



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

**Springfield Network Distribution
Center – Postal Vehicle
Service Operations**

Audit Report

August 26, 2013

Report Number NO-AR-13-006



OFFICE OF
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GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

August 26, 2013

Springfield Network Distribution Center – Postal Vehicle Service Operations

Report Number NO-AR-13-006

BACKGROUND:

The U.S. Postal Service transportation network that uses Postal Service vehicles and employees is called the Postal Vehicle Service (PVS). PVS operations at network distribution centers (NDC) include drivers using tractors to move trailers in or around a facility yard. Processing operations require the timely and efficient unloading of mail from trailers as they arrive and timely loading of mail into trailers for immediate departure from the facility. The Springfield, MA, NDC has 58 PVS drivers who complete an average of 3,743 trailer moves in the yard per week.

Our objectives were to assess trailer loading and unloading practices and determine whether staffing of PVS driver operations was efficient, effective, and economical at the Springfield NDC.

WHAT THE OIG FOUND:

The Springfield NDC generally executed effective and efficient unloading and loading practices. However, we found that PVS drivers performed 3.3 trailer moves per hour, rather than the standard five, because management did not assess driver workload and staffing levels. As a result, the Springfield NDC expended more driver workhours than

necessary. We estimate the Postal Service could reduce 20,280 driver workhours and save or avoid costs of about \$785,000 annually if productivity standards were met. During the audit, management initiated the elimination of 11,657 of the excess hours identified in schedules that were not in use.

Finally, we observed PVS drivers not consistently using safety belts while driving in the Springfield NDC yard as required, and Postal Service facility management not enforcing the policy.

WHAT THE OIG RECOMMENDED:

We recommended the vice president, Northeast Area Operations, require that Springfield NDC management periodically assess PVS driver workload and staffing to ensure compliance with trailer move standards. We also recommended management verify the elimination of 11,657 annual PVS workhours associated with inactive schedules and eliminate an additional 8,623 excess annual workhours. Finally, we recommended management reemphasize and enforce the safety policy that PVS drivers wear safety belts when their vehicles are in motion.

[Link to review the entire report](#)



August 26, 2013

MEMORANDUM FOR: RICHARD P. ULUSKI
VICE PRESIDENT, NORTHEAST AREA OPERATIONS

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 – Springfield Network Distribution
Center – Postal Vehicle Service Operations
(Report Number NO-AR-13-006)

This report presents the results of our audit of the Springfield Network Distribution Center – Postal Vehicle Service Operations (Project Number 13WG009NO000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jody J. Troxclair, deputy director, Network Processing and Transportation, or me at 703-248-2100.

Attachment

cc: David E. Williams, Jr.
Mary T. Taylor
Jennifer L. Stevenson
Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of the Springfield Network Distribution Center (NDC) – Postal Vehicle Service (PVS) operations (Project Number 13WG009NO000). The objectives of our audit were to assess unloading and loading practices and determine whether staffing of PVS transportation operations is efficient, effective, and economical at the Springfield NDC. This self-initiated audit addresses operational risk. See [Appendix A](#) for additional information about this audit.

U.S. Postal Service transportation network using Postal Service vehicles and employees is referred to as PVS. Because PVS operations are local, they are managed at the facility level under the guidance of district, area, and headquarters transportation officials. PVS activities at NDCs include yard operations, which is the movement of trailers and equipment in, or around a facility yard (called spotting), typically to and from the facility dock doors. PVS drivers move trailers using spotter trucks.¹

NDCs are tasked with ‘live unloading’ and ‘live loading’ of all arriving and departing mail transportation trailers. Live unloading is when the highway contract route (HCR) or PVS driver brings a trailer directly to a dock door when it enters the facility for unloading. Live loading is when the HCR or PVS driver takes a loaded trailer directly from the dock door and out of the facility yard (see Figure 1). In either case, the trailer is not placed (or spotted) in the yard for movement at a later time. Not parking or spotting trailers in the yard ensures mail flows to the next operation or facility without delay and reduces total operating expenses at the same time.²

Figure 1. Three HCR Tractor Trailers Parked at Springfield NDC Dock Doors as Part of Live Load/Unload Program



¹ Trucks used to move trailers within a NDC yard operation.

