OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

March 6, 2012

Oxnard, CA Processing and Distribution Facility Destinating Mail Consolidation

Report Number NO-AR-12-004

IMPACT ON:

Mail processing operations in the Sierra Coastal District of the Pacific Area.

WHY THE OIG DID THE AUDIT:

We performed this review at the request of Congresswoman Lois Capps (23rd Congressional District, CA) to review the consolidation of destinating mail processing operations from the Oxnard, CA Processing and Distribution Facility (P&DF) into the Santa Barbara, CA Processing and Distribution Center (P&DC). The objectives were to determine whether a business case existed to support the consolidation and to assess compliance with established area mail processing (AMP) guidelines.

WHAT THE OIG FOUND:

A business case exists to support the consolidation which should produce a cost savings of about $2.6 million the first year and $3.1 million in subsequent years. Our analysis showed that (1) adequate machine capacity exists at the Santa Barbara P&DC, (2) customer service and 24-hour clock indicators showed both positive and negative impacts, (3) delayed mail initially increased following the consolidation but has since returned to pre-consolidation levels, (4) Oxnard P&DF employees were reassigned to other positions, (5) efficiency improved after the consolidation, and (6) the U.S. Postal Service generally followed established AMP policies and guidelines. We also found Santa Barbara P&DC needed to hire more staff.

WHAT THE OIG RECOMMENDED:

We recommended the vice president, Pacific Area, instruct the Sierra Coastal District manager to: (1) continue to monitor customer service measurement systems, 24-hour clock indicators, and delayed mail to ensure mail is processed and dispatched timely; and (2) ensure appropriate staffing levels are achieved to timely process mail at the Santa Barbara P&DC. Since management generally followed established AMP polices and guidelines, we made no recommendation.

WHAT MANAGEMENT SAID:

Management agreed with the finding that a business case existed to support the consolidation. Management agreed with our recommendations to monitor customer service measurement, 24-hour clock indicators, delayed mail, and staffing levels to ensure mail is processed timely.

AUDITORS' COMMENTS:

The U.S. Postal Service Office of the Inspector General considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.