Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL

AUDIT REPORT

Transmittal Letter

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

September 9, 2024

MEMORANDUM FOR: MARK D. DAHLSTROM
GULF ATLANTIC DIVISION DIRECTOR, PROCESSING OPERATIONS

WILLIAM A. RODRIGUEZ
GULF ATLANTIC DIVISION DIRECTOR, LOGISTICS OPERATIONS

FROM: Sean Balduff
Director, Field Operations, Central and Southern

SUBJECT: Audit Report – Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL (Report Number 24-129-R24)

This report presents the results of our audit of the Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All 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.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jennifer Schneider, Audit Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General
Chief Processing and Distribution Officer and Executive Vice President
Chief Logistics and Infrastructure Officer and Executive Vice President
Vice President, Processing and Maintenance Operations
Vice President, Logistics
Vice President, Eastern Regional Processing Operations
Southern Regional Director, Logistics
Corporate Audit Response Management

Results

Background

The U.S. Postal Service needs effective and productive operations to fulfill its mission of providing prompt, reliable, and affordable mail service to the American public. It has a vast transportation network that moves mail and equipment among about 330 processing facilities and 31,100 post offices, stations, and branches. The Postal Service is transforming its processing and logistics networks to become scalable, reliable, visible, efficient, automated, and digitally integrated. This includes modernizing operating plans and aligning the workforce; leveraging emerging technologies to provide world-class visibility and tracking of mail and packages in near real time; and optimizing the surface and air transportation network. The U.S. Postal Service Office of Inspector General (OIG) reviews the efficiency of mail processing operations at facilities across the country and provides management with timely feedback to further the Postal Service's mission.

This report presents the results of our self-initiated audit of the efficiency of operations at the Birmingham Processing and Distribution Center (P&DC) and Mail Processing Annex (MPA) in Birmingham, AL (Project Number 24-129). We judgmentally selected the Birmingham, AL, P&DC and MPA based on a review of first and last mile failures;[1] workhours; scanning compliance;[2] and late, canceled, and extra trips. The Birmingham P&DC and MPA are in the Gulf Atlantic Processing Division. The P&DC processes letters, and the MPA processes packages and flats. The Birmingham P&DC and MPA service multiple 3-digit ZIP Codes in urban and rural communities[3] (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
350-352	874,039	450,430	1,324,469
354-359	824,893	703,140	1,528,033
362	78,296	100,979	179,275

Source: Postal Service National Distribution Labeling List and Census Bureau data.

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Birmingham P&DC and MPA. To accomplish our objective, we focused on five audit areas: mail clearance times,[4] delayed mail, late and extra outbound trips, dock scanning, and security of registry items. We reviewed Surface Visibility Web (SVWeb)[5] data for late, canceled, and extra trips, as well as scan compliance for the period from June 1, 2023, to May 31, 2024. Further, we identified mail clearance time goals for the Birmingham P&DC and MPA and compared them with operations shown in the Run Plan Generator report.[6] During our site visit the week of July 8, 2024, we interviewed P&DC and MPA management and observed mail processing and dock operations.

During this time, the OIG also audited three delivery units[7] serviced by the Birmingham P&DC and MPA. We will provide the results of those audits to Alabama-Mississippi District management in separate reports. See Appendix A for additional information about our scope and methodology.

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1   First mile failures occur when a mailpiece is collected and does not receive a processing scan at the origin processing facility on the day that it was intended. Last mile failures occur after the mailpiece has been processed at a processing facility on a final processing operation and is not delivered to the customer on the day it was intended.
2   Scans include load, depart, unload, close, assign, and arrive.
3   We obtained ZIP Code information related to population and urban/rural classification from 2020 Census Bureau information.
4   The latest time committed mail can clear an operation for proper dispatch or delivery.
5   A website dedicated to the Surface Visibility program, which provides real-time transportation updates and reports on the movement of trailers in the surface network. The data captured to identify early, on-time, late, or canceled trips is also used to evaluate and improve transportation schedules.
6   An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.
7   The three delivery units were Center Point Branch, Center Point, AL (project number 24-125-1); Northport Post Office, Northport, AL (project number 24-125-2); and Tuscaloosa Post Office, Tuscaloosa, AL (project number 24-125-3).