² *Standard Operating Procedures Live Loading and Unloading of Trailers at Network Distribution Centers.*

Source: U.S. Postal Service Office of Inspector General (OIG)
photograph taken February 20, 2013.

The Springfield NDC has 58 PVS drivers responsible for an average of 3,743 trailer moves in the yard per week, servicing 164 dock doors.

Conclusion

The Springfield NDC generally executed effective and efficient unloading and loading practices. We found that staff members were properly unloading trailers as they came into the facility yard and properly loading trailers and moving them directly from the dock door and out of the facility yard. However, we found that PVS drivers performed 3.3 trailer moves per hour, instead of the standard five, because management did not assess driver workload and staffing levels. As a result, the Springfield NDC expended more driver workhours than necessary.

We estimate the Postal Service could reduce 20,280 driver workhours and save or avoid about \$785,000 annually, if productivity standards were met. During the audit, management initiated the elimination of 11,657 workhours associated with PVS schedules that were in place but were not in use.³ See [Appendix B](#) for our monetary impact calculations. We also observed PVS drivers not consistently using safety belts while driving in the Springfield NDC yard as required, and management not enforcing the policy.

Live Unloading/Loading Practices

The Springfield NDC generally executed effective and efficient unloading and loading practices and followed the Postal Service's NDC policy for live unloading and loading when possible. Our observations at the facility and our analysis of yard moves revealed that Springfield NDC staff unloaded mail from trailers⁴ as the trailers arrived at the facility yard and loaded trailers to the extent feasible to immediately depart from the facility yard. This process avoids unnecessary movement and placement (spotting) of trailers in the yard by PVS drivers, reducing overall transportation time and handling costs.

To analyze loading activity, we extracted a historical outbound trip report from the Yard Management System (YMS)⁵ that details all the outbound dispatches made by the Springfield NDC in a 2-week period. We also obtained the spotter activity archive report for the same period from YMS. Using these reports, we compiled a list of trips and sorted the list by dock door to determine what time trips departed from each door. If there was more than 1 hour between trips leaving from the same door, we determined the trips were candidates for live loading. We then considered other factors,

³ By eliminating these schedules, the Postal Service avoided any additional transportation costs that could be associated with those schedules.

⁴ We observed operations at the dock doors used for the Springfield NDC operations - doors 1 through 25, and 60 through 94.

⁵ An automated system that tracks vehicles through a facility yard.

including the percentage of load on each trip, dock space for staging mail for subsequent trips, and location of the move. Based on our analysis, we determined the Springfield NDC staff was live loading 94 percent of outbound trips, with a total of only 124 trips over a 2-week period, having the potential to be live loaded, as shown in Table 1.

Table 1. Springfield NDC Outbound Trip (Live Load) Analysis

Date	Total Trips That Were Live Loaded	Additional Trips That Could Be Live Loaded
3/2/2013	145	17
3/3/2013	157	13
3/4/2013	173	7
3/5/2013	173	12
3/6/2013	11	0
3/7/2013	162	7
3/8/2013	153	6
3/9/2013	173	8
3/10/2013	153	13
3/11/2013	120	9
3/12/2013	175	18
3/13/2013	176	4
3/14/2013	169	1
3/15/2013	171	9
Total Outbound Trips	2,111	124
Percentage of Trips	94%	6%

Source: Postal Service, OIG analysis, and YMS, as of March 15, 2013.

