



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

**Timeliness of Mail Processing at the
Hartford, CT Processing and
Distribution Center**

Audit Report

September 30, 2013

Report Number NO-AR-13-009



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

HIGHLIGHTS

September 30, 2013

Timeliness of Mail Processing at the Hartford, CT Processing and Distribution Center

Report Number NO-AR-13-009

BACKGROUND:

The U.S. Postal Service has over 270 plants that conduct mail processing operations. Excessive delayed mail adversely affects the Postal Service customers. The Postal Service considers mail delayed when it is not processed or dispatched in time to meet its established delivery day. An analysis of delayed mail during Quarters 1 and 2, fiscal year (FY) 2013, identified the Hartford Processing and Distribution Center (P&DC) as a facility with high delayed mail volume. The Hartford P&DC is located in the Connecticut Valley District of the Northeast Area.

Our objective was to determine if mail at the Hartford P&DC was processed in a timely manner.

WHAT THE OIG FOUND:

The Hartford P&DC experienced difficulties processing First-Class and Standard Mail in a timely manner during Quarters 1 and 2, FY 2013. For example, the Hartford P&DC delayed 34.4 million pieces of mail and had the highest amount of delayed First-Class Mail and the second highest amount of delayed Standard Mail as compared to similar size facilities.

About 37 percent of the delayed mail was the result of severe weather, which included Hurricane Sandy in October 2012, and a blizzard in February 2013. However, the majority of

the delayed mail was due to two major operational issues: (1) insufficient planning and scheduling to accommodate mail volumes especially during holiday periods, and (2) mail arriving too late at the plant to be timely processed. Consequently, service scores declined and there was an increased risk that some customers would seek alternative delivery or advertising methods that could result in revenue loss. We estimated about \$144,000 of Postal Service revenue is at risk.

WHAT THE OIG RECOMMENDED:

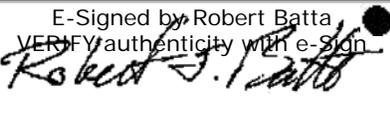
We recommended the district manager, Connecticut Valley District, adjust planning and scheduling to accommodate mail volumes, especially during holiday periods and ensure mail arrives earlier at the plant so that it can be processed timely.

[Link to review the entire report](#)



September 30, 2013

MEMORANDUM FOR: KIMBERLY J. PETERS
DISTRICT MANAGER
CONNECTICUT VALLEY DISTRICT

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


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

SUBJECT: Audit Report – Timeliness of Mail Processing at the Hartford,
CT Processing and Distribution Center
(Report Number NO-AR-13-009)

This report presents the results of our audit of the Timeliness of Mail Processing at the Hartford, CT Processing and Distribution Center in the Connecticut Valley District of the Northeast Area (Project Number 13XG037NO000).

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

Attachment

cc: Corporate Audit and Response Management

TABLE OF CONTENTS

Introduction	1
Conclusion	2
Delayed Mail Trends and Site Comparisons	2
Other Matters - Mail Condition Reporting	5
Recommendations	6
Management's Comments	6
Evaluation of Management's Comments.....	6
Appendix A: Additional Information	7
Background	7
Objective, Scope, and Methodology	7
Prior Audit Coverage	9
Appendix B: Other Impact	11
Appendix C: First-Class Delayed Mail Rankings	12
Appendix D: Standard Delayed Mail Rankings.....	13
Appendix E: Management's Comments	14

Introduction

This report presents the results of our self-initiated audit of the timeliness of mail processing at the Hartford, CT Processing and Distribution Center (P&DC) (Project Number 13XG037NO000). Our objective was to determine if mail at the Hartford P&DC was processed in a timely manner. See [Appendix A](#) for additional information about this audit.

Excessive delayed mail adversely affects U.S. Postal Service customers. The Postal Service considers mail delayed when it is not processed or dispatched to meet its established delivery day. A review of the Office of Inspector General (OIG) Performance and Risk Information Systems (PARIS) risk model¹ identified the Connecticut Valley District as a district with high delayed mail volume. Within that district, our analysis identified the Hartford P&DC as the facility with the most delayed mail volume.

Additionally, as part of the Postal Service's network realignment process, the Southern Connecticut P&DC will be consolidated into the Hartford P&DC. This consolidation will result in increased mail volume at the Hartford P&DC and therefore, increases the need to correct operational deficiencies to ensure all mail is timely processed.

Figure 1. The Hartford P&DC



Source: U.S. Postal Service OIG photograph dated June 24, 2013.

