



# OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

## City Delivery Office Efficiency- Sierra Coastal District

### Audit Report

Report Number  
DR-AR-15-010

September 1, 2015





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

## Highlights

***The Sierra Coastal District has opportunities to enhance efficiency in city delivery office operations.***

### Background

City delivery office operations cover all duties a U.S. Postal Service letter carrier performs in the office. These duties include casing mail (placing mail in delivery order), preparing parcels for delivery, and retrieving accountable items. City carriers are delivering more packages and fewer letters to more addresses each year. To accommodate these changes, the Postal Service must deliver the increased package volume while maintaining efficiency.

In 2014, Sierra Coastal District city carriers delivered over 2.1 billion mailpieces on 2,711 routes to more than 1.8 million delivery points. City delivery office workhours totaled 1,104,368 for this period.

Our objective was to assess the office efficiency of city delivery operations in the Sierra Coastal District.

### What The OIG Found

The Sierra Coastal District has opportunities to enhance efficiency in city delivery office operations. We found the Sierra Coastal District's percent to standard, a measurement used to assess office efficiency, was 117.85 percent, 12.76 percentage points above the national average of 105.09 percent. A percent to standard score greater than 100 percent indicates performance is less than the desired standard. In 2014, 46 of the Sierra Coastal District's 99 delivery

units (46 percent) used 172,601 more office workhours or about 16 more minutes of office time per day per city carrier route than necessary. We estimate these additional workhours cost over \$7.4 million in 2014.

These conditions occurred because mail sometimes arrived late and the mail mix was sometimes incorrect, or some carriers engaged in time wasting practices. Also, integrated operating plans (establishes appropriate staffing levels and carrier reporting times) were non-existent or unsigned. Finally, managers did not always enforce policies and procedures. Eliminating the extra workhours would increase overall efficiency at the delivery units and allow a onetime cost avoidance of about \$7.7 million in the following year.

We also identified inadequate safeguards over cash, money orders, and stamp stock valued at \$170,690 at seven delivery units. Management immediately initiated corrective action on these matters; therefore, we are not making a recommendation on this issue.

### What The OIG Recommended

We recommended the district manager, Sierra Coastal District, eliminate 172,601 workhours at the delivery units. We also recommended management prepare up-to-date integrated operating plans, eliminate inefficient office practices, and ensure adherence to Postal Service supervisor policies and procedures.

# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

September 1, 2015

**MEMORANDUM FOR:** KERRY L. WOLNY  
DISTRICT MANAGER, SIERRA COASTAL DISTRICT

E-Signed by Robert Batta  
VERIFY authenticity with e-Sign  
*Robert J. Batta*

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

**SUBJECT:** Audit Report – City Delivery Office Efficiency –  
Sierra Coastal District (Report Number DR-AR-15-010)

This report presents the results of our audit of the City Delivery Office Efficiency –  
Sierra Coastal District (Project Number 15XG019DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any  
questions or need additional information, please contact Rita F. Oliver, director, Delivery,  
or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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# Findings

***In 2014, 46 of the Sierra Coastal District's 99 delivery units (46 percent) used 172,601 more workhours (at a cost of \$7.4 million), or about 16 more minutes of office time per day per city carrier route than necessary.***

## Introduction

This report presents the results of our self-initiated audit of City Delivery Office Efficiency – Sierra Coastal District (Project Number 15XG019DR000). Our objective was to assess the office efficiency of city delivery operations in the Sierra Coastal District. See [Appendix A](#) for additional information about this audit.

City delivery office operations cover every duty a letter carrier performs in the office. These duties include casing<sup>1</sup> mail, preparing parcels for delivery, and retrieving accountable items. City carriers are delivering more packages and fewer letters to more addresses each year. Accommodating these changes in the delivery network requires the U.S. Postal Service to deliver the increased package volume while maintaining efficiency.