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Results Summary

We identified deficiencies in four of the five areas we reviewed that affected the efficiency of operations at the Birmingham P&DC and MPA. We also identified other issues related to safety and security (see Table 2).

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Clearance Times	X	
Delayed Mail	X	
Late, Canceled, and Extra Outbound Trips	X	
Scan Compliance	X	
Security of Registry Items		X
Other Issues	X	

Source: Results of OIG data reviewed from fiscal year (FY) 2023 and FY 2024 and fieldwork conducted from July 8 to July 11, 2024.

We observed registry cage conditions and interviewed personnel to determine if procedures over the handling and security of registered mail were being followed. We did not find any systemic issues.

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Finding #1: Clearance Times

What We Found

From March to May 2024, the Birmingham P&DC and MPA did not consistently meet their clearance times for letters, flats, and packages. Specifically, letter processing went past the clearance time target 23 out of 79 days[8] (29.1 percent) while flat processing went past the clearance time target 12 out of 92 days (13.0 percent). Additionally, package processing went past the clearance time target 22 out of 91 days (24.2 percent). During our observations the week of July 8, 2024, package processing went past the clearance time target two of the three days reviewed. Letter and flat processing met clearance time targets during our review.

Why Did it Occur

Management stated that missed package clearance times were primarily due to supervisors not manually ending the sort plan on the Low Cost Universal Sorter (LCUS)[9] at the completion of each run. The LCUS machine automatically shuts off at 7 a.m. — two and a half hours after packages are supposed to be cleared — if it is not manually ended before then, causing data to show that they missed the clearance time. Further analysis of our data from March to May 2024, showed that nine out of the 22 (41 percent) missed clearance times for packages were run on the LCUS. In addition, we analyzed data from July 8 through July 22, 2024, and determined that all four missed clearance times were run on the LCUS. Missed package clearance times were also due to increased package volume from a new mailer whose typical packaging shape caused belt disruptions on the Automated Parcel Bundle Sorter,[10] which decreased the machine's throughput. Machine operators subsequently learned to position the packages differently, bringing the throughput into compliance.

Missed clearance times for flats and letter processing were due to employee attendance issues, especially during holidays. During the 30 days prior to our visit, management began holding employee availability meetings, detailing steps that should be taken to address employee attendance issues. Further, supervisors were tasked with holding weekly employee attendance meetings. We analyzed data from July 15 through July 22, 2024, and found that clearance time performance improved for letters and flats. During this period, letters missed the clearance time target one day, and flats met the clearance time target every day. Based on this improvement, we are not making a recommendation regarding management over employee attendance.

What Should Have Happened

The Postal Service has established service standards[11] for measuring service performance. Management should verify the mail is processed timely to meet clearance times and the established service standards. In addition, Postal Service policy[12] states that management is responsible for controlling unscheduled absences; including informing employees of leave regulations and discussing attendance records with individual employees when warranted.

Effect on the Postal Service and Its Customers

Missing clearance times increases the likelihood that mail will not be taken to the dock in time for dispatch to delivery units and will be delayed. This could lead to mail not being delivered to customers on time and adversely affect the Postal Service brand.

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8   From March to May 2024, letters were not always processed on Saturdays. This accounts for the difference in days analyzed for mail classes.
9   A system that replaces the manual sortation of parcels, nonmachinable oversized packages, sacks, trays, and tubs.
10   An upgraded Small Parcel and Bundle Sorter with a new control system, barcode and optical character reader technology, and improved induction stations.
11   A stated goal for service achievement for each mail class.
12   *Employee and Labor Relations Manual*, Section 511.42, dated March 2024.

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Recommendation #1

We recommend the **Gulf Atlantic Division Director, Processing Operations**, provide training to supervisors on the proper use of the Low Cost Universal Sorter and monitor for compliance.

