



Surface Visibility – Transportation Operations – Suncoast District

May 5, 2014





May 5, 2014

**Surface Visibility – Transportation
Operations – Suncoast District**

Report Number NO-AR-14-004

BACKGROUND:

The U.S. Postal Service uses the Surface Visibility (SV) system to collect data to help plan, manage, and optimize the surface transportation network. Employees scan barcodes on trailers and containers to track mail volume throughout the surface transportation network. This gives managers information to manage resources, track mail volume, and identify and correct transportation problems.

Our objective was to assess SV system use in transportation operations in the Suncoast District in Southern Florida.

WHAT THE OIG FOUND:

The Suncoast District could more effectively execute SV system scanning. We observed employees estimating trailer bed loads and manually entering the information into the SV system 73 percent of the time. Consequently, they were only scanning containers 27 percent of the time. Because of this improvised workaround, the official scan container compliance score reported in the SV system was much higher at 55 percent (a 28 percent variance from the actual scans).

These conditions occurred because containers did not always have properly barcoded placards and employees were inadequately trained and supervised. Also, some employees stated that it was more convenient to use the workaround than to actually perform the scans. These actions might have artificially

inflated SV scan compliance performance scores for some area and district employees. This information was provided to the OIG's Office of Investigations for action as appropriate.

Because the SV system data were unreliable and not useful for optimizing transportation, management missed an opportunity to eliminate or modify 103 highway contract route trips and eliminate 2,928 postal vehicle service driver workhours. These changes would have saved an average of about \$2,124,000 annually in transportation-related costs.

RECOMMENDATIONS:

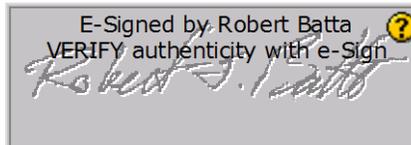
We recommended the vice president, Southern Area Operations, ensure containers have the proper barcodes for scanning and implement controls and employee training to ensure proper scanning procedures are followed. In addition, we recommended management verify 103 trips from highway contract routes are eliminated or modified, and review and eliminate 2,928 workhours from postal vehicle service schedules or document the reasons for retaining those workhours.

[*Link to review the entire report*](#)



May 5, 2014

MEMORANDUM FOR: JO ANN FEINDT
VICE PRESIDENT, SOUTHERN AREA OPERATIONS



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

SUBJECT: Audit Report – Surface Visibility – Transportation
Operations – Suncoast District
(Report Number NO-AR-14-004)

This report presents the results of our audit of Surface Visibility – Transportation Operations – Suncoast District (Project Number 13XG021NO001).

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

Attachment

cc: Corporate Audit and Response Management

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Introduction

This report presents the results of our self-initiated audit of Surface Visibility (SV) – Transportation Operations – Suncoast District (Project Number 13XG021NO001). Our objective was to assess SV system use in transportation operations in the Suncoast District. Our audit included a review of highway contract routes (HCR) and Postal Vehicle Service (PVS) schedules using data generated from the SV system. See [Appendix A](#) for additional information about this audit.

The goal of the SV system is to collect data on surface mail transportation at the mail transport equipment handling unit (sack, tray, and tub) and rolling stock¹ container levels and track volume through the surface network. Employees need to scan barcodes on trailers, handling units, and containers for the SV system to accurately track mail. The data in the SV system helps the U.S. Postal Service plan, manage, and optimize the transportation network, which directly impacts its Delivering Results, Innovation, Value, and Efficiency Initiative, Network Optimization.

To collect data for the SV system, clerks, mail handlers, and dock personnel must scan trailers, handling units, and containers at various points in the mail processing and dispatch process using both passive² and manual scanning methods. The Postal Service uses these scans to calculate trailer use and record trailer arrivals and departures. The scanned data also help personnel monitor late transportation, which can result from processing delays, poor dock management, weather-related delays, or contractor issues. The data feeds into SVWeb, the Transportation Information Management Evaluation System (TIMES), and the Electronic Data Warehouse for transportation analyses. If these data are inaccurate, the resulting analyses will also be inaccurate.

Before implementing the SV system in 2004, the Postal Service based its transportation analyses on employees manually entering transportation use and tracking data into TIMES.

Conclusion

The Suncoast District could more effectively execute SV system scanning for transportation operations. We observed that 73 percent of the time employees estimated trailer bed loads and manually entered the information into the SV system, rather than scanning the containers. Because the facilities used this improvised workaround, the official scan container compliance score reported in the SV system was much higher at 55 percent (a 28 percent variance from the actual scans).

¹ Rolling stock is another term for all-purpose mail containers used to transport mail to and from facilities.

² A passive scan occurs via mechanized means at various points through processing and dispatch of mail products.

Barcode scanning did not occur because containers were not always barcoded, management oversight was inadequate, and employees were not trained. Some employees said it was more convenient to use the workaround than to perform the required scans.