¹ The PARIS risk model identifies districts at risk from an operational standpoint.

Conclusion

The Hartford P&DC experienced difficulties processing First-Class and Standard Mail in a timely manner during Quarters 1 and 2, fiscal year (FY) 2013. For example, the Hartford P&DC delayed 34.4 million out of 704 million pieces of mail, and had the highest amount of delayed First-Class Mail and the second highest delayed Standard Mail as compared to similar size facilities.

About 37 percent of the delayed mail was the result of severe weather, which included Hurricane Sandy in October 2012, and a blizzard in February 2013. However, the majority of the delayed mail was due to two major operational issues: (1) insufficient planning and scheduling especially during holiday periods, and (2) mail arriving too late at the plant to be timely processed. Consequently, service scores declined and there was an increased risk that some customers would seek alternative delivery or advertising methods that could result in revenue loss. We estimated about \$144,000 of Postal Service revenue is at risk. See [Appendix B](#) for our calculation of revenue at risk.

Delayed Mail Trends and Site Comparisons

Hartford P&DC experienced a significant increase of delayed mail volume during Quarters 1 and 2, FY 2013. Delayed mail volume at the Hartford P&DC increased from 15.9 million mailpieces in Quarters 1 and 2, FY 2012, to 34.4 million mailpieces in Quarters 1 and 2, FY 2013. This represented an increase in delayed mail of more than 116 percent and represented almost 5 percent of total first handling piece² (FHP) volume (see Table 1).

**Table 1. Hartford P&DC Delayed Mail Trends,
Quarters 1 and 2, FYs 2012 to 2013**

Delayed Mail Trends	FY 2012	FY 2013	Difference	Percent Change
	Quarters 1 & 2	Quarters 1 & 2	FYs 2012 - 2013	FYs 2012 - 2013
	Quarters 1 & 2	Quarters 1 & 2	Quarters 1 & 2	Quarters 1 & 2
Delayed Volume	15,880,989	34,356,268	18,475,279	116.3%
Delayed as a Percent of FHP	3.2%	4.9%	1.7%	53.1%

Source: Enterprise Data Warehouse (EDW) and Mail Condition Reporting System (MCRS).

In addition, for Quarters 1 and 2, FY 2013, Hartford P&DC had over 5.5 million delayed First-Class™ mailpieces ranking Hartford as the P&DC with the most delayed First-Class Mail as compared to similar-sized facilities (see [Appendix C](#)).

² A FHP is a letter, flat, or parcel that receives its initial distribution at a Postal Service facility. FHP records mail volume in the operation where it receives its first distribution handling.

Similarly, the Hartford P&DC had over 28.8 million delayed Standard Mail[®] pieces ranking Hartford as the P&DC with the second most delayed Standard Mail as compared to similar size facilities (see [Appendix D](#)).

The Postal Service is required to process mail timely. The September 2005 *Postal Service Strategic Transformation Plan* states that, “The Postal Service will continue to provide timely, reliable delivery to every address at reasonable rates.”

There were three main causes that affected the amount of delayed mail at the Hartford P&DC: (1) severe weather, (2) insufficient planning and scheduling especially during holidays, and (3) mail arriving too late at the plant to be processed in a timely manner.

The Hartford P&DC was affected by two significant weather events during Quarters 1 and 2, FY 2013. The first was Hurricane Sandy in October 2012 (Figure 2) and the second was a major blizzard in February 2013 (see [Figure 3](#)). These two events resulted in the delay of 13 million mailpieces or about 37 percent of the delayed mail during Quarters 1 and 2, FY 2013. During these storms, the Governor of Connecticut issued travel bans ordering the closure of roads in the state. These extreme weather events were beyond the control of management.

Figure 2. Hurricane Sandy (October 2012)



Source: Hartford Courant newspaper, dated October 29, 2012.