Postal Service Response

The Postal Service generally agreed with this finding and the associated recommendation. Management stated they will provide training to non-bargaining employees on the proper way to end the run on the LCUS machine and will conduct reviews to monitor compliance. The target implementation date is October 31, 2024. See Appendix B for management's comments in their entirety.

OIG Evaluation

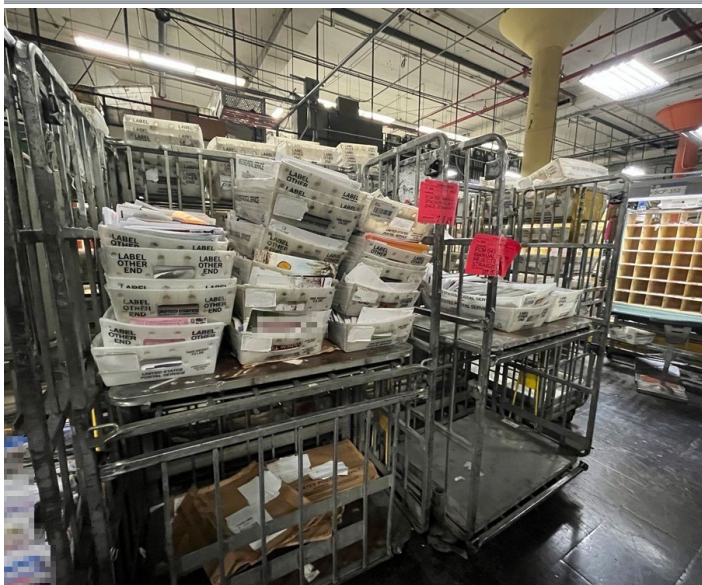The OIG considers management's comments responsive to the recommendation.

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Finding #2: Delayed Mail

What We Found

During our observations on July 9 and 10, 2024, we identified delayed mail in the manual letter operation unit at the P&DC (see Figure 1). In addition, we identified delayed mail in the manual flat operation unit (see Figure 2) and packages on the MPA workroom floor (see Figure 3). Some of the delayed letters in the manual operation unit had been there since July 5, 2024. In total, management reported 42,255 delayed letters, flats, and packages in the Mail Condition Visualization (MCV) system during our visit (see Table 3). However, management did not always accurately report this mail in the MCV system.[13] Specifically, on July 9, 2024, management failed to report any of the 9,385 pieces of delayed manual flats we identified.

Figure 2. Example of Delayed Mail in the Manual Flat Unit

Source: OIG photo taken July 9, 2024.

Figure 1. Example of Delayed Mail in the Manual Letter Unit

Source: OIG photo taken July 9, 2024.

Figure 3. Examples of Delayed Packages on the Workroom Floor

Source: OIG photos taken July 9 and 10, 2024.

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13   MCV provides near real-time visibility of a facility's on-hand volume, delayed processing volume, delayed dispatch volume, and oldest mail date by mail category and processing operation.

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Table 3. Delayed Letters, Flats, and Packages

Date	Delayed Letters Reported in MCV	Delayed Flats Reported in MCV	Delayed Packages Reported in MCV	Total Reported in MCV
July 9	20,301	0	372	20,673
July 10	12,726	8,281	575	21,582
Total	33,027	8,281	947	42,255

Source: MCV system.

Why Did it Occur

The delayed packages we identified were primarily due to the increased package volume identified in Finding 1. The delayed letters we identified were due to the manual letter unit receiving large amounts of machinable mail that could have been processed on automated equipment. Until the beginning of June 2024, the manual letter operations unit did not have a gatekeeper assigned to ensure only non-machinable mail entered the unit.

The delayed manual flats we identified were caused by a lack of management oversight. Specifically, the supervisor for flats was new and did not monitor the manual operation. We found that employees did not follow first-in-first-out (FIFO) procedures to process the oldest mail first, and management stated they received a lot of mail back from units incorrectly labeled missent that had to be manually sorted.[14]

Management did not properly report the delayed manual flats because the Process Support Specialist did not know they should report delayed manual flats in MCV. Further, management stated they did not monitor the reporting in MCV because they relied on a separate internal reporting system they developed to monitor manual flats.