As a result, SV scan compliance performance scores for some area and district staff may have been artificially inflated.³ This information was provided to the U.S. Postal Service Office of Inspector General (OIG), Office of Investigations, for action as appropriate. In addition, because some of the SV system data were based on estimates rather than actual scans, the SV system was unreliable and, therefore, not a useful management tool. Consequently, management in the Suncoast District could not take advantage of SV system features to optimize the transportation network, including using SV-calculated mail volumes, to adjust trips. For example, the Postal Service missed an opportunity to use accurate data to identify and eliminate or modify 103 trips from HCRs, with an estimated average savings of \$1,988,524 annually. The Suncoast District could have removed 2,928 unnecessary workhours from existing PVS schedules, saving an average of \$135,777 annually. See [Appendix B](#) for a detailed analysis of this topic and [Appendix C](#) for monetary impact.

Mail Container Scanning

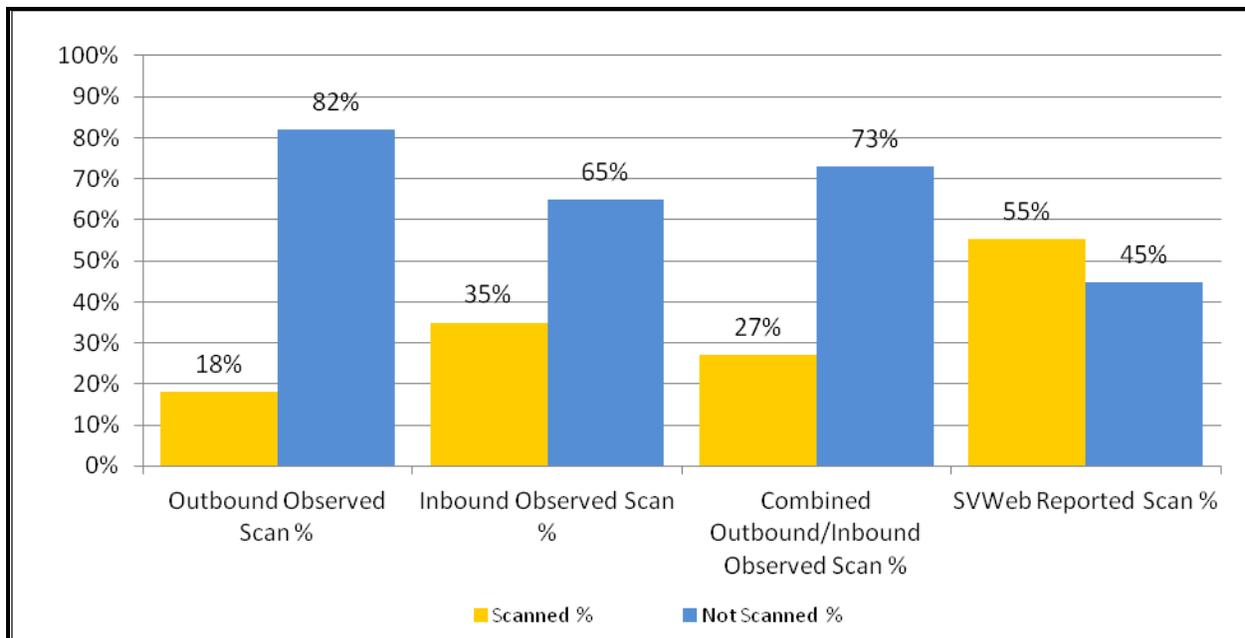
We found that transportation container scan data in the SV system is unreliable in the Suncoast District because:

- Some containers were not properly barcoded and employees neglected to scan barcoded placards on containers.
- Employees did not scan empty mail equipment as they loaded it onto and unloaded it from trailers.
- Employees used a workaround by estimating and manually entering trailer bed load percentages into scanners because it was convenient.

We corroborated this condition by observing 717 trips occurring between November 2013 and January 2014. From those observations, we determined employees did not scan containers on 82 percent of outbound trips and 65 percent of inbound trips (aggregated to 73 percent) as they loaded or unloaded trailers. However, because employees manually entered data, the official scan container compliance score reported in the SV system was much higher at 55 percent. This amounted to a 28 percent scan variance to the actual scans. See [Table 1](#).

³ National Performance Assessment is a web-based system that collects performance-related metrics – such as retail revenue, on-time Express Mail[®] delivery, scan compliance, and so forth – from systems across the organization. These metrics are translated into web-based balanced scorecards that management can use to monitor the performance of the entire enterprise or individual units across the nation.

Table 1. Suncoast District Observed Trailer Load/Unload Scan Percentages Compared to SVWeb⁴



Source: OIG observations and SVWeb.