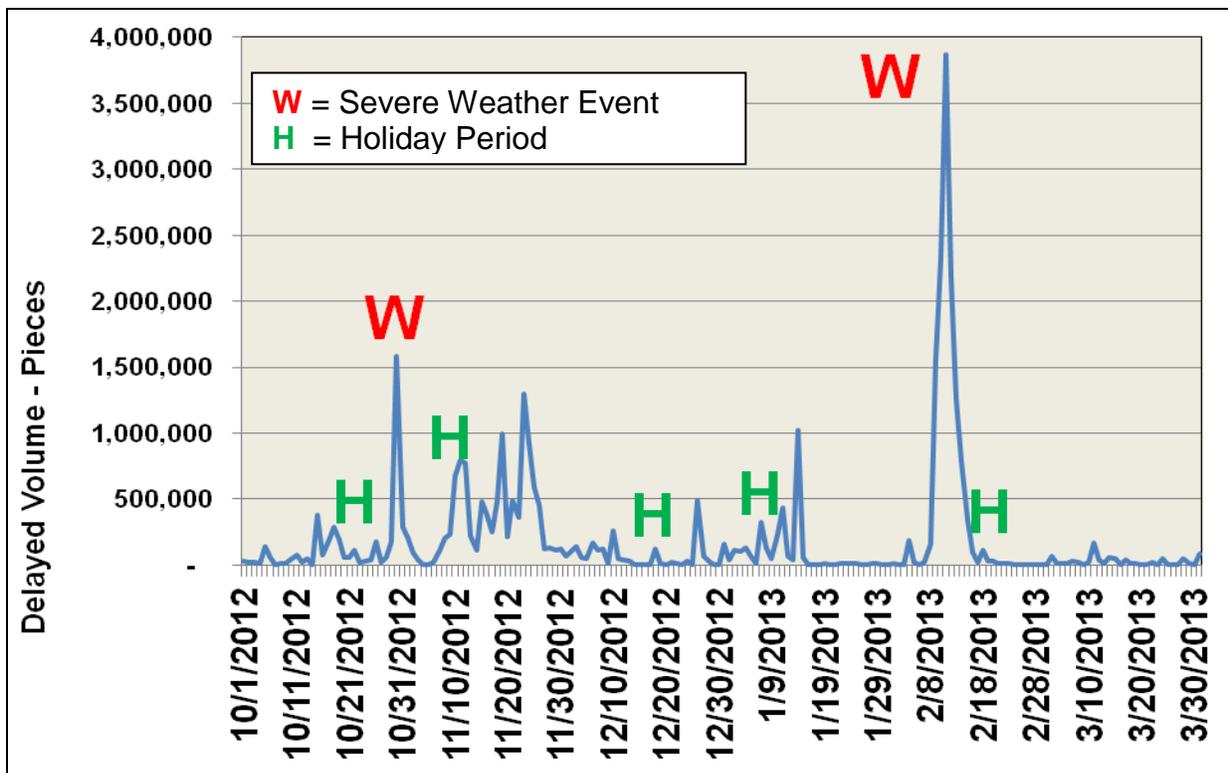
Figure 3. Blizzard of February 2013



Source: Gazettenet.com.

The second cause of delayed mail during this period was insufficient planning and scheduling especially during the holiday periods. Of the 34.4 million delayed mailpieces in Quarters 1 and 2, FY 2013, 6.6 million pieces or 19 percent were delayed near national holidays (see Chart 1). This indicates that planning and scheduling to accommodate additional mail volume needs improvement.

Chart 1. Severe Weather and Holiday Delayed Mail Volume Quarters 1 and 2, FY 2013



Source: MCRS and Postal Holiday Calendar.

The third cause of delayed mail was mail arrived at the Hartford P&DC too late to meet processing standards. For example, by Postal Service standards, 80 percent of the mail should be cancelled by 8 p.m. Our analysis showed that during Quarters 1 and 2, FY 2013, Hartford P&DC never achieved this standard as they only cancelled about 52 percent of the mail by 8 p.m. This may have had a negative impact on Hartford P&DC’s ability to process its mail timely. Management needs to ensure the mail arrives earlier through better coordination with delivery stations, collection box pickups, large mailers, and transportation throughout the network.

Service scores declined and there is an increased risk of future revenue loss as dissatisfied customers may seek alternative delivery or advertising methods. Delayed mail at the Hartford P&DC adversely affected service to its customers. For example, during Quarters 1 and 2, FY 2013, the Hartford P&DC generally experienced service score declines in the External First-Class Measurement System (EXFC)³ categories of overnight, 2-day, and 3-day service (see Table 2). This table shows that in Quarter 2, FY 2013, only 88.48 percent of mail with a 3-day service standard was delivered on time. This represented a decrease in service of 4.79 percent as compared to the same period last year, which was the largest degradation of all the scores.

**Table 2. Quarters 1 and 2, FYs 2012 and 2013
EXFC Service Scores (Percent On-Time)**

EXFC Service Scores	FY 2012		FY 2013		Difference FYs 2012 - 2013	
	Quarter 1	Quarter 2	Quarter 1	Quarter 2	Quarter 1	Quarter 2
Overnight	96.76	96.55	96.27	95.44	-0.49	-1.11
2-Day	92.53	94.83	92.76	93.45	0.23	-1.38
3-Day	88.51	93.27	88.42	88.48	-0.09	-4.79

Source: EDW.