What Should Have Happened

Postal Service policy[15] states that management should continually gauge how well they are managing the flow of mail and have control over the workload, personnel, and equipment needed for a well-run operation. Additionally, policy[16] states mail

should be placed in the order it is received to ensure a first in, first out treatment of the mail. As part of Postal Service practice, a delayed mail count should be performed and accurately reported in the MCV system daily.[17]

Effect on the Postal Service and Its Customers

When mail is delayed, there is an increased risk of customer dissatisfaction, which may adversely affect the Postal Service brand.

Recommendation #2

We recommend the **Gulf Atlantic Division Director, Processing Operations**, implement procedures at the Birmingham Processing and Distribution Center to verify that mail arriving at the manual letter operations unit does not contain mail that could be processed on automated equipment.

Recommendation #3

We recommend the **Gulf Atlantic Division Director, Processing Operations**, verify supervisors at the Birmingham Mail Processing Annex are trained on proper mail flow procedures in processing operations and these procedures are followed.

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14   Management was communicating with the delivery units regarding this issue.
15   Handbook PO-413, *Platform Operations*, Section 2-4.4, dated December 2013.
16   Stand-up Talk, *The FIFO Treatment*, January 15, 2022.
17   *Mail Condition Visualization Manual Line Item Entry Job Aid*, updated October 26, 2020.

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Recommendation #4

We recommend the **Gulf Atlantic Division Director, Processing Operations**, verify employees responsible for reporting delayed mail at the Birmingham Processing and Distribution Center are trained on proper reporting procedures and delayed mail is accurately reported in the Mail Condition Visualization System.

Postal Service Response

The Postal Service generally agreed with this finding and the associated recommendations. Regarding recommendation 2, management stated they provided training to employees on the proper procedures to verify machinable mail is processed on automated equipment and will conduct reviews to monitor compliance. The target implementation date is October 31, 2024. For recommendation 3, management will provide training to non-bargaining employees on proper mail flow procedures in processing operations and conduct reviews to monitor for compliance. The target implementation date is November 30, 2024. Regarding recommendation 4, management stated they trained employees on the proper procedures for reporting mail in MCV and will conduct reviews to monitor compliance. The target implementation date is October 30, 2024.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations.

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Finding #3: Late, Canceled, and Extra Outbound Trips

What We Found

From June 1, 2023, through May 31, 2024, there were a total of 32,827 outbound late trips, 6,338 outbound canceled trips, and 1,941 outbound extra trips at the two facilities. These trips represent about 33.6 percent of all trips at the facilities (see Table 4).

Table 4. Outbound Transportation Metrics

Transportation Metric	Number	Percent of Total Trips
Late Trips	32,827	26.8%
Canceled Trips	6,338	5.2%
Extra Trips	1,941	1.6%

Source: SVWeb.

Why Did it Occur

Late trips were primarily due to late mail processing at the P&DC or the MPA. Further, because drivers start their routes at the P&DC before proceeding to the MPA, late letter processing can cause two late trips, one at the P&DC and one at the MPA. In addition, dock congestion at the MPA contributed to late trips, as the facility lacks space for proper staging lanes. During our audit, management was in the process of adjusting departure times at both facilities, which should reduce the number of late trips.

Canceled trips were mainly due to consolidating multiple trips into one and canceling the others, which can happen when Postal Vehicle Service (PVS)[18] drivers call out. There were also shuttle trips between the facilities[19] that were often consolidated. The logistics manager stated during our audit that he was in the process of removing those trips from the Vehicle Information Transportation Analysis and Logistics system,[20] which he believes will decrease the number of canceled trips. Management conducted a Zero Base Review (also referred to as a PVS schedule

review) in March of 2024. Based on that review, management made some schedule changes. We analyzed the late, canceled, and extra trip data for the period from June 2023 through June 2024 and found that in June 2024 canceled trips were at their lowest point over that period.

Regarding extra trips, management stated that most of them were intentional and related to an initiative to increase the transportation of mail volume from air to surface and reduce transportation costs.