This occurred because mail containers did not always have the barcoded placards needed for scanning. Also, some employees were not scanning barcodes on placards, stating that it was more convenient to manually input the information. See [Figure 1](#) for an example of an unbarcoded placard on a container of mail about to be dispatched to an associate office.

⁴ Data from SV scanning is downloaded into SVWeb, which is an application management uses to analyze and track scanning performance. The SVWeb reported the trailer load/unload scan score is the sum of performed trailer load/unload scans divided by expected scans. We conducted observations from November 11, 2013, through January 23, 2014.

Figure 1. Tampa Processing and Distribution Center (P&DC) Container Without a Properly Assigned/Barcoded Placard



Source: OIG photograph taken November 13, 2013.

As a result, SV scan compliance performance scores for some area and district staff may have been inflated. This information was provided to the OIG, Office of Investigations, for action as appropriate. Further, this renders the SV system an unreliable management tool. Consequently, management in the Suncoast District could not take advantage of SV system features to optimize the transportation network, including using SV-calculated mail volumes to adjust trips. Reliable SV system data could be used by the Suncoast District to:

- Improve the effectiveness of scheduled HCRs and save an average of \$1,988,524 annually by modifying or eliminating 103 trips. The Postal Service could consolidate these low-volume trips without causing additional delays in service.
- More effectively manage PVS transportation processes and schedules by reducing driver workhours and associated fuel use. PVS schedules contained unneeded workhours and the Postal Service spent more money than necessary because transportation was not full or trips did not run as scheduled. By eliminating 2,928 annual workhours⁵ from scheduled PVS routes, the Postal Service could save an average of \$136,777 annually. See [Appendix B](#) for a detailed analysis on this topic.

Recommendations

We recommend the vice president, Southern Area Operations:

1. Ensure that containers coming from mail processing operations have proper barcoded placards for employees to scan.
2. Implement controls to ensure proper scanning.

⁵ PVS estimated savings include workhours and tort claims.

3. Retrain employees on proper surface visibility policies and scanning procedures.
4. Verify and document the elimination or modification of 103 trips from highway contract routes in the Suncoast District and eliminate 2,928 workhours from Postal Service vehicle service trip schedules or document the reasons for retaining the workhours.

Management's Comments

Management agreed with the findings, recommendations, and monetary impact.

In response to recommendation 1, management will review operations and, where appropriate, ensure that mail coming from mail processing is properly placarded. Management also plans to provide additional training and put controls in place to ensure compliance. The Postal Service expects to complete these processes by May 24, 2014.

In response to recommendation 2, management will review procedures and put controls in place to ensure employees follow proper scanning procedures. Management will also perform periodic audits at each facility to ensure compliance. The Postal Service expects to complete these processes by May 24, 2014.

In response to recommendation 3, management stated that all employees who scan will complete mandatory refresher SV training by June 1, 2014.

Finally, in response to recommendation 4, management has begun reviewing the 103 HCR trips and PVS schedules. Management will analyze the trips and schedules and make modifications, as necessary. Management also plans to provide documentation to support any need to keep transportation changes that are not implemented. The Postal Service stated they had completed these changes as of April 19, 2014. See [Appendix D](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report. With respect to recommendation 4, the OIG will review any documentation when provided to validate actions already taken to remove trips and workhours. The OIG will also review any documentation that supports management's decision not to make some of the recommended changes, if applicable.

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

Appendix A: Additional Information

Background

In 2004, the Postal Service deployed the SV system to various facilities, including P&DCs, surface transfer centers (STC), and former bulk mail centers.⁶ SV is active at 169 sites, including 121 P&DCs and 21 NDCs. SV is designed to provide:

- More accurate transportation use and tracking data.
- Real-time asset identification and tracking capabilities.
- Improved dock productivity tracking and performance.
- Elimination of manual data entries in TIMES.

Before the SV system was implemented, the Postal Service based its transportation analyses on employees manually entering transportation use and tracking data into TIMES.

The goal of the SV system is to collect data at the handling unit (tray, tub, and sack) level to track volume through surface transportation. Employees use hand-held scanners called Intelligent Mail Devices (IMD) to capture SV system data.

Figure 3. IMD



Source: OIG photograph taken November 12, 2013.

⁶ Currently called network distribution centers (NDC).

SV shows the volume of mail moving through various points in the surface transportation network and records transportation dispatches and arrivals. It is designed to allow managers to access detailed information to manage resources, track mail volume, identify network problems at Postal Service facilities, and take corrective action to improve performance. This includes using SV data to assess PVS and HCRs for efficiency.

PVS Operations. Postal Service network transportation 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 P&DCs, in or near metropolitan areas. PVS operations typically include yard operations where PVS drivers use spotter trucks to move or “spot” trailers and equipment in or around a facility yard.