## Conclusion

The Sierra Coastal District has opportunities to enhance efficiency in city delivery office operations. We found the Sierra Coastal District's percent to standard,<sup>2</sup> a measurement used to assess office efficiency, was 117.85 percent, 12.76 percentage points above the national average of 105.09 percent. A percent to standard score greater than 100 percent indicates performance is less than the desired standard. In 2014, 46<sup>3</sup> of the Sierra Coastal District's 99 delivery units (46 percent) used 172,601 more workhours<sup>4</sup> (at a cost of \$7.4 million), or about 16<sup>5</sup> more minutes of office time per day per city carrier route than necessary.

These conditions occurred because mail sometimes arrived late, the mail mix was sometimes incorrect, or some carriers engaged in time wasting practices. Integrated operating plans (IOPs), which are used to establish appropriate staffing levels and reporting times for carriers, were unsigned or non-existent. Additionally, managers did not enforce policies and procedures. Eliminating the extra workhours would increase overall efficiency at the delivery units and allow a onetime cost avoidance of about \$7.7 million in the following year.

We also identified inadequate safeguards over cash, money orders, and stamp stock valued at \$170,690 at seven delivery units. Management immediately initiated corrective action on these matters; therefore, we are not making a recommendation on this issue.

## Office Efficiency

In 2014, Sierra Coastal District city carriers delivered over 2.1 billion mailpieces on 2,711 routes to more than 1.8 million delivery points. City delivery office workhours for this period totaled 1,104,368. The Sierra Coastal District's percent to standard was the third highest in the nation, at 117.85 percent. This was 12.76 percentage points above the national average of 105.09 percent. This variance means delivery units in the Sierra Coastal District used more office time on average than the national average (see [Table 1](#)).

<sup>1</sup> Placing mail in proper separations (wickets) in a letter or flat case.

<sup>2</sup> Percent to standard is a measure of carrier office workhours performance in relation to mail volume and delivery points. A figure of 100 percent indicates the office performs at the stated performance goal. A figure greater than 100 percent indicates the delivery unit's office performance is less than the desired standard. We did not include street efficiency in our review.

<sup>3</sup> From the 99 delivery units in the Sierra Coastal District, we identified a universe of 46 delivery units with 15 or more routes with a percent to standard higher than the national average. We selected a sample of 30 units to observe from this universe of 46.

<sup>4</sup> The amount of office time each carrier needs to complete his or her office tasks based on the carrier's workload and mail volume for that day.

<sup>5</sup> Computation was based on 10,356,068 minutes (172,601 hours above the national average percent to standard multiplied by 60 minutes per hour) divided by 2,126 routes divided by 302 annual delivery days, which equals approximately 16 minutes per route per day.

**Table 1. Top 10 District's Percent to Standard Comparison January 1, 2014 through December 31, 2014**

Top 10 Districts	Percent to Standard	<i>Mouse over a location to reveal its Percentage to Standard</i>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

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

The Sierra Coastal District could increase office efficiency and eliminate 172,601 workhours annually, saving 16 minutes on each route per day. It could do this by adjusting mail arrival times, correcting inefficient office practices, completing IOPs, and enforcing policies and procedures at delivery units. We visited 30 randomly selected city delivery units (see [Appendix B](#)) and identified instances of:

- Late mail arrival at 10 units and improper mail mix at 13 units.
- Time wasting practices by carriers at 21 units.
- Nonexistent or unsigned IOPs at 30 units.
- Managers not enforcing policies and procedures at 14 units.

**Mail Arrival**

At 10 of 30 delivery units we visited, mail did not always arrive from the processing and distribution centers on time and at 13 of 30 delivery units mail did not arrive in the correct mail mix as outlined in the IOP.<sup>6</sup> Also, we observed carriers in several units waiting for parcels to be distributed (see [Figures 1 and 2](#)).

<sup>6</sup> Delivery unit and processing plant management establish, coordinate, and update IOPs for units to receive the proper mail types at scheduled times so carriers do not have to wait for mail before departing for the street, potentially delaying their return to the office.