What Should Have Happened

According to Postal Service policy,[21] key elements to effective dispatch and routing include evaluating transportation performance to planned schedules and ensuring that planned dispatches are compatible with an effective mail arrival profile at the destination.

Effect on the Postal Service and Its Customers

When there are late, canceled, and extra trips, there is an increased risk the mail will not be delivered on time, which can adversely affect Postal Service customers, harm the brand, send mailers to competitors, increase operating costs, and cause the Postal Service to lose revenue.

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18   A service operated by Postal Service employees to transport mail between mail processing facilities, post offices, post office branches, post office stations, detached mail units, various postal customers, and terminals.
19   Birmingham Processing and Distribution Center, Mail Processing Annex, and Package Support Annex.
20   A centralized web-based application for PVS management that improves asset management, vehicle and employee scheduling, and production of paperwork required to dispatch a PVS vehicle.
21   Handbook M-22, *Dispatch and Routing Policies*, dated July 2013.

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Recommendation #5

We recommend the **Gulf Atlantic Division Director, Logistics Operations**, verify appropriate transportation schedule changes are implemented based on the review performed in March 2024 at the Birmingham Processing and Distribution Center and Mail Processing Annex to reduce dock congestion and minimize late trips.

Postal Service Response

The Postal Service generally agreed with this finding and the associated recommendation. Management will complete a review of all PVS schedules and remove excess and redundant trips. The target implementation date is January 31, 2025.

OIG Evaluation

The OIG considers management's comments responsive to the recommendation.

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Finding #4: Scan Compliance

What We Found

The Birmingham P&DC and MPA did not consistently meet scanning goals. From June 1, 2023, to May 31, 2024, the average compliance for close, load, and unload scans did not meet the Postal Service goal. The Postal Service goal for these scans was 92 percent in FY 2023 and 93.25 percent in FY 2024 (see Table 5). These scans help the Postal Service track mail as it flows through the network. Close scans are performed when a container is full and ready for dispatch; load scans are performed when a container is loaded onto a trailer for dispatch; and unload scans are performed when a container is removed from a trailer.

Table 5. Scanning Compliance at the Birmingham P&DC and MPA From June 2023 to May 2024

Month	P&DC			MPA		
	Close	**Load**	**Unload**	**Close**	**Load**	**Unload**
May 2024	88.04	91.95	86.15	91.90	79.44	72.18
April 2024	88.28	90.9	83.09	91.11	75.90	56.75
March 2024	92.02	91.19	86.13	90.26	81.06	92.65
February 2024	91.12	92.43	85.76	89.07	85.61	93.29
January 2024	89.52	89.93	84.30	88.70	81.45	84.65
December 2023	90.99	90.65	84.75	87.79	72.24	71.71
November 2023	91.83	89.31	86.25	94.31	81.64	78.53
October 2023	95.30	90.03	83.90	95.80	86.97	81.50
September 2023	95.09	91.82	86.12	93.72	85.59	82.23
August 2023	94.08	93.83	88.58	96.46	88.08	85.28
July 2023	93.19	92.06	87.94	95.19	85.78	87.47
June 2023	95.75	92.38	88.72	96.81	87.55	87.27

Source: SVWeb.

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Why Did it Occur

Scans were not being performed consistently due to a lack of management oversight. Specifically, management stated the managers of distribution operations haven't focused on monitoring scanning compliance because they have been focused on improving mail clearance and timely dispatch of mail. Further, there was only one transportation supervisor responsible for monitoring scanning at the facilities from Tuesday through Friday, and there was no expeditor in one area of the MPA dock to scan collection mail. Management also stated there was a shortage of scanners for expeditors at both facilities that contributed to the inconsistent scanning. The processing support manager stated they recently ordered 20 new scanners for both facilities.

What Should Have Happened

Postal Service policy[22] states that employees are required to perform outbound and inbound scans of containers and trailers to ensure 100 percent mail visibility.

Effect on the Postal Service and Its Customers

Low scanning compliance contributes to inaccurate utilization data, missent mail, and operational inefficiencies. Management uses scanning data to streamline outbound container operations, enhance dispatch quality, and increase efficiency in the use of transportation containers and trailers. When scans are not made, management may not have the information needed to make accurate operational decisions.