HCR Operations. The primary mode of surface transportation is contracted highway transportation. HCR is a surface transportation route served by a Postal Service contractor (an HCR supplier) to carry mail by highway between designated points. HCR transportation costs the Postal Service about \$3 billion annually. HCRs are managed at the facility level under the guidance of area and headquarters transportation officials.

Objective, Scope, and Methodology

Our objective was to assess SV system use in transportation operations in the Suncoast District in Southern Florida. During our work, we interviewed Postal Service officials at headquarters and at the Tampa and Orlando P&DCs and logistics and distribution centers (L&DC). We reviewed relevant Postal Service policies and procedures, interviewed managers and employees, and observed and photographed operations.

We tested the validity of SV data by comparing our observations to data Postal Service employees put in the SV system. Our audit also included a review of HCR and PVS schedules for opportunities to eliminate or modify HCR or PVS routes. We extracted HCR data from the Transportation Contract Support System and PVS route data from Vehicle Information Transportation Analysis and Logistics. This data detailed all routes servicing the Orlando and Tampa P&DCs and L&DCs. We analyzed the schedules and the SV data downloads entered into TIMES. During our analysis, we considered trailer use, mail type, dispatch of value, critical entry times, and other operational service standards to identify opportunities to eliminate and modify trips.

We conducted this performance audit from October 2013 through May 2014 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on March 27, 2014, and included their comments where appropriate.

We assessed the reliability of SV data by comparing observations to electronic data and by evaluation controls over data sources. We determined the electronic SV data were not sufficiently reliable. However, based on our observations and analyses, we were able to overcome this limitation and identify potential transportation savings as reported.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact
<i>Surface Visibility – Transportation Operations – Oklahoma District</i>	NO-AR-13-007	9/25/2013	\$891,713
<p>Report Results: The OIG assessed SV use in transportation operations in the Oklahoma District. Controls were not in place to ensure the integrity of the scanning, containers were not always properly barcoded, trailers were not always scanning truck arrivals and departures, and employees were using workarounds, such as scanning pre-printed barcodes instead of performing actual scans. As a result, scan compliance scores may have been artificially inflated, data from the system were unreliable and, therefore, the system was not a useful management tool, and management was not able to take advantage of system features to optimize the transportation network. In addition, the Postal Service missed an opportunity to use accurate data to identify and eliminate or modify 38 trips from HCRs with estimated savings of \$265,000 annually, and could have removed 3,636 unnecessary workhours from PVS schedules, saving an average of \$184,000 annually. Management agreed with the findings and recommendations.</p>			
<i>Evaluation of Major Transportation Technology Initiatives</i>	NL-AR-11-008	9/27/2011	\$9,323,532
<p>Report Results: The OIG reviewed four technology initiatives: SV; Transportation Optimization, Planning, and Scheduling (TOPS); the Postal Vehicle Service Management System (PVS-MS); and the Yard Management System Pilot (YMS Pilot). The Postal Service expensed more than \$300 million on these initiatives and none achieved all of their intended results. The SV initiative was generally capable of functioning as planned but was not fully providing the intended transportation visibility, the TOPS initiative was implemented for routing air transportation but not for surface transportation (one of its major components) and long-range air route planning as originally designed, the PVS-MS initiative was implemented to monitor driver and fleet performance but lacked the necessary connectivity to function properly and was discontinued in 2008, and the YMS Pilot initiative was implemented at two locations and improved yard efficiency through automation, but did not replace all required manual processes. Management agreed with most of the findings and all of the recommendations.</p>			

Appendix B. Assessment of Postal Vehicle Service and Highway Contract Routes Using Surface Visibility Data

SV is used to collect data to help plan, manage, and optimize the transportation network. It shows the volume of mail moving through the surface transportation network. By using SV system data, managers can access detailed information to optimize HCR and PVS operations, manage resources, track volume, and identify network problems at Postal Service facilities to take corrective action to improve efficiency.

Prior to conducting our observations, we analyzed PVS and HCR schedules servicing the Tampa and Orlando P&DCs and L&DCs. As part of this analysis, we assessed trailer volumes reported in TIMES (via SV scans) and identified potential opportunities to modify and eliminate trips. We found that PVS and HCR trips were not efficient and that, because of low volumes, management could consolidate or eliminate some trips without causing additional service delays.

See Tables 2 and 3 for HCR recommended mileage reductions and cost savings and recommended adjustments, respectively; and Table 4 for PVS hour reduction recommendations.

**Table 2. Suncoast District HCR
Recommended Mileage Reductions and Savings⁷**

Location	HCR Contract Number	Total Number of Trips Modified	Annual Mileage Reduced	Annual Savings
Tampa	275N2	2	148,965	\$201,843
Tampa	320SE	2	664,499	952,482
Tampa	33510	2	84,412	121,500
Tampa	33518	6	11,856	31,288
Tampa	33534	10	5,715	12,665
Tampa	335BA	2	3,483	8,259
Tampa	335M5	5	960	2,720
Tampa	335M6	2	508	1,134

⁷ We calculated HCR savings using the Postal Service's Eastern Area savings estimator as of January 1, 2014. The estimator calculates savings based on input frequency, mileage reductions, and current rates per mile.