Postal Vehicle Service Yard Move Productivity

We found that Springfield NDC could make PVS operations more efficient by holding PVS drivers to productivity standards established in the Postal Service’s 2005 Breakthrough Productivity Initiative.⁶ The standard specifies that PVS drivers are expected to complete 40 trailer moves⁷ within an 8-hour period. This breaks down to one driver accomplishing five trailer moves within a NDC yard per hour.⁸

⁶ The initiative was started to drive costs from the Postal Service while creating continuous improvement capability.

⁷ A move consists of moving trailers and equipment from one location to another in the NDC yard.

⁸ Headquarters and senior area transportation managers have explained that this productivity standard was reasonable and appropriate.

To assess productivity, we analyzed the workload of 58 PVS drivers over three tours that were responsible for moving trailers around the Springfield NDC yard. We reviewed all trailer moves associated with NDC operations for the 6-month period, August 1, 2012, through January 31, 2013. We conducted observations and analyzed operational workload data⁹ and confirmed that the established productivity standards of five moves per hour were reasonable and attainable for PVS drivers at the Springfield NDC.¹⁰ We found that Springfield NDC PVS drivers averaged 3.3 trailer moves per hour. Below in Table 2 are the results of our analysis of the PVS driver productivity at the Springfield NDC.

Table 2. Springfield NDC PVS Drivers Productivity Analysis

Average Weekly Moves	Weekly Workhours Assigned to Complete Trailer Moves	Weekly Workhours Needed to Complete Trailer Moves	Excess Workhours Assigned to Complete Trailer Moves (Weekly)	Excess Workhours Assigned to Complete Trailer Moves (Annually)
3,743	1,139	749	390	20,280

Source: Postal Service, OIG analysis, YMS, Transportation Information Evaluation System (as of June 4, 2013).

We found that productivity standards were not met because Springfield NDC management did not fully assess workload and staffing requirements. If productivity was set at the standard of five moves per hour, the Northeast Area could phase out 20,280 annual workhours. During our audit, we considered changes that management initiated to eliminate 11,657 workhours contained in existing PVS schedules that were not in use; thereby, avoiding the associated operating costs of \$451,259 annually (see [Table 3](#)).¹¹

⁹ Our analysis also included PVS driver workload associated with the surface transfer center (STC), which is located at the NDC and is supported by the drivers.

¹⁰ The productivity standards are reasonable and attainable based on our observations of yard size and traffic patterns in the yard.

¹¹ Eliminating these unused schedules is a cost avoidance for the Postal Service since these schedules are listed as active and have been used previously, the American Postal Workers Union could request these schedules be staffed.

Table 3. Postal Service-Initiated Changes

Schedule Number	Tour of Operation	Annual Workhours Eliminated	Annual Workhours Added
11405	1	2,922	0
12406	1	2,056	0
12407	1	2,087	0
21507	2	2,922	0
21508*	2	2,922	0
26508*	2	0	1,252
Totals		12,909	1,252
Total Annual Workhours Reduced		11,657	

Note: *Schedule 26508 replaced schedule 21508 because it has a smaller frequency (runs on fewer days).
Source: OIG analysis, Vehicle Information Transportation Analysis and Logistics (VITAL), and the Postal Service, as of June 5, 2013.

The remaining 8,623 workhours could be eliminated from active PVS schedules saving \$333,809 annually.

Other Matters – Safety Concerns

On February 20, 2013, we observed seven PVS drivers not wearing safety belts. This violation of Postal Service policy occurred because management does not always enforce the policy which states that “drivers must wear safety belts whenever the vehicle is in motion.”

Recommendations

We recommend the vice president, Northeast Area Operations, require Springfield Network Distribution Center management to:

1. Periodically assess Postal Vehicle Service driver workload and staffing requirements with respect to productivity standards to maintain appropriate staffing levels.
2. Verify the elimination of 11,657 annual Postal Vehicle Service driver workhours initiated by management for existing Postal Vehicle Service schedules that were not in use.

3. Eliminate an additional 8,623 annual workhours associated with improving Postal Vehicle Service driver productivity to the standard of five moves per hour.
4. Reemphasize the safety policy requiring Postal Vehicle Service drivers to wear safety belts when their vehicles are in motion and provide oversight for enforcing this requirement.