Recommendation #6

We recommend the **Gulf Atlantic Division Director, Processing Operations,** coordinate with the **Gulf Atlantic Division Director, Logistics Operations,** to develop and implement a plan to verify scanning at the Birmingham Processing and Distribution Center and Mail Processing Annex is consistently completed in accordance with policy.

Postal Service Response

The Postal Service generally agreed with this finding and the associated recommendation. Management will train all employees with scanning responsibilities on proper scanning procedures and conduct reviews to monitor for compliance. The target implementation date is November 30, 2024.

OIG Evaluation

The OIG considers management's comments responsive to the recommendation.

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22 *Surface Visibility Program User* booklet, updated January 10, 2023.

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Finding #5: Safety and Security

What We Found

During our site observations, we observed several safety and security issues at the P&DC and MPA. Specifically, we observed the following:

- Trailers at both facilities were parked at the docks without wheel chocks placed next to the tire to prevent them from rolling away (see Figure 4).

- Drivers at both facilities were not always securing trailer doors when departing from the facilities (see Figure 5).

- An emergency exit door on the dock at the MPA was propped open, allowing drivers access to the building without badge swiping (see Figure 6).

- Some fire extinguishers at both facilities were missing monthly and annual inspections.
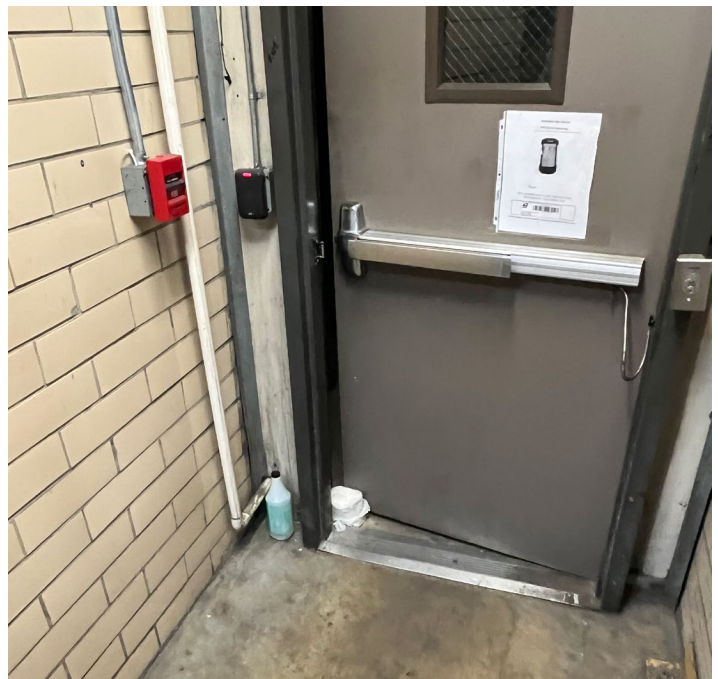
Figure 5. Unsecured/Open Doors on Trailers Departing Dock

Source: OIG photos taken on July 9 and 11, 2024.

Figure 4. Trailer Without Wheel Chocks

Source: OIG photo taken on July 10, 2024.

Figure 6. MPA Emergency Door Propped Open

Source: OIG photo taken July 9, 2024.

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Why Did it Occur

The inconsistent use of wheel chocks and locks were due to a lack of management oversight. We determined that dock employees were not monitoring the use of wheel chocks and padlocks on trailers, and the plant manager was unaware the policies were not being followed.

Regarding the fire extinguisher inspections, the maintenance manager explained that employees sometimes purposefully remove the annual inspection tags. The plant manager was also unaware of the door propped open in the MPA and explained that the dock supervisor should have been monitoring the door.