Location	HCR Contract Number	Total Number of Trips Modified	Annual Mileage Reduced	Annual Savings
Tampa	338BG	4	40,554	\$33,568
Tampa	337A1	6	23,807	58,497
Orlando	32716	2	123,970	171,497
Orlando	32739	4	568	1,198
Orlando	328N4	2	3,979	7,150
Orlando	328M6	2	152	214
Orlando	32757	6	22,603	63,617
Orlando	32717	2	18,784	40,837
Orlando	327M6	16	17,502	34,551
Orlando	328SE	24	24,829	133,047
Orlando	32297	2	118,912	188,646
Orlando	327B5	2	284	740.20
Total		103	1,316,342	\$2,065,453⁸

Source: OIG analysis.

⁸ Undiscounted annual savings

**Table 3. Suncoast District HCRs –
Summary of Recommended Adjustments**

HCR Contract Number	Location	Trip Numbers	Origin/Destination	Recommendation
275N2	Tampa	13	Columbia P&DC to Tampa P&DC	Combine with Trip 15 and adjust stops.
275N2	Tampa	14	Tampa P&DC to Columbia P&DC	Combine with Trip 16 and adjust stops.
320SE	Tampa	7	Orlando L&DC to New Jersey STC	Combine with Trip 5 and adjust stops.
320SE	Tampa	8	New Jersey STC to Orlando L&DC	Combine with Trip 6 and adjust stops.
33510	Tampa	5	Tampa P&DC to Fort Meyers P&DC	Combine with Trip 7.
33510	Tampa	6	Fort Meyers P&DC to Tampa P&DC	Combine with Trip 8.
33518	Tampa	15	Tampa to Tarpon Springs	Combine with Trip 17. Add stops and adjust frequency.
33518	Tampa	16	Tarpon Springs to Tampa	Combine with Trip 18. Add stops and change frequency.
33518	Tampa	13	Tampa to Tarpon Springs	Eliminate holiday schedule.
33518	Tampa	14	Tarpon Springs to Tampa	Eliminate holiday schedule.
33518	Tampa	19	Tampa to Tarpon Springs	Eliminate holiday schedule.
33518	Tampa	20	Tarpon Springs to Tampa	Eliminate holiday schedule.
33534	Tampa	7	Tampa to Brandon	Eliminate Sunday and holiday runs and keep Monday runs.
33534	Tampa	8	Brandon to Tampa	Eliminate Sunday and holiday runs and keep Monday runs.
33534	Tampa	11	Tampa to Valrico	Eliminate Sunday and holiday runs and keep Monday runs.
33534	Tampa	12	Valrico to Tampa	Eliminate Sunday and holiday runs and keep Monday runs.
33534	Tampa	19	Tampa to Valrico	Eliminate holiday schedule.
33534	Tampa	20	Valrico to Tampa	Eliminate holiday schedule.
33534	Tampa	23	Tampa to Brandon	Eliminate holiday schedule.
33534	Tampa	24	Brandon to Tampa	Eliminate holiday schedule.
33534	Tampa	27	Tampa to Valrico	Eliminate holiday schedule.

HCR Contract Number	Location	Trip Numbers	Origin/Destination	Recommendation
33534	Tampa	28	Valrico to Tampa	Eliminate holiday schedule.
335BA	Tampa	17	Tampa to Port Richey	Eliminate trip.
335BA	Tampa	16	Port Richey to Tampa	Eliminate trip.
335M5	Tampa	19	Palm Harbor to Tampa	Eliminate holiday schedule.
335M5	Tampa	20	Tampa to Dunedin	Eliminate holiday schedule.
335M5	Tampa	21	Dunedin to Tampa	Eliminate holiday schedule.
335M5	Tampa	22	Tampa to Palm Harbor	Eliminate Holiday schedule.
335M5	Tampa	25	Palm Harbor to Tampa	Eliminate Holiday schedule.
335M6	Tampa	7	Tampa to Land O'Lakes Annex	Eliminate holiday schedule.
335M6	Tampa	8	Land O'Lakes Annex to Tampa	Eliminate holiday schedule.
338BG	Tampa	1	Lakeland to Tampa	Duplicate stops. Combine with 338A3.
338BG	Tampa	2	Tampa to Lakeland	Duplicate stops. Combine with 338A3.
338BG	Tampa	3	Lakeland to Tampa	Duplicate stops. Combine with 338A3.
338BG	Tampa	4	Tampa to Lakeland	Duplicate stops. Combine with 338A3.
337A1	Tampa	31	Tampa to Sea Shell Books	No volume on trip. Eliminate.
337A1	Tampa	32	Sea Shell Books to St. Petersburg	No volume on trip. Eliminate.
337A1	Tampa	79	St. Petersburg to Beach Station	Combine with Trip 81.
337A1	Tampa	80	Beach Station to St. Petersburg	Combine with Trip 82.
337A1	Tampa	103	St. Petersburg to Largo Seminole Branch	Combine with Trip 111.
337A1	Tampa	104	Largo Seminole Branch to St. Petersburg	Combine with Trip 112.
32716	Orlando	3201	Miami P&DC to Orlando STC	Combine with Trip 3207.