**The Sierra Coastal District could increase office efficiency and eliminate 172,601 workhours annually, saving 16 minutes on each route per day.**

## Figures 1 and 2. Carriers Waiting for Mail



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



Source: OIG photograph taken June 10, 2015.

The Sierra Coastal District has made some improvements in its office operations. For example, at 20 of the 30 delivery units we visited,<sup>7</sup> mail arrived on time and in some cases delivery point sequence (DPS) and Flat Sequencing System mail arrived at the unit overnight. The early arrival allowed many units to finish distributing caseable mail before carriers started their tours. This early mail arrival has enhanced efficiency in some city delivery office operations by reducing the frequency of carriers waiting for mail.

### Inefficient Office Practices

We observed city carriers at 21 of the 30 delivery units loading mail into vehicles on office time rather than clocking<sup>8</sup> to street time, talking excessively, making multiple trips away from their case and filling out Postal Service Form 3849, Delivery Notice/Reminder/Receipt in its entirety in the office. This resulted in unnecessary office time at these units. Postal Service policy<sup>9</sup> states carriers should proceed directly to their vehicles and load the mail in an orderly fashion after clocking onto street time. Postal Service

<sup>7</sup> The Sierra Coastal District has made some improvements in its office operations. Specifically, at 21 of 30 delivery units we visited, mail arrived on time: Agoura Hills Post Office (PO), Bak-Stockdale Annex (ANX), Burbank PO, Canoga Park PO, Can-West Hills Station (STA), Chatsworth PO, GLE-Grand Central STA, Northridge PO, Pismo Beach PO, Ridgecrest PO, Santa Clarita PO, Santa Maria PO, SBC-East Beach Carrier ANX, SBC-Goleta Branch, SFC-Sylmar BR, Simi Valley PO, Tujunga PO, Van-Nuys PO, Van-Panorama City BR, Visalia PO, and Woodland Hills PO.

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

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

policy<sup>10</sup> also states that carriers are to be prompt, courteous, and obliging in the performance of duties, attend quietly and diligently to work, and refrain from loud talk. In addition, Postal Service policy<sup>11</sup> states that carriers are supposed to fill out only the address on form 3849 in the office.

Additionally, in 11 of the 30 delivery units we observed, we found supervisors need to better monitor carriers' afternoon office time. We saw some carriers spending more than the allotted time<sup>12</sup> in the office after returning from their routes. Further, review of the *Route/Carrier Daily Performance/Analysis Report* showed 203 routes with zero minutes for p.m. office time. This indicates carriers were not clocking back to office time when returning to the unit in the afternoon, resulting in office operations being recorded as street time.

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

Management could not provide IOPs<sup>13</sup> or IOPs were unsigned in all of the 30 units we visited. The IOP contracts cover mail arrival from the plant and identify the mail product or class agreed to for each individual trip. The IOP is meant to stabilize mail flow and help the delivery unit establish appropriate staffing and reporting times to ensure carriers are not delayed. Sierra Coastal District management stated that they use mail arrival profiles (MAPs) for transferring mail between post offices and plants and to establish staffing levels in units. The MAP also constitutes the delivery unit's daily pattern of mail arrival by time of day and volume. The delivery unit manager or designee is responsible for maintaining a current copy of the MAP. A change in transportation schedules and/or a significant change in mail volume would require a new MAP.

### **Enforcing Policies and Procedures**

Management did not always enforce policies and procedures for supervising city delivery office operations at 14 of 30 delivery units. Specifically, some supervisors did not always set daily expectations for carrier route performance and/or did not review performance from the previous day with carriers during morning office operations. We also found some supervisors printed the required reports<sup>14</sup> but did not always discuss them with the carriers. In some instances, supervisors did not even print the reports.

