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# HIGHLIGHTS

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September 28, 2012

## City Delivery Operations — Lancaster Carrier Annex

Report Number DR-MA-12-003

### **BACKGROUND:**

Delivery operations has the highest fixed cost in the U.S. Postal Service, making up more than 30 percent of the Postal Service operating expenses. City carriers used more than 349.5 million total office and street workhours in fiscal year 2011. The Flats Sequencing System is a critical component of the Postal Service's strategy to contain costs through automation of the flat mail stream. Mail sorted in walk sequence order from this system usually results in earlier departures by the carrier and reduced office time due to the reduced mail volume the carrier needs to sort.

The Lancaster Carrier Annex, Lancaster PA, is in the Central Pennsylvania District, Eastern Area, and has 109 delivery routes. The unit expended about 282,152 total office and street workhours in fiscal year 2011. In response to a request from the vice president, Eastern Area Operations, our objective was to assess the effectiveness of city delivery operations at the Lancaster Carrier Annex.

### **WHAT THE OIG FOUND:**

The Lancaster Carrier Annex has opportunities to enhance city delivery efficiency and reduce 12,339 workhours annually. This condition occurred

because management did not reinforce Postal Service policies and procedures for supervising city delivery operations, consistently using available vehicle tracking technology such as Global Positioning Systems to track route time and ensuring carriers use efficient office and street practices. Also, we noted a low supervisor-to-employee ratio as a contributing factor. Enhanced city delivery supervision and carrier practices could result in annualized workhour savings of over \$515,800.

### **WHAT THE OIG RECOMMENDED:**

We recommended the vice president, Eastern Area Operations, reduce workhours by 12,339 in FYs 2013 and 2014. We also recommended supervisors set expectations, discuss performance, provide daily oversight of street operations, use available vehicle tracking technology to track route time and promote positive office supervision which could help to avoid unnecessary costs. Further, we recommended reinforcing street operation policies and procedures to carriers and addressing carrier performance when it is not in accordance with established office and street delivery procedures.