What Should Have Happened

The Postal Service must preserve the security of the mail and ensure drivers comply with security policies regarding the transportation of mail in trailers. Postal Service policy[23] states that all doors to the cargo compartment must be equipped with locks and kept locked while en route. Additionally, Postal Service policy[24] states that PVS drivers must prevent trailers from rolling away from docks by using wheel chocks. Further, Postal Service policy states that door locks must not be disabled or doors propped open.[25] In addition, the Occupational Safety and Health Administration (OSHA) requires employers to provide a safe and healthy workplace free of recognized hazards.[26]

Effect on the Postal Service and Its Customers

When employees do not observe safe working practices and safety rules, there is an increased risk of employee accidents and injuries. Also, when the Postal Service does not preserve and protect the security of the mail in its custody, there is an increased risk of unauthorized opening, reading, tampering, delaying, or committing other unauthorized acts with sealed mail and packages.

Management Actions

During our audit, management provided supporting documentation for installation of new fire extinguishers and updated inspections; therefore, we are not making a recommendation for this issue.

Recommendation #7

We recommend the **Gulf Atlantic Division Director, Logistics Operations**, reiterate policy and verify all drivers are using wheel chocks and trailer door locks at the Birmingham Processing and Distribution Center and Mail Processing Annex.

Recommendation #8

We recommend the **Gulf Atlantic Division Director, Processing Operations,** coordinate with the **Gulf Atlantic Division Director, Logistics Operations,** to communicate policy and verify facility doors are secured at the Birmingham Processing and Distribution Center and Mail Processing Annex.

Postal Service Response

The Postal Service generally agreed with this finding and the associated recommendations. Regarding recommendation 7, management stated they provided training to all PVS drivers to reiterate mail transportation safety and security policies and will conduct reviews to monitor compliance. For recommendation 8, management stated they provided training to employees related to security policies and are conducting reviews to monitor compliance. The target implementation date for both recommendations is October 31, 2024.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations.

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23 Postal Operations Manual Issue 9, *Sealing Program and Procedures,* Section 476.2, Item H, updated November 30, 2023, and Handbook PO-515, *Highway Contractor Safety*, Section 448.2, dated July 2010.
24 Handbook EL-803, *Maintenance Employee's Guide to Safety*, Section 1, subsection C dated July 2020.
25 Handbook EL-801, *Supervisor's Safety Handbook*, Section 8-16, dated July 2020.
26 Occupational Safety and Health Act of 1970 and *Postal Service Handbook* EL-801, *Supervisor's Safety Handbook.*

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Appendix A: Additional Information

We conducted this audit from June 2024 through August 2024, 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 August 22, 2024, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the mail processing operations internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective:

- Control Activities
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to control activities, information and communication, and monitoring that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of Web End of Run,[27] MCV, and SVWeb data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

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27 Web End of Run is a web-based application used in collecting operational data from automated and mechanized mail processing equipment.

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Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

August 30, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL. (Report Number 24-129-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings contained in the draft audit report *Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex.*

Management generally agrees with the findings related to clearance times, delayed mail, late, canceled, and extra outbound trips, scan compliance, and safety and security issues.

Following are our comments on each of the eight recommendations.

Recommendation 1: We recommend the Gulf Atlantic Division Director, Processing Operations, provide training to supervisors on the proper use of the Low-Cost Universal Sorter and monitor for compliance.

Management Response/Action Plan: Management agrees with this recommendation.

Management will provide training to non-bargaining employees on the proper way to end the run on the Low-Cost Sorter and will conduct reviews to monitor compliance.

Target Implementation Date: 10/31/2024

Responsible Official:
Gulf Atlantic Division Director, Processing

Recommendation 2: We recommend the Gulf Atlantic Division Director, Processing Operations, implement procedures at the Birmingham Processing and Distribution Center to verify that mail arriving at the manual letter operations unit does not contain mail that could be processed on automated equipment.

Management Response/Action Plan: Management agrees with this recommendation.

Standard Work Instructions and Stand-Up Talks were given to employees on proper procedures for verifying machinable mail is processed on automated equipment. Management will continue to conduct reviews to monitor compliance.

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Target Implementation Date: 10/31/2024

Responsible Official:
Gulf Atlantic Division Director, Processing

Recommendation 3: We recommend the Gulf Atlantic Division Director, Processing Operations, verify supervisors at the Birmingham Mail Processing Annex are trained on proper mail flow procedures in processing operations and these procedures are followed.