HCR Contract Number	Location	Trip Numbers	Origin/Destination	Recommendation
32716	Orlando	3202	Orlando STC to Miami P&DC	Combine with Trip 3208.
32739	Orlando	21	Mid-Florida to Winter Park - Aloma Branch	Eliminate holiday schedules.
32739	Orlando	22	Winter Park - Aloma Branch to Mid-Florida	Eliminate holiday schedules.
32739	Orlando	37	Orlando P&DC to Winter Park - Aloma Branch	Eliminate day after holiday schedules.
32739	Orlando	38	Winter Park - Aloma Branch to Orlando P&DC	Eliminate day after holiday schedules.
328N4	Orlando	7	Orlando P&DC to Clermont Carrier Annex	Eliminate Sunday run.
328N4	Orlando	6	Clermont Carrier Annex to Orlando P&DC	Eliminate Sunday run.
328M6	Orlando	13	Orlando P&DC to St. Cloud	Eliminate holiday schedules.
328M6	Orlando	14	St. Cloud to Orlando P&DC	Eliminate holiday schedules.
32757	Orlando	17	Orlando P&DC to Kissimmee	Combine with trip 23 and adjust stops.
32757	Orlando	18	Kissimmee to Orlando P&DC	Combine with trip 24 and adjust stops.
32757	Orlando	11	Orlando to Kissimmee	Eliminate Sunday and holiday schedules.
32757	Orlando	12	Kissimmee to Orlando P&DC	Eliminate Sunday and holiday schedules.
32757	Orlando	31	Orlando P&DC to Kissimmee Carrier Annex	Trip has no volume. Eliminate.
32757	Orlando	32	Kissimmee Carrier Annex to Orlando P&DC	Trip has no volume. Eliminate.
32717	Orlando	1	Orlando P&DC to Mid-Florida P&DC	There are five trips in a 6-hour window and only four are needed, based on volume.
32717	Orlando	2	Mid-Florida P&DC to Orlando P&DC	There are five trips in a 6-hour window and only four are needed based on volume.
327M6	Orlando	3	Orlando P&DC to Ocoee Annex	Sunday and holiday runs. Leaves facility at 2:10 a.m.

HCR Contract Number	Location	Trip Numbers	Origin/Destination	Recommendation
327M6	Orlando	4	Ocoee Annex to Orlando P&DC	Eliminate Sunday and holiday runs. No data recorded in SV system.
327M6	Orlando	7	Orlando to Ocoee Annex	Eliminate Sunday and holiday trips.
327M6	Orlando	8	Ocoee Annex to Orlando P&DC	Eliminate Sunday and holiday trips.
327M6	Orlando	9	Orlando to Ocoee	Eliminate holiday runs.
327M6	Orlando	10	Ocoee to Orlando P&DC	Eliminate holiday runs.
327M6	Orlando	311	Orlando to Wildwood	Eliminate holiday runs.
327M6	Orlando	312	Wildwood to Orlando	Eliminate holiday runs.
327M6	Orlando	313	Orlando to Leesburg	Eliminate holiday runs.
327M6	Orlando	314	Leesburg to Orlando	Eliminate holiday runs.
327M6	Orlando	315	Orlando to Wildwood	Eliminate holiday runs.
327M6	Orlando	316	Wildwood to Orlando	Eliminate holiday runs.
327M6	Orlando	317	Orlando to Leesburg	Eliminate Sunday and holiday schedule.
327M6	Orlando	318	Leesburg to Orlando	Eliminate Sunday and holiday schedule.
327M6	Orlando	38	Sebastian to Orlando	Eliminate holiday runs.
327M6	Orlando	204	Orlando to Merritt Island	Eliminate Sunday and holiday schedule.
327B5	Orlando	123	Mid-Florida P&DC to Maitland	Eliminate holiday runs.
327B5	Orlando	124	Maitland to Mid-Florida P&DC	Eliminate holiday runs.
328SE	Orlando	4039	Orlando STC to Orlando P&DC	Combine with Trip 4041.
328SE	Orlando	4040	Orlando P&DC to Orlando STC	Combine with Trip 4042.
328SE	Orlando	4047	Orlando STC to Orlando P&DC	Combine with Trip 4049 but change frequency to daily.
328SE	Orlando	4048	Orlando P&DC to Orlando STC	Combine with Trip 4050 but change frequency to daily.
328SE	Orlando	4051	Orlando STC to Orlando P&DC	Combine with Trip 4053 and adjust stops as needed.