Supervisors are required to discuss expectations with each carrier every day. Also, if a carrier is not meeting performance standards, a supervisor must investigate and discuss deficiencies with that carrier. All delivery service managers should develop and maintain delivery units at a high degree of efficiency and assure Postal Service standards are maintained.<sup>15</sup>

During 2014, the Sierra Coastal District used 172,601 more workhours than necessary, resulting in about \$7.4 million in questioned costs. Furthermore, increasing overall efficiency at these delivery units would allow a onetime cost avoidance of about \$7.7 million in the following year.

### **Assets at Risk**

Employees did not always properly secure and lock stamp stock inventory at seven<sup>16</sup> of the 30 locations we visited. This inventory included cash, money orders, and stamp stock worth a total of \$170,690 (see [Figures 3 and 4](#)). Physical access controls reduce

10 Handbook M-41, TL-4, Carrier Responsibilities Section 112.25.

11 Handbook M-41, Notice of Attempted Delivery Section 262.1.

12 Postal Service policy allows a standard of 5 minutes for carriers to perform afternoon office duties.

13 Sierra Coastal District management stated that they use IOPs for transferring mail from plant to plant.

14 *Field Operations Standardization Development, Morning (AM) Standard Operating Procedures (AMSOP) II Guidebook*, 2007, Section 5-7.

15 Handbook M-39, TL-13, Section 1, Administration of City Delivery Service.

16 Agoura Hills, Bakersfield-Stockdale Annex, Canoga Park, La Canada-Flintridge, Pismo Beach, San Fernando-Sylmar, and Simi Valley.



the security risk to Postal Service employees and safeguarding controls reduce the potential for loss or misappropriation of assets. We brought these issues to the attention of the station managers, who took immediate corrective action. Therefore, we are not making a recommendation on this issue.

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



Source: OIG photograph taken April 9, 2015.



Source: OIG photograph taken April 21, 2015.

# Recommendations

***We recommend management eliminate 172,601 workhours at delivery units; eliminate inefficient office practices; increase mail arrival efficiency; and ensure adherence to Postal Service policies and procedures for supervising city delivery operations at delivery units.***

We recommend the district manager, Sierra Coastal District:

1. Eliminate 172,601 workhours at delivery units.
2. Eliminate inefficient office practices such as loading vehicles on office time and excessive p.m. office time.
3. Increase mail arrival efficiency by preparing up-to-date integrated operating plans or mail arrival profiles with facility processing managers.
4. Ensure adherence to Postal Service policies and procedures for supervising city delivery operations at delivery units.

## Management's Comments

Management agreed with the findings and recommendations. However, management disagreed with amount of workhour savings. Management questioned workhour savings in office operations associated with unnecessary loading vehicles. Management stated since the activity of loading on office time is necessary and the amount of time spent on this activity was not quantified, it is impossible to provide an accurate estimate of real potential savings.

In response to recommendation 1, management agreed with the need to save workhours. Management stated they have taken several actions to date to improve office performance. These actions include (1) reviewing all MAPS/IOP and matching staffing to workload arrival times, (2) taking advantage of Network Rationalization to move some workload into the prior evening, (3) creating Lean Six Sigma project to improve Special Purpose Route handling by clerks/carriers in office, (4) and continually matching carrier start times to planned Function 4 distribution complete times. Management stated that the Sierra Coastal District saved 31,215 office hours as compared to the same period last year as of August 2015.

In response to recommendation 2, management agreed to eliminate inefficient office practices such as loading on office time. However they disagreed that moving load time from office to a street function, although appropriate, would not result in any net reduction to total workhours. Management stated that on August 14, 2015, they provided instructions to city delivery supervisors to review vehicle load operations to ensure loading is recorded on the appropriate operation number. Management also stated that as of August 10, 2015, Manager Post Office Operations are being sent push reports on high variance afternoon office time units. In addition, management stated that training for observing and correcting inefficient office work practices in the morning and afternoon will be completed through the Pacific Area's Delivery Symposium by September 30, 2015.