Management Response/Action Plan: Management agrees with this recommendation.

Management will provide training to non-bargaining employees on proper mail flow procedures in processing operations. Additionally, reviews will be conducted to monitor for consistency and compliance.

Target Implementation Date: 11/30/2024

Responsible Official:
Gulf Atlantic Division Director, Processing

Recommendation 4: We recommend the Gulf Atlantic Division Director, Processing Operations, verify employees responsible for reporting delayed mail at the Birmingham Processing and Distribution Center are trained on proper reporting procedures and delayed mail is accurately reported in the Mail Condition Visualization System.

Management Response/Action Plan: Management agrees with this recommendation.

Training was provided to all In-plant Support staff on proper procedures for reporting delayed mail in the Mail Condition Visualization system. Management will conduct reviews to monitor compliance.

Target Implementation Date: 10/30/2024

Responsible Official:
Gulf Atlantic Division Director, Processing

Recommendation 5: We recommend the Gulf Atlantic Division Director, Logistics Operations, verify appropriate transportation schedule changes are implemented based on the review performed in March 2024 at the Birmingham Processing and Distribution Center and Mail Processing Annex to reduce dock congestion and minimize late trips.

Management Response/Action Plan: Management agrees with this recommendation.

Logistics will complete a review of all PVS schedules and, as necessary, adjust frequency, and remove excess and redundant trips.

Target Implementation Date: 1/31/2025

Responsible Official:
Gulf Atlantic Division Director, Logistics

Recommendation 6: We recommend the Gulf Atlantic Division Director, Processing Operations, coordinate with the Gulf Atlantic Division Director, Logistics Operations, to develop and implement a plan to verify scanning at the Birmingham Processing and Distribution Center and Mail Processing Annex is consistently completed in accordance with policy.

Management Response/Action Plan: Management agrees with this recommendation.

Management will conduct a stand-up talk on proper scanning procedures and share the Standard Work Instructions with all employees with scanning responsibilities. Additionally, management will conduct reviews to monitor for compliance and consistency.

Target Implementation Date: 11/30/2024

Responsible Official:
Gulf Atlantic Division Directors, Processing & Logistics

Recommendation 7: We recommend the Gulf Atlantic Division Director, Logistics Operations, reiterate policy and verify all drivers are using wheel chocks and trailer door locks at the Birmingham Processing and Distribution Center and Mail Processing Annex.

Management Response/Action Plan: Management agrees with this recommendation.

Stand-Up Talks were conducted with all PVS drivers to reiterate mail transportation safety and security policies. Management will continue to conduct reviews to monitor compliance.

Target Implementation Date: 10/31/2024

Responsible Official:
Gulf Atlantic Division Director, Logistics

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Recommendation 8: We recommend the Gulf Atlantic Division Director, Processing Operations, coordinate with the Gulf Atlantic Division Director, Logistics Operations, to communicate policy and verify facility doors are secured at the Birmingham Processing and Distribution Center and Mail Processing Annex.

Management Response/Action Plan: Management agrees with this recommendation.

A Stand-Up talk was given on security policies. Gemba walks are conducted daily, on each tour to ensure exit doors are secured. Management will continue to conduct reviews to monitor compliance.

Target Implementation Date: 10/31/2024

Responsible Official:
Gulf Atlantic Division Directors, Processing & Logistics

E-SIGNED by MARK.D DAHLSTROM
on 2024-08-30 12:31:50 EDT
_____
Mark D. Dahlstrom
Sr. Division Director, Gulf Atlantic Processing Operations

E-SIGNED by William.A Rodriguez
on 2024-08-30 12:08:12 EDT
_____
William. A. Rodriguez
Division Director, Gulf Atlantic Logistics Operations

cc: Vice President, Regional Processing Operations (Eastern)
    Corporate Audit Response Management

EFFICIENCY OF OPERATIONS AT THE BIRMINGHAM PROCESSING AND DISTRIBUTION CENTER AND MAIL PROCESSING ANNEX, BIRMINGHAM, AL REPORT NUMBER 24-129-R24

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