HCR Contract Number	Location	Trip Numbers	Origin/Destination	Recommendation
328SE	Orlando	4052	Orlando L&DC to Orlando P&DC	Combine with Trip 4054 and adjust stops as needed.
328SE	Orlando	4055	Orlando P&DC to Orlando L&DC	Combine with Trip 4057.
328SE	Orlando	4056	Orlando L&DC to Orlando P&DC	Combine with Trip 4058.
328SE	Orlando	4075	Orlando STC to Orlando P&DC	Combine with Trip 4077.
328SE	Orlando	4076	Orlando P&DC to Orlando STC	Combine with Trip 4078.
328SE	Orlando	4079	Orlando STC to Orlando P&DC	Combine with Trip 4081.
328SE	Orlando	4080	Orlando P&DC to Orlando STC	Combine with Trip 4082.
328SE	Orlando	4083	Orlando STC to Orlando P&DC	Combine with Trip 4085.
328SE	Orlando	4084	Orlando P&DC to Orlando STC	Combine with Trip 4086.
328SE	Orlando	4019	Orlando STC to Orlando P&DC	Combine with Trip 4015 change frequency to daily.
328SE	Orlando	4020	Orlando P&DC to Orlando STC	Combine with Trip 4016 change frequency to daily.
328SE	Orlando	4021	Orlando STC to Orlando P&DC	Combine with Trip 4023.
328SE	Orlando	4022	Orlando P&DC to Orlando STC	Combine with Trip 4024.
328SE	Orlando	9029	Orlando P&DC to Terminal Handling System (THS) Surface Hub	Eliminate based on discussion with Transportation and Network Specialist (TANS) manager and email response.
328SE	Orlando	9030	Orlando THS to Orlando P&DC	Eliminate based on discussion with TANS manager and email response.
328SE	Orlando	9031	Orlando P&DC to THS Surface Hub	Eliminate based on discussion with TANS manager and email response.
328SE	Orlando	9032	Orlando THS to Orlando P&DC	Eliminate based on discussion with TANS manager and email response.
328SE	Orlando	9039	Orlando P&DC to THS Surface Hub	Eliminate based on discussion with TANS manager and email response.
328SE	Orlando	9040	Orlando THS to Orlando P&DC	Eliminate based on discussion with TANS manager and email response.

HCR Contract Number	Location	Trip Numbers	Origin/Destination	Recommendation
32297	Orlando	805	Jacksonville NDC to Orlando P&DC	Combine with Trip 809. Adjust stops.
32297	Orlando	806	Orlando P&DC to Jacksonville NDC	Combine with Trip 810. Both return trips show no volume.
Trip Count		103		

Source: OIG analysis.

Table 4. Suncoast District PVS Recommended Hour Reductions⁹

Facility	Schedule	Frequency	Scheduled Annual Miles	Scheduled Hours Eliminated
Tampa	18500	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	48
Tampa	18502	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	48
Tampa	28503	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	45
Tampa	28505	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	18	34
Tampa	28506	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	16	48
Tampa	28507	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	42	40
Tampa	38508	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	41

⁹ We calculated PVS savings by eliminating annual hours for specific underutilized trips. Savings resulted from multiplying the annual frequencies by fully loaded workhour rates for fiscal years (FYs) 2012-2014, published April 8, 2013.

Facility	Schedule	Frequency	Scheduled Annual Miles	Scheduled Hours Eliminated
Tampa	38509	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	48
Tampa	38510	G - Holidays other than Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	600	48
Tampa	19400	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	32
Tampa	19401	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	28	32
Tampa	29403	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	30
Tampa	29404	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	10	32
Tampa	29405	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	12	32
Tampa	29406	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	408	37
Tampa	39408	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	-	32
Tampa	39409	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	0	32
Tampa	39410	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	364.8	32
Tampa	39411	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	308	32

Facility	Schedule	Frequency	Scheduled Annual Miles	Scheduled Hours Eliminated
Orlando	29201	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	279	32
Orlando	19202	CC1 - Mondays, Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	1,425	417
Orlando	19201	CC1 - Mondays, Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	1,816	417
Orlando	16801	67X - Saturdays and Sundays except holidays	-	825
Orlando	18106	B – Holidays	1,014	80
Orlando	19106	CC - Martin Luther King, Jr.'s Birthday, Washington's Birthday, Columbus Day, and Veterans Day	358	32
Orlando	18101	B – Holidays	484	80
Orlando	18102	B – Holidays	1,008	80
Orlando	18103	B – Holidays	567	80
Orlando	18104	B – Holidays	1,070	80
Orlando	18105	B – Holidays	454	80
Total			10,281	2,928

Source: OIG analysis.