Delayed mail increases the risk of lost revenue as customers may seek alternative delivery methods. We estimate that about \$144,000 of revenue is at risk. See [Appendix B](#) for our calculation of revenue at risk.

Other Matters - Mail Condition Reporting

Internal controls over the MCRS⁴ could be improved. This can be achieved by having the manager of In-Plant Support provide oversight for the mail count instead of the manager, Distribution Operations. This would ensure greater independence and

³ The EXFC is designed to measure service performance from a customer perspective.

⁴ MCRS is a repository for information related to facility conditions and provides a daily snapshot of mail conditions including delayed mail at the facility. Information related to the facility conditions such as the mail count is entered into MCRS. This information is available to management officials at all levels for analysis, forecasting, and planning.

maintain continuous accuracy of the counts. During our audit, management took corrective action and the clerk who counts the mail reports to the manager, In-Plant Support.

Recommendations

We recommend the district manager, Connecticut Valley District:

1. Adjust planning and scheduling to accommodate mail volumes, especially during holiday periods.
2. Ensure mail arrives earlier at the plant so that it can be processed timely.

Management's Comments

Management agreed with the recommendations. Regarding recommendation 1, management agreed to adjust planning and scheduling to accommodate holiday mail volumes by reviewing same period last year volumes and projected volumes. The Run Plan Generator will also be used to determine machine staffing requirements.

With regard to recommendation 2, management agreed to ensure mail arrives earlier at the plant so that it can be processed timely. Some strategies include improving the collection mail arrival profile, ensuring the carriers return from the street in a timely manner, and monitoring performance via the 24-hour clock indicators. See [Appendix E](#) for management's comments, in their entirety.⁵

Evaluation of Management's Comments

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

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

⁵ Management did not provide an implementation date for corrective action in their response. Through subsequent discussion, management agreed to an implementation date of October 1, 2014.

Appendix A: Additional Information

Background

Mail processing is an integrated group of activities⁶ required to sort and distribute mail for dispatch and eventual delivery. Post offices, stations, and branches send outgoing (originating) mail to P&DCs and processing and distribution facilities for processing and dispatch for a designated service area. P&DCs report directly to area offices on mail processing matters. They also provide instructions on the preparation of collection mail, dispatch schedules, and sort plan requirements to associate offices and mailers. The Postal Service has over 270 plants with mail processing operations.

We divided the facilities that process mail into seven plant groups ranked by FY 2010 annual mail volume. The Group 1 plants are the largest, and the Group 7 plants the smallest (see Table 3). Our report focused on delayed mail volumes at Group 2 plants.

Table 3. Plant Groups Identified Based On FY 2010 Mail Volume

Group	Number of Plants	Mail Volume Range (in millions)
1	43	1,300 and above
2	45	765 to 1,299
3	46	476 to 764
4	44	340 to 475
5	44	221 to 339
6	40	136 to 220
7	34	0 to 135

Source: OIG and EDW.

The Hartford P&DC is in the Connecticut Valley District of the Northeast Area.

Objective, Scope, and Methodology

Our objective was to determine if mail at the Hartford P&DC was processed in a timely manner. To meet our objective, we conducted interviews, performed analysis of mail volumes, workhours, and machine run-times. We also analyzed trends and conducted observations at the facility.

We conducted this performance audit from May through September 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our

⁶ Mail processing activities include culling, edging, stacking, facing, canceling, sorting, tying, pouching, and bundling.

observations and conclusions with management on August 20, 2013, and included their comments where appropriate.