Management's Comments

Management agreed with the findings, recommendations, and monetary impact. In response to recommendation 1, management agreed to conduct annual efficiency reviews of spotter activity based on the criteria of five moves per hour. The first review was completed July 15, 2013.

In response to recommendation 2, management eliminated 11,657 driver workhours from existing PVS schedules that were not in use by deactivating and eliminating four schedules and modifying one route. These changes were completed on June 7, 2013. Management also provided comments that removal of these scheduled hours in June 2013 improved productivity and commented that the monetary impact remaining after the elimination of these hours was \$333,741.

In response to recommendation 3, management agreed to improve PVS driver productivity. Management stated they are in the process of reviewing the PVS schedules for the PVS annual bid in October 2013, and will be looking to create more Non-Traditional Full Time schedules to reduce annual workhours. Management expects this process to be completed by September 30, 2013.

Finally, in response to recommendation 4, management met with employees on February 25, 2013, and conducted talks on the drivers' responsibility to wear seat belts when the vehicle is in motion. Management will continue to monitor and enforce this policy. 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 corrective actions should resolve the issues identified in the report. We consider recommendations 2 and 4 resolved, and will be closed with the issuance of this report. Regarding management's comments on recommendation 2, we agree that the removal of the scheduled hours in June 2013 impacted productivity and that the remaining hours to be reduced amounted to about \$333,741. Our calculations on the remaining hours apply to recommendation 3, and our monetary impact calculations considered the actions already taken by management that removed the 11,657 hours from schedules in June 2013. Our monetary calculations for the remaining hours referenced in recommendation 3 were \$68 more than calculated by the area, and we will reflect this difference in our audit tracking system.

The OIG considers recommendation 3 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when the corrective action is 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.

Appendix A: Additional Information

Background

PVS Operations. Postal Service transportation network that uses Postal Service vehicles and employees is called PVS. Management typically assigns PVS vehicles and personnel to Postal Service network facilities, such as NDCs or processing and distribution centers in or near metropolitan areas. PVS operations typically include yard operations in which PVS drivers use spotter trucks (see Figure 2) to move or ‘spot’ trailers and equipment in or around a facility yard, typically an NDC yard. PVS is capital and personnel intensive. Nationwide, PVS capital assets include about 1,931 cargo vans, 2,143 tractors (including spotter tractors), and 3,705 trailers. The Postal Service has about 5,795 PVS drivers. The American Postal Workers Union represents PVS drivers and support personnel.

The Springfield NDC has 58 drivers servicing 164 dock doors. These drivers are responsible for an average of 3,743 trailer moves in the yard per week and this includes moves for the STC.

Figure 2. Spotter Truck at the Springfield NDC



Source: OIG photograph taken February 20, 2013.

Live Loading and Unloading Process. An essential component of the NDC network is the live unloading of trailers as they arrive at the facility and the live loading of trailers for direct movement from the facility yard.¹² This process avoids unnecessary movement and placement (spotting) of trailers in the yard by PVS drivers and reduces

¹² *Service Talk #2 Live Loading and Unloading of Trailers at Network Distribution Centers.* This talk communicates to NDC employees information on the conversion of bulk mail centers into NDCs. It explains that an essential component of this new NDC network is the live loading and unloading of trailers as they arrive at the facility and identifies specific roles and responsibilities.

overall transportation time and handling costs. Outgoing mail received at Tier 1 NDCs from local processing facilities is containerized separately and must be unloaded and transferred to the Tier 2 NDC in time to be processed and dispatched into the network.¹³ This requires the live unloading of originating trailers and the live loading of trailers for the Tier 2 NDCs. Queuing and staging trailers for unloading at a later time may result in delays and service failures.