Appendix C: Monetary Impact

Recommendation	Impact Category	Amount
4	Funds Put to Better Use ¹⁰	\$4,248,601

Monetary Impact Details

Estimated Discounted Savings	FY 2014	FY 2015	FY 2016	2-Year Total
PVS Workhour Savings		\$134,557	\$132,991	\$267,548
Tort Claims Savings		2,020	1,985	4,005
Total Estimated PVS Savings		\$136,577	\$134,976	\$271,553
Elimination of 103 HCR Trips	\$516,363	\$2,003,350	\$1,457,335	\$3,977,048
Total Estimated PVS and HCR Savings	\$516,363	\$2,139,927	\$1,592,311	\$4,248,601

We concluded the Suncoast District could eliminate or modify 103 trips from HCRs identified during our audit, for an average savings of \$1,988,524 annually, or \$3,977,048 over 2 years.¹¹ We also concluded the Suncoast District could eliminate 2,928 workhours from PVS trip schedules identified during our audit, for an average savings of \$135,777 annually, or about \$271,553 over 2 years. These savings estimates include tort claims cost avoidance.

¹⁰ Funds that could be used more efficiently by implementing recommended actions.

¹¹ These savings estimates are based on implementation of route changes beginning in July 2014. The two years of savings are calculated at 3 months in FY 2014, 12 months in FY 2015, and 9 months in FY 2015, with an annual average of \$1,988,524.

Appendix D: Management's Comments

MANAGER, OPERATIONS SUPPORT
SOUTHERN AREA



April 25, 2014

JUDITH LEONHARDT
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Surface Visibility – Transportation Operations –
Suncoast District (Report Number NO-AR-14-DRAFT)

The Southern Area has reviewed each of the findings of the audit which are included in the draft report. The Southern Area agrees with the methodology of the monetary impact calculations; however, some of recommendations associated with the savings may not be feasible at this time. The Southern Area agrees there is potential for elimination and consolidation of HCR routes and to reduce PVS hours thru zero basing. The Southern Area will need further analysis.

The Southern Area will review the specific schedule recommendations and will implement those that are feasible and will provide documentation to support reasons for retaining those that need to be maintained to support service.

The following responds to the recommendations made in the report:

Recommendation 1:

Ensure that containers coming from mail processing operations have proper barcoded placards for employees to scan.

Management Response/Action Plan:

While the Area agrees with the overall recommendation, at present there are processing areas within the Facility that need further analysis to the cost and value of barcoded placards. Management will review operations to ensure that mail coming from mail processing operations is properly placarded for employees to scan. Management will provide additional training and put controls in place to ensure compliance.

Target Implementation Date:

May 24, 2014

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DALLAS TX 75222-5459
214-819-8600
FAX: 214-819-7220

- 2 -

Responsible Official:
TANS MGR Suncoast District

Recommendation 2:
Implement controls to ensure proper scanning.

Management Response/Action Plan:
The Area agrees with the recommendation. Management found that mail handlers were not following prescribed scanning procedures. Management will review procedures and will put necessary controls in place to ensure scanning is completed properly. This will include periodic Surface Visibility audits to be performed by Network Specialists at each facility.

Target Implementation Date:
May 24, 2014

Responsible Official:
TANS MGR Suncoast District

Recommendation 3:
Retrain employees on proper surface visibility policies and scanning procedures.

Management Response/Action Plan:
The Area agrees with the recommendation. Management will conduct mandatory refresher training for all expeditors, lead clerks, SDO's, and all employees who have access to scanning via Surface Visibility. The training will ensure that employees are aware of all surface visibility policies and procedures and the importance of proper scanning will be emphasized.

Target Implementation Date:
June 1, 2014

Responsible Official:
TANS MGR Suncoast District

Recommendation 4:
Verify and document the elimination or modification of 103 trips from highway contract routes in the Suncoast District and eliminate 2,928 workhours from Postal Service vehicle service trip schedules or document the reasons for retaining the workhours.

Management Response/Action Plan:
The Area agrees with the recommendation. Management began reviewing the 103 highway contract route trips and the Postal Vehicle Service schedules identified in the audit. The Area will analyze the recommended trips and schedules and will provide documentation to support modifying, eliminating or keeping of trips. If the Area is

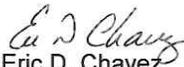
- 3 -

unable to implement any of the recommended changes, documentation to support keeping the trips will be provided.

Target Implementation Date:
April 19, 2014

Responsible Official:
TANS MGR Suncoast District

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


Eric D. Chavez

cc: Edward F. Phelan
Elizabeth A. Schaefer
Philip F. Knoll
Severo Garza
Manager, Corporate Audit Response Management
Jo Ann Feindt
Mike L. Barber