To conduct this audit, we relied on computer-processed data maintained by Postal Service operation systems, which included the MCRS, the EDW System, Web Complement Information System, Web End of Run System, and the Management Operating Data System. We did not test the validity of controls over these systems. However, we verified the accuracy of the data by confirming our analysis and results with Postal Service managers. 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
<i>Timeliness of Mail Processing at Processing and Distribution Centers</i>	NO-AR-12-010	9/28/2012	\$17,330,587
<p>Report Results: We found in FY 2012, the Postal Service made significant progress reducing the amount of delayed mail at the 43 largest P&DCs in its network. They also made improvements in service performance scores as measured by the Intelligent Mail Accuracy and Performance System. Through Quarter 3, FY 2012, about 1.4 billion pieces of mail have been delayed while about 3.5 billion pieces were delayed in FY 2011. Much of this decline can be attributed to management emphasis on delayed mail and expanded use of the Intelligent Mail barcode (IMb). We identified several issues that contributed to mail delays, including improper color-coding, inaccurate reporting, underutilization of automation, floor congestion, incomplete operating plans, and a lack of mail inventory visibility. We recommended the Postal Service evaluate operations, including consolidations, to reduce the amount of delayed mail in the network and ensure that field personnel are properly trained in the color-coding of Standard Mail, as well as the counting and reporting of delayed mail in accordance with policies. We also recommended the Postal Service increase investment in as well as increase employee access to the IMb tracking system, or other tools, to assist management with identifying potential mail processing problems that could result in delayed mail. Management agreed with our recommendations.</p>			
<i>Timely Processing of Mail at the Pittsburgh, PA Processing and Distribution Center</i>	NO-AR-12-008	9/18/2012	None
<p>Report Results: We found the Pittsburgh P&DC experienced difficulties with timely processing of all mail during FY 2011, the bulk of it being Standard Mail. Among the 43 largest Postal Service facilities, the Pittsburgh P&DC ranked second highest, with more than 12 percent delayed mail volume. The primary causes for the excessive delayed mail were underuse of mail processing equipment, poor mail flow, and failure to follow operating procedures. We recommended the Postal Service adjust workhours, assignments, and other operational requirements to ensure the Pittsburgh P&DC processes mail timely as compared to similar-sized sites. We also recommended the Postal Service increase the capacity and throughput of tray sorters and expand the windows of operation. Further, we recommended the Postal Service improve mail flow throughout the facility and train employees to ensure proper color-coding of Standard Mail, according to Postal Service policy. Management agreed with our recommendations.</p>			

Report Title	Report Number	Final Report Date	Monetary Impact
<i>Timely Processing of Mail at the Richmond, VA Processing and Distribution Center</i>	NO-AR-11-008	9/13/2011	None
<p>Report Results: We found the Richmond P&DC experienced difficulties with timely processing of mail during FY 2010 and Quarter 1, FY 2011. Delayed mail volume rose from 22.6 million pieces to 54.2 million pieces over a 2-year period. The causes of the excessive delayed mail were inadequate staffing and supervision, low mail throughput on machines, and failure to consistently color-code arriving mail. Other causes included not accurately identifying and reporting delayed mail and mail damage caused by poor packaging. We recommended the Postal Service promptly assess the current mail volume and adjust workhours, assignments, sort plans, transportation, and other operational requirements to ensure the Richmond P&DC meets customer and service commitments. Management agreed with our recommendations.</p>			

Appendix B: Other Impact

Recommendation	Impact Category	Amount
1	Revenue at Risk ⁷	\$144,096

To calculate total revenue at risk, we conservatively estimated that 1 percent of delayed mail during Quarters 1 and 2, FY 2013, and during FY 2012, is at risk of diversion to methods of delivery outside the Postal Service. We determined that 605,389 mailpieces or \$144,096 of the revenue associated with the delayed mailpieces is at risk of loss.

Mail Classification	Amount
First-Class Mail ⁸	\$ 36,944
Standard Mail ⁹	107,152
Total	\$144,096

⁷ Revenue that the Postal Service is at risk of losing for not providing timely delivery. For example, when a mailer, dissatisfied over mail delivery, seeks alternative solutions for services provided by the Postal Service.

⁸ We conservatively estimated the revenue at risk for First-Class mailers selecting alternative delivery methods as 1 percent of total delayed First-Class Mail by the average revenue per mailpiece of about 44 cents ($8,351,785 \times .01 = 83,517.85 \times .442345 = \$36,944$).

⁹ We conservatively estimated the revenue at risk for mailers selecting alternative delivery methods as 1 percent of total delayed Standard Mail by the average revenue per mailpiece of about 21 cents ($52,130,496 \times .01 = 521,304.96 \times .205546 = \$107,152$).