Objectives, Scope, and Methodology

The objectives of our audit were to assess unloading and loading practices at select NDCs and determine whether staffing of PVS transportation operations was efficient, effective, and economical at the Springfield NDC. During our work, we interviewed Postal Service officials at headquarters and the Springfield NDC, reviewed relevant Postal Service policies and procedures, interviewed employees, and observed and photographed operations.

We extracted reports from YMS that detailed all outbound dispatches at the Springfield NDC for a 2-week period. We analyzed this data to determine whether the facility had further opportunity to live load its outbound dispatches. We based this analysis on the Postal Service policy, *Standard Operating Procedures Live Loading and Unloading of Trailers at Network Distribution Centers*. We also obtained computer-generated data from YMS for a consecutive 26-week period from August 1, 2012, through January 31, 2013, showing the PVS yard operational workload (trailer moves) for Springfield NDC operations at the facility. We identified 97,315 trailer moves during the period under review. We reviewed the Springfield NDC's PVS schedules from the VITAL¹⁴ system to determine the number of hours assigned to moving trailers. We examined this workload with previously established Postal Service productivity standards of 40 moves per day (five moves per hour) for PVS driver operations.

We assessed the reliability of YMS data by observing PVS drivers moving trailers within the Springfield NDC yard and compared that to the YMS spotter move report. We concluded the data were accurate and reliable. We also verified the accuracy of the data of both YMS and VITAL through discussions with Postal Service officials knowledgeable about the data and the system that produced the data. We determined that the data were sufficiently reliable for the purposes of this report.

We conducted this performance audit from February through August 2013 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 objectives. We believe that the evidence obtained provides a reasonable basis for

¹³ Tier 1 sites distribute local and destination Standard Mail, Periodicals, and Package Services for the Tier 1 service area. Tier 2 sites include Tier 1 responsibilities and distribution of outgoing Standard Mail, Periodicals, and Package Services for assigned Tier 1 sites.

¹⁴ A system used for administrative support of PVS operations containing and maintaining forms and PVS employee, facility, vehicle, trailer, schedule, and route of travel data.

our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on July 16, 2013, and included their comments where appropriate.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact
<i>Washington Network Distribution Center – Postal Vehicle Service Operations</i>	NO-AR-13-001	3/21/2013	\$4,767,190
<p>Report Results: The OIG recommended NDC managers eliminate 3,492 unnecessary workhours, periodically assess PVS workload and staffing requirements to maintain appropriate staffing levels, follow prescribed procedures for making HCRs efficient, verify eliminating or modifying 60 trips identified during our audit, emphasize and enforce the requirement that drivers wear safety belts, repair exterior doors' badge readers and locks, and ensure that exterior doors are not left open. Management generally agreed with our findings and recommendations.</p>			
<i>St. Louis Network Distribution Center – Postal Vehicle Service Operations</i>	NL-AR-12-008	9/21/2012	\$598,948
<p>Report Results: The OIG recommended NDC managers eliminate 6,984 unnecessary workhours, periodically assess PVS workload and staffing requirements to maintain appropriate staffing levels, and reemphasize the policy on the use of safety belts while a vehicle is in motion. Management generally agreed with our findings and recommendations.</p>			
<i>Atlanta Network Distribution Center – Postal Vehicle Service Operations</i>	NL-AR-12-007	7/24/2012	\$694,105
<p>Report Results: The OIG recommended NDC managers eliminate 8,730 unnecessary workhours, periodically assess PVS workload and staffing requirements, and follow prescribed standard operating procedures for movement of trailers in the yard to maintain appropriate staffing levels. Management generally agreed with our findings and recommendations.</p>			

Appendix B: Monetary Impacts

Recommendations	Impact Category	Amount
2	Funds Put to Better Use ¹⁵	\$902,518 ¹⁶
3	Funds Put to Better Use	667,617
Total		\$1,570,135

Source: OIG analysis, as of June 5, 2013.