In response to recommendation 3, management agreed with the need to have MAPs/IOP agreements updated and current. Management stated all MAPs were updated in the Staffing and Scheduling Tool as of August 14, 2015 and will be signed and posted where appropriate by August 31, 2015.

In response to recommendation 4, management agreed policies and procedures need to be followed. Management stated that all city delivery supervisors will be provided refresher and new training on delivery topics during the Pacific Area's Delivery Symposium schedule for September 30, 2015.

See [Appendix C](#) for management's comments, in their entirety.

## Evaluation of Management's Comments

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

In regards to management's statement that it is impossible to provide an accurate estimate of real potential savings related to office hours, the OIG believes workhours in excess of the national percent to standard represent a real opportunity for workhour savings. The Sierra Coastal District exceeded the national percent to standard by 12.76 percentage points which equals about 172,601 workhours. The workhour savings is based on the following computation (see Table 2).

**Table 2. Sierra Coastal District's Percent to Standard Comparison January 1, 2014 through December 31, 2014**

	Percent to Standard Percentage points	Workhours
National	105.90	931,767
Sierra Coastal	117.85	1,104,368
Above the National Average	12.76	172,601 <sup>17</sup>

Source: EDW.

Also, management states loading the vehicles is a necessary activity in the total workhours for the day and that moving load time to the street function will not result in net reduction of workhours. While we agree loading the vehicle is a necessary activity, Postal Service policy requires vehicles be loaded on street time<sup>18</sup> and allows time for carriers to load vehicles as a function of street time. Loading the vehicle on office time results in vehicle loading time being allocated to both office and street times. Loading the vehicle on street time as required will reduce office workhours and result in a lower percent standard which measure office efficiency.

The OIG considers recommendation 1 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. This recommendation should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

<sup>17</sup> Computation was based on 172,601 hours above the national average percent to standard multiplied by 60 minutes per hour which equaled 10,356,068 minutes, divided by 2,126 routes, divided by 302 annual delivery days, which equals approximately 16 minutes per route per day.

<sup>18</sup> Handbook M-39, *Management of Delivery Services*, March 1998, Section 125.1.

# Appendices

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## Appendix A: Additional Information

### Background

City delivery office operations cover every duty a letter carrier performs in the office. These duties include casing mail, preparing parcels for delivery, and retrieving accountable items. City carriers are delivering more packages, and fewer letters, to a growing number of addresses that are added to the delivery network each year. Accommodating this new growth requires the Postal Service to deliver the increased package volume while maintaining efficiency.

### Objective, Scope, and Methodology

Our objective was to assess the office efficiency of city delivery operations in the Sierra Coastal District. To accomplish our objective, we:

- Ranked each of the seven areas from highest to lowest in terms of percent to standard from January 1, 2014 through December 31, 2014. We used the EDW<sup>19</sup> national percent to standard measurement of 105.09 percent as a baseline guide.
- Selected the Pacific Area and, within that area, selected the Sierra Coastal District for review because it had the third highest percent to standard in the nation<sup>20</sup> at 117.85, compared with the national average of 105.09 percent.
- Analyzed the percent to standard for 99 delivery units in the Sierra Coastal District and identified a universe of 46 delivery units with 15 or more routes with a percent to standard higher than the national average of 105.09 percent. We randomly selected a sample of 30 units from this universe of 46 to conduct onsite observations of city delivery office operations.
- Obtained, reviewed, and analyzed city delivery unit data from EDW for all city carrier routes.
- Conducted interviews on-site and obtained information on city carrier office operations, unit operations, processes, and procedures.
- Reviewed documentation and applicable policies and procedures for city delivery and Postal Service Handbooks M-39<sup>21</sup> and M-41.<sup>22</sup>

We conducted this performance audit from March through August 2015, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 6, 2015 and included their comments where appropriate.