**Appendix C: First-Class Delayed Mail Rankings
Quarters 1 and 2, FY 2013 Similar Size Facilities**

Rank	Facility	First-Class Delayed Mailpieces	Percentage of Total Delayed First-Class Mailpieces
1		5,525,876	19.05%
2		3,046,469	10.50%
3		2,932,886	10.11%
4		2,836,736	9.78%
5		2,662,513	9.18%
6		1,403,825	4.84%
7		1,325,115	4.57%
8		1,127,677	3.89%
9		935,439	3.22%
10		857,577	2.96%
11		738,170	2.54%
12		581,726	2.01%
13		512,105	1.77%
14		496,729	1.71%
15		447,085	1.54%
16		439,424	1.51%
17		414,912	1.43%
18		414,118	1.43%
19		368,642	1.27%
20		291,085	1.00%
21		267,922	0.92%
22		235,380	0.81%
23		216,149	0.75%
24		200,889	0.69%
25		161,635	0.56%
26		140,355	0.48%
27		106,682	0.37%
28		98,420	0.34%
29		53,679	0.19%
30		48,693	0.17%
31		41,660	0.14%
32		29,786	0.10%
33		15,954	0.05%
34		11,707	0.04%
35		7,484	0.03%
36		6,365	0.02%
37		5,754	0.02%
38		2,784	0.01%
39		303	0.00%
40		0	0.00%
41		0	0.00%
42		0	0.00%
43		0	0.00%
44		0	0.00%
45		0	0.00%
Totals		29,009,710	100.00%

Source: EDW, Quarters 1 and 2, FY 2013.

¹⁰ Hartford P&DC experienced a significant increase of delayed mail volume during quarters 1 and 2, FY 2013.

**Appendix D: Standard Delayed Mail Rankings
Quarters 1 and 2, FY 2013 Similar Size Facilities**

Rank	Facility	Standard Delayed Mailpieces	Percentage of Total Delayed Standard Mailpieces
1		29,984,173	8.95%
2		28,807,531	8.60%
3		23,410,392	6.99%
4		23,122,329	6.90%
5		21,459,573	6.41%
6		16,084,278	4.80%
7		11,991,409	3.58%
8		11,105,877	3.32%
9		10,165,770	3.04%
10		9,793,498	2.92%
11		9,761,897	2.91%
12		8,887,361	2.65%
13		8,282,169	2.47%
14		8,097,894	2.42%
15		7,675,719	2.29%
16		7,590,284	2.27%
17		7,520,496	2.25%
18		7,332,850	2.19%
19		7,043,559	2.10%
20		6,976,187	2.08%
21		6,664,523	1.99%
22		6,584,243	1.97%
23		6,504,505	1.94%
24		6,034,883	1.80%
25		5,431,642	1.62%
26		4,690,220	1.40%
27		3,746,470	1.12%
28		3,161,350	0.94%
29		3,145,346	0.94%
30		3,099,973	0.93%
31		3,089,353	0.92%
32		2,861,279	0.85%
33		2,557,658	0.76%
34		2,349,286	0.70%
35		1,623,393	0.48%
36		1,407,226	0.42%
37		1,209,141	0.36%
38		1,162,862	0.35%
39		1,050,635	0.31%
40		986,917	0.29%
41		955,565	0.29%
42		609,480	0.18%
43		462,135	0.14%
44		214,817	0.06%
45		191,224	0.06%
Totals		334,887,372	100.00%

Source: EDW, Quarters 1 and 2, FY 2013.

¹¹ Hartford P&DC experienced a significant increase of delayed mail volume during quarters 1 and 2, FY 2013.

Appendix E: Management's Comments

CONNECTICUT VALLEY DISTRICT



September 13, 2013

MEMORANDUM FOR: JUDITH LEONHARDT
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Timeliness of Mail Processing at the Hartford, CT
Processing and Distribution Center
(Report Number NO-AR-13-DRAFT)

Thank you for the opportunity to respond to the findings and recommendations contained in the draft Audit Report – Timeliness of Mail Processing at the Hartford, CT Processing and Distribution Center. You will find attached the responses and action plans to the initial recommendations made on the draft audit report.

This report and management's response does not contain information that may be exempt from disclosure under the Freedom of Information Act (FOIA).

If you should have any questions, please contact me in my office at (860) 524-6020.

Regards,

A handwritten signature in blue ink, appearing to read "D. Mastroianni".

for DAVID D. MASTROIANNI
SR PLANT MANAGER
HARTFORD PROCESSING AND DISTRIBUTION CENTER

cc: Robert Batta
Sally Haring
Megan J. Brennan
David E. Williams, Jr.
Richard P. Uluski
Kimberly J. Peters
John Wezenski
Corporate Audit and Response Management

141 WESTON STREET
HARTFORD CT 06101-9997
(860) 524-6020

Recommendation 1.

Adjust planning and scheduling to accommodate mail volumes, especially during holiday periods.

Management Response/Action Plan.

Management concurs with the recommendation and will continue to be proactive in the planning and scheduling according to mail volumes.

