	7.4%	18.6%	16.5%	8.2%
San Francisco	20.5%	17.3%	15.5%	11.8%	10.6%	10.4%	12.4%	6.9%	11.5%	12.0%	13.5%
Sierra Coastal	26.1%	22.4%	14.7%	9.1%	11.7%	18.5%	10.6%	13.9%	8.8%	10.2%	7.0%
Pacific Area	25.2%	14.5%	14.8%	7.8%	8.4%	8.0%	7.3%	7.2%	10.8%	10.9%	8.5%

**Target Implementation Date:**

The implementation date has started since mid-January 2015. Meetings between Customer Services and Plant Operations have started to complete Mail Arrival Profiles (MAPs). MAP meetings for zero base transportation consistent with Operating Window Change (OWC) started on Wednesday, August 26, 2015 and are continuing until all offices have updated MAPs or when changes in transportation schedules occur or Plant commitments are updated.

**Responsible Official:**

The implementation of Mail Arrival Profiles is coordinated through Manager, Operations Programs Support and Manager, In-Plant Support. Additionally, each office is represented by Postmaster or Manager, Customer Services or designee along with representatives from Transportation department.

**Recommendation #4**

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

Response: Management agrees with recommendation.

Postmasters, Managers, and Supervisors skills are developed through trainings which include, among others, delivery symposiums, employee engagement coaching sessions with Labor Relations. The training of Postmasters, Managers, and Supervisors in turn will provide them the necessary tools to address and follow-up on inefficient practices. Additionally, on-site visits made by Senior Operations Manager and District staff conducting on-site reviews will assist office in identifying opportunities and correct inefficient practices.

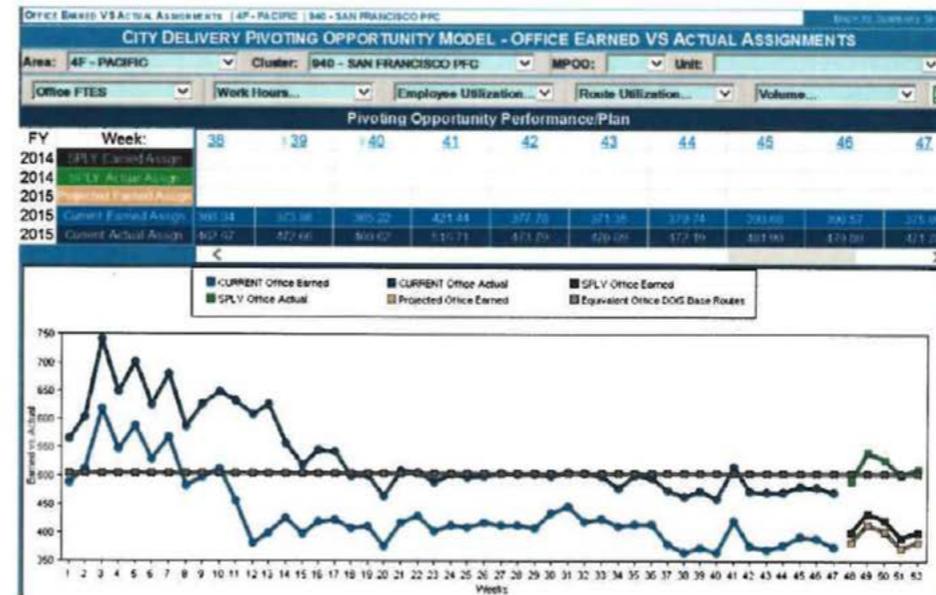
Daily overtime performance meetings address efficiencies and indicators that include percent to standard and hours per route. The indicators are monitored to identify vital units and vital routes within the units.

District is certifying delivery offices on Lean Mail Delivery. Lean Mail Delivery is a headquarters initiative that standardizes process and design. This includes unit layout and management of empty equipment.

- All city delivery supervisors will be provided refresher and new training on delivery topics, the latest of which is via the Pacific Area scheduled Delivery Symposium to be completed by September 30, 2015. Training is on a continuous basis.

Shown below is the San Francisco District trend in Office Earned vs. Actual Assignments from Week 1 to Week 47 of FY 2015 in Variance Programs.

(Source: City Delivery Pivoting Opportunity Model)



Target Implementation Date:

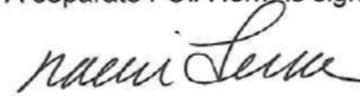
The reduction through better efficiencies and reduction of overtime has since May 2015 and is an ongoing process.

Responsible Officials:

The responsible officials in achieving the reduction are Postmasters, Managers, and Supervisors with oversight from district that includes District Manager and senior staff. These include Host Postmaster, Managers, Post Office Operations, Managers, Customer Service Operations, Manager, Finance, and Manager, Operations Programs Support.

Management believes the findings in the report contain proprietary or other business information that may be exempt from disclosure under the Freedom of Information Act (FOIA).]

A separate FOIA form is signed and attached to management response.



Noemi Luna  
District Manager (A)  
San Francisco

cc: Sally K. Haring  
Manager, Corporate Audit Response Management



Contact us via our [Hotline](#) and [FOIA](#) forms, follow us on social networks, or call our Hotline at 1-888-877-7644 to report fraud, waste or abuse. Stay informed.

1735 North Lynn Street  
Arlington, VA 22209-2020  
(703) 248-2100