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<sup>19</sup> The repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

<sup>20</sup> We selected the Sierra Coastal District over the top two districts because we were conducting city office efficiency audits in the Greater Boston and Connecticut Valley Districts.

<sup>21</sup> Handbook M-39, *Management of Delivery Services*, March 1998 – updated March 2004.

<sup>22</sup> Handbook M-41, *City Delivery Carriers Duties and Responsibilities*, March 1998 – updated April 2001.

We relied on data primarily from EDW. We obtained data from January 1, 2014, through December 31, 2014. We did not directly audit the systems, but performed a limited data integrity review to support our data reliance. We assessed the reliability of systems' data by reviewing existing information about the data and the systems that produce them and interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

## Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>City Delivery Office Efficiency – Greater Boston District</i>	<a href="#">DR-AR-15-007</a>	5/28/2015	\$24,698,590
<p><b>Report Results:</b> The Greater Boston District has opportunities to enhance efficiency in city delivery operations. We found that 68 of 183 delivery units (37 percent) used 265,462 more workhours than projected. These conditions occurred because of late mail arrival, time-wasting practices of carriers, and improperly staged DPS letters. We also found outdated or non-existent IOPs, and managers not always enforcing policies and procedures. Eliminating these workhours would increase overall efficiency at delivery units and allow an additional onetime cost avoidance of about \$12.3 million. Management agreed with our findings and recommendations but not the monetary impact.</p>			
<i>City Delivery Efficiency – South Florida District</i>	<a href="#">DR-AR-14-004</a>	3/4/2014	\$30,587,250
<p><b>Report Results:</b> The South Florida District has opportunities to enhance efficiency in city delivery operations. We found that 83 of 112 delivery units (74 percent) used 374,982 more workhours than projected. This occurred because management did not always enforce policies and procedures for supervising city delivery operations. Also, office and street supervision was inconsistent at the delivery units, allowing for some inefficiency in operations. We identified the potential to eliminate 374,982 workhours through improved supervision and other efforts. Management agreed with our findings and recommendations.</p>			
<i>City Delivery Operations – Lancaster Carrier Annex</i>	<a href="#">DR-MA-12-003</a>	9/28/2012	\$1,900,064
<p><b>Report Results:</b> The Lancaster Carrier Annex could improve city delivery efficiency by eliminating 12,339 workhours annually. We determined it did not always enforce policy and procedures, use Global Positioning System equipment to track route time, and monitor the low supervisor-to-employee ratio in the delivery units. Management agreed with our findings, recommendations, and monetary impact.</p>			
<i>City Delivery Operations – Brick Main Post Office</i>	<a href="#">DR-MA-12-004</a>	9/27/2012	\$1,228,120
<p><b>Report Results:</b> The Brick Main Post Office has opportunities to enhance city letter carrier efficiency and eliminate 7,744 workhours annually. Management did not always reinforce Postal Service policies and procedures for supervising city delivery operations or ensure carriers used efficient office and street practices. Also, management did not have automated vehicle tracking technology to assist in more effective street supervision. Management agreed, or agreed in principle, with the findings, recommendations, and monetary impact.</p>			