1. SPLY volume as well as projected volumes is reviewed prior to the holiday.
2. The numbers are calculated into machine requirements and generated through RPGs (Run Plan Generators) to determine staffing requirements as well as workload sharing across tours.
3. Log books are also reviewed from previous holidays for any shortfalls i.e., staffing, maintenance or operations.
4. All the information is compiled and the Lead MDO sits with the Tour MDOs to discuss and plan out operational targets for pre-holiday, holiday and post-holiday. Targets sheets are also developed for quick references that allow MDOs to establish proactive contingency strategies in the event of a shortfall, see sample attachment A (Columbus Day).
5. The requirements are then applied to the staffing needs by tour. This is accomplished by volunteers and mandating per the National and Local Contract.
6. Communication on conditions is conducted daily throughout the holiday.

However, it is important to note that during the time frame reviewed by the audit team there were significant events that contributed to the Hartford delays but also encompassed the holiday periods of the Veterans Day and Thanksgiving holiday. The Hartford Plant was assisting in the processing of mails from other Plants (Northeast Area) that were incapacitated by Hurricane Sandy, as well as Standard Flat mail offloads from the Network facility (Springfield) due to capacity levels. Mails were received in a delayed status and were reported as such. For example, Hartford was assisting New Jersey by processing the Standard Mixed States Letters. This mail received was already in a delayed status totaling 3.2 million pieces. It should also be noted that the offload was done over a period of time does impact the facility's overall operation of competing windows by product lines. The mission was to provide assistance and keep the mail moving within the system. The overall impact of Sandy from the onset through the Thanksgiving weekend was 11.9 million pieces of delayed Standard as well as 383k First Class mail due to disruptive operations.

The second event, as noted in the audit, was a severe snow storm that crippled the state in February. The Hartford Plant suspended operations on Feb 8th at 1800. Operations did not startup until Feb 11th. This resulted in 3.4 million pieces delayed First class mail and 8.7 million pieces delayed Standard mail.

The total of Standard and First Class delays due to these two time frames alone equated to 3.8 million First class letter delays and 20.6 million delayed Standard mail. If these two periods were removed from the bottom line Comparative to QTRS 1 & 2 of 2012, 2013 equated to 2.1 million less pieces delayed.

The balance of the first class delays is a combination of the Nixies, Missent and Return to Sender (RTS) reported on the daily Mail Condition Report and is currently being reviewed with

the startup of the Southern AMP into Hartford. In Plant is revamping operations and expanding our windows. Operations under review are the Nixies, Missent and RTS mails and introducing this mail back into the mail stream with our limited light duty employees.

Target Implementation Date: Ongoing

Responsible Official

David Mastroianni, Senior Plant Manager
Donna Parillo Manager, In-Plant Support
Kathryn Buckbee, (A) Lead Manager Distribution Operations
Russell Jud, Manager Distribution Operations
Hector Cuadrado, Manager Distribution Operations

Recommendation 2.

Ensure mail arrives earlier at the plant so that it can be processed timely.

Management Response/Action Plan.

Management concurs with the Auditors recommendation.

1. Local management is reviewing opportunities to improve the collection mail profile.
 - a. Local collection schedules are being aligned to meet with PVS/HCR transportation.
2. Local management is reviewing late leaving AM dispatches as well as arrival at office times to better improve carriers to the street times supporting their return times.
3. Currently, Hartford is undergoing a major AMP of the Southern CT plant. (This is the second AMP into Hartford since last August) and the area encompasses collection and delivery of mails over three hours away. Local management continues to adjust transportation, operations and employee schedules. For example:
 - a. Direct transportation was added from large Post Office Hubs into Hartford vs. Southern's platform operation (lesson learned from the Springfield AMP).
4. Run Plan Generators (RPG) as well as sort plans are continually updated to better improve mail flows and service. Sort plan hold outs, consolidations of sort programs by adding additional DBCS modules
5. Additional AFCS 200s (8) are now fully operational to assist in earlier clearance times, contingent upon collection mail profiles.
6. Daily reviews with managers on 24 hour clock compliance.

The above items are within our control and Hartford will work to succeed.

The audit references the decline of First Class Mail service 1, 2 and 3 day compared to PQ 1&2 of 2012. It should be noted that there are extenuating circumstances that played a role in the Hartford service decline.