During our audit, the Postal Service initiated the elimination of 11,657 workhours associated with existing PVS schedules that were not in use, avoiding costs for the Postal Service amounting to \$451,259 annually (\$902,518 over 2 years). We also concluded that Springfield NDC management could phase out 8,623 workhours from active schedules by following established productivity standards. This would save the Postal Service \$333,809 annually (\$667,617 over 2 years). Therefore, the total PVS costs avoided or saved would be \$785,068 annually (\$1,570,135 over 2 years).

¹⁵ Funds that could be used more efficiently by implementing recommended actions.

¹⁶ This total represents avoided costs based on management's action.

Appendix C: Management's Comments

RICHARD P. ULUSKI
VICE PRESIDENT, AREA OPERATIONS
NORTHEAST AREA



August 15, 2013

JUDITH LEONHARDT, DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Springfield Network Distribution Center
Postal Vehicle Service Operations
(Report Number NO-AR-13-DRAFT)

Thank you for the opportunity to review and comment on the subject draft audit report.

We agree with your methodology in developing the moves per hour; however, inclusion of scheduled hours vs. actual hours lowers the current productivity in Springfield. Per your report, 11,657 hours were eliminated from schedules that were inactive. A reduction of these hours increases the productivity from 3.29 mover/hour to 4.09 moves/hour. The dollar impact is reduced to \$333,741.

The following responds to the recommendations made in the report.

Recommendation 1:

Periodically assess Postal Vehicle Service driver workload and staffing requirements with respect to productivity standards to maintain appropriate staffing levels.

Management Response/Action Plan:

We agree with the audit findings and will conduct annual efficiency reviews of spotter activity based on the criteria of five moves per hour. Using YMS data (Spotter Summary Report) we are monitoring spotter activity by tour/hour to determine efficiency and addressing noncompliance. Quarterly reviews will be performed by management to determine overall efficiency.

Target Implementation Date:

July 15, 2013

Responsible Official:

Mark Iwanicki

Recommendation 2:

Verify the elimination of 11,657 annual Postal Vehicle Service driver work hours initiated by management for existing Postal Vehicle Service schedules that were not in use.

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- 2 -

Management Response/Action Plan:

Management has eliminated 11,657 driver work hours from existing PVS schedules to date. Specifically Schedules 12407, 12406, 11405 and 21507 were active in VITAL, but were not being performed and are not on the 2012 MVS annual bid; these were deactivated and eliminated on June 5, 2013. Schedule 21508 was changed from a daily frequency to the actual 3 day frequency it is currently running.

Target Implementation Date:

Completed June 7, 2013

Responsible Official:

Mark Iwanicki

Recommendation 3:

Eliminate an additional 8,623 annual work hours associated with improving Postal Vehicle Service driver productivity to the standard of five moves per hour.

Management Response/Action Plan:

We agree with the recommendation that there is an opportunity to improve Postal Vehicle Service driver productivity. We are in the process of conducting a review of the PVS Schedules for the PVS annual bid conducted in October. During this review we will look for opportunity to make NTFT schedules from current 40 hour yard schedules in an effort to increase yard spotter productivity and reduce annual work hours.

Target Implementation Date:

September 30, 2013

Responsible Official:

Mark Iwanicki

Recommendation 4:

Re-emphasize the safety policy requiring Postal Vehicle Service drivers to wear safety belts when their vehicles are in motion and provide oversight for enforcing this requirement.

Management Response/Action Plan:

We agree with the findings and the recommendation to re-emphasize the seat belt policy. We have met with employees and have conducted talks on the driver's responsibility to wear seat belts when the vehicle is in motion. We will monitor and enforce the policy.

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Target Implementation Date:

Completed on February 25, 2013

Responsible Official:

Mark Iwanicki

This report and management's response do not contain information that may be exempt from disclosure under the FOIA.



Richard P. Uluski

Attachment

cc: David E. Williams, Jr.
Mary T. Taylor
Jennifer L. Stevenson
Corporate Audit and Response Management