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

	<b>DELIVERY UNITS</b>	<b>PERCENT TO STANDARD</b>	<b>NUMBER OF CITY ROUTES</b>
1	WOODLAND HILLS, MPO	154.09%	75
2	ARCADIA	151.94%	55
3	SANTA CLARITA MAIN POST OFFICE	148.05%	66
4	GLENDALE, MAIN OFFICE	142.55%	28
5	NORTHRIDGE, MAIN POST OFFICE	141.67%	53
6	CANOGA PARK, WEST HILLS BRANCH	134.01%	19
7	LA CANADA	132.81%	19
8	TUJUNGA	131.26%	15
9	BURBANK, MAIN POST OFFICE	131.23%	106
10	AGOURA HILLS, MAIN POST OFFICE	130.99%	25
11	CHATSWORTH, MAIN POST OFFICE	130.51%	29
12	GLENDALE, GRAND CENTRAL STA	126.11%	30
13	SIMI VALLEY, MT MCCOY STATION	124.25%	33
14	PALMDALE, MAIN POST OFFICE	123.40%	50
15	TARZANA, MAIN POST OFFICE	122.59%	19
16	RIDGECREST, MAIN POST OFFICE	122.49%	17
17	OXNARD, MAIN POST OFFICE	120.08%	85
18	CANOGA PARK, MAIN POST OFFICE	118.73%	56
19	RESEDA, MAIN POST OFFICE	117.35%	37
20	VAN NUYS, ENCINO STATION	117.02%	38
21	SANTA MARIA, MAIN POST OFFICE	115.22%	54
22	VAN NUYS, MAIN POST OFFICE	114.80%	84
23	SIMI VALLEY, MAIN POST OFFICE	114.48%	21
24	SAN FERNANDO, SYLMAR BRANCH	112.82%	57
25	SANTA BARBARA, GOLETA STATION	112.77%	44
26	SANTA BARBARA, EAST BEACH STA	111.32%	33
27	PISMO BEACH, MAIN POST OFFICE	109.84%	27
28	BAKERSFIELD STOCKDALE, STATION	107.08%	24
29	VISALIA, LOVER'S LANE	106.95%	16
30	VAN NUYS, PANORAMA CITY STATION	106.49%	24

Source: Postal Service EDW System for 2014.

## Appendix C: Management's Comments

DISTRICT MANAGER  
SIERRA COASTAL DISTRICT



August 19, 2015

MEMORANDUM FOR: Lori Lau Dillard  
Director, Audit Operations  
USPS OIG

SUBJECT: Draft Audit Report Response – City Delivery Office Efficiency  
Sierra Coastal District (Report # DR-AR-15-DRAFT)

This memorandum serves as Sierra Coastal District's responses to recommendations in the Draft Audit Report referenced above.

Recommendation #1: We agree that the reduction of office workhours is necessary, but we disagree with the amount of 172,601 hours identified in the OIG report due to its inclusion of workhours identified as unnecessary in the office operation/LDC (loading vehicles), even though this activity is necessary in the total workhours for the day. Without quantification of the actual amount of time this improper clocking equals, it is impossible to provide an accurate estimate of the real potential savings. To improve office performance we have:

1. Reviewed all MAPS/IOP and matched F4 staffing to workload arrival times (1994).
2. Taken advantage of Network Rationalization to move some workload into the prior evening.
3. Created an LSS project to improve SPR handling by clerks/carriers in the office.
4. Continually matching carrier start times to planned F4 distribution complete times.
5. We note that Sierra Coastal has saved 31,214 office hours to SPLY YTD.

Recommendation #2: We agree that inefficient office practices, such as loading vehicles on office time, must be addressed. We disagree that moving vehicle load times to street function, while appropriate, will not result in any net reduction to total workhours in the delivery units.

1. Instructions to city delivery supervisors to review vehicle load operations to ensure this activity is recorded on the appropriate operation number were sent on 08/14/2015.
2. Training regarding observing and correcting inefficient office work practices in both the AM and PM will be completed via the Pacific Area's Delivery Symposium, to be completed by 09/30/15.
3. MPOOs are being sent push reports on high variance PM office time units, effective 08/10/15.



DRAFT AUDIT REPORT RESPONSE – City Delivery Office

Recommendation #3: We agree that MAPS/IOP need to be updated and maintained current.

1. All MAPS were completed in SST as of 8/14/2015.
2. All MAPS will be signed and posted where appropriate by 08/31/2015.

Recommendation #4: We agree that adherence to policies and procedures for supervising city delivery operations should be followed.

1. All city delivery supervisors will be provided refresher and new training on delivery topics via the Pacific Area's scheduled Delivery Symposium, to be completed by 09/30/15.



Kerry L. Wolny  
District Manager



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