1. The weather impacts of Sandy as well as the February blizzard had a direct effect on our 2&3 day mails. Both commercially as well as EXFC.
2. The *February Blizzard also delivered a zero bundle impact.(QTR 2, 2013)

	<u>On Time w ZB</u>	<u>On Time w/o ZB</u>
Overnight	95.54	96.22
2-Day	93.45	94.15
3-Day	88.48	88.84

*This did not take into consideration Network and Commercial Air delays, cancellations nor mis-deliveries due to non -access of roads and mail boxes.

3. There were seventeen (17) incidents (Oct 2nd 2012 thru March 28th 2013) that were recorded of mail being returned by the Network due to capacity at Bradley.
4. The Commercial Air Network (CAIR) performance in and out of Bradley for PQ 1&2 is operating at a 92.17 % on time for originating mails and a 90.61% on time for destinating mails. Approximately 11,931 handling units that failed to meet service.
5. Currently Hartford is monitoring the service thru the STC and In Plant is working with the respective origins that have the greatest impact on our 2-Day and 3-Day service.

Current performance as of 8-2-2013:

Overnight	97.21%
2-Day	94.90%
3-Day	92.64%

Target Implementation Date: Ongoing

Responsible Official

David Mastroianni, Senior Plant Manager
Donna Parillo Manager, In-Plant Support
Kathryn Buckbee, (A) Lead Manager Distribution Operations
Russell Jud, Manager Distribution Operations
Hector Cuadrado, Manager Distribution Operations
Gabe Miron, Manager Transportation & Networks
Carissa Surprise, (A) Manager Operations Programs Support

Columbus Day Processing Targets
Saturday October 6th

Attach: A

		Achieved Yes/No	If No, Why and what action taken to adjust or correct.
Tour 2	Process Express Mail		
	Work Empty Equipment		
Tour 2 / Tour 3	Finalize all Blue Std Pallets		
	Open all MMP		
Tour 3	Process 650K Std Letters		
	Process 800K MMP		
	Process all PARS Volumes		
	Finalize all MMP AI Flats		
	Process STD SCF and Carrier Route Flats		
	Process OG for Hartford and Southern CT		
	Process all STD and FCM into Robot		
	Finalize MMP Manual Letter and Flat Processing		
	Finalize OG Manual Letter and Flat Processing		
Process all Robot rejects into Manual Bullpens			
Tour 1 (Saturday for Sunday)	Assist in completion of OG Processing		
	Process FC SCF and Carrier Route Flats		
	Finalize SCF Manual Letter (Including Springfield) and Flat Processing		
	Process all Robot rejects into Manual Bullpens		
	Process 2.5M in DPS 1st Pass		
Carrier Route DPS Rejects			

Sunday October 7th

		Achieved Yes/No	If No, Why and what action taken to adjust or correct.
Tour 2	Process Express Premium Product		
	Work Empty Equipment		
Tour 2 / Tour 3	Finalize all Orange Std Pallets		
	Open all MMP		
Tour 3	Process 650K Std Letters		
	Process 800K MMP		
	Process all PARS Volumes		
	Finalize all MMP AI Flats		
	Process STD SCF and Carrier Route Flats		
	Process all STD and FCM into Robot		
	Finalize MMP Manual Letter and Flat Processing		
Process all Robot rejects into manual Bullpens			
Tour 1 (Sunday for Monday)	Process FC SCF and Carrier Route Flats		
	Finalize SCF Manual Letter (Including Springfield) and Flat Processing		
	Process all Robot rejects into Manual Bullpens		
	Process 2.2M in DPS 1st Pass		
	Carrier Route DPS Rejects		
	Dispatch Mass Mutual		
Dispatch all Working and 1 Pass Holdout mail to Post offices			

Monday October 8th

		Achieved Yes/No	If No, Why and what action taken to adjust or correct.
Tour 2	Process Express Premium Product		
	Work Empty Equipment		
Tour 2 / Tour 3	Finalize all Green Std Pallets		
	Open all MMP		
Tour 3	Process 650K Std Letters		
	Process 500K MMP Finalize bt 1800		
	Process all PARS Volumes		
	Finalize all MMP AI Flats		
	Process STD SCF and Carrier Route Flats		
	Process all STD and FCM into Robot Purge by 1900		
	Finalize MMP Manual Letter and Flat Processing		
Process all Robot rejects into Manual Bullpens			
Tour 1 (Monday for Tuesday)	Process FC SCF and Carrier Route Flats		
	Finalize SCF Manual Letter (Including Springfield) and Flat Processing		
	Process all Robot rejects into Manual Bullpens		
	Process 1.6M in DPS 1st Pass		
	Finalize DPS		
Carrier Route DPS Rejects			