



Office of Inspector General | United States Postal Service

Audit Report

Property Condition Review – San Francisco, CA Processing and Distribution Center

Report Number 21-158-R22 | October 27, 2021



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Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 27, 2021

MEMORANDUM FOR: JOHN J. DIPERI
SENIOR DIRECTOR, PROCESSING OPERATIONS,
PACIFIC NORTHWEST DIVISION

A handwritten signature in black ink, reading "Lazerick C. Poland", is positioned below the "MEMORANDUM FOR" section.

FROM: Lazerick C. Poland
Director, Property Condition Review Team

SUBJECT: Audit Report – Property Condition Review –
San Francisco, CA Processing and Distribution Center
(Report Number 21-158-R22)

This report presents the results of our Property Condition Review at the San Francisco, CA Processing and Distribution Center.

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

Attachment

cc: Postmaster General
Corporate Audit Response Management
Chief Logistics and Processing Operations Officer and Executive Vice President
Vice President, Processing and Maintenance Operations
Vice President, Regional Processing Operations, Western
Vice President, Facilities
Senior Plant Manager, San Francisco Processing and Distribution Center

Results

Background

This report presents the results of our self-initiated audit of property conditions at the San Francisco, CA Processing and Distribution Center (P&DC) in the Western Region (Project Number 21-158). The U.S. Postal Service has over 200 mail processing facilities¹ nationwide. This audit was designed to provide Postal Service management with timely information on potential risks related to property conditions. The Postal Service is required to maintain a safe and healthy environment for both employees and customers in accordance with its internal policies and procedures² and Occupational Safety and Health Administration (OSHA)³ safety laws.

The Postal Service plans to consolidate 18 mail processing facilities as part of its 10-year plan⁴ to achieve financial sustainability and service excellence. The San Francisco P&DC is one of the facilities impacted by this plan. Mail processing operations at the North Bay P&DC in Petaluma, CA will be consolidated with the San Francisco and Oakland, CA P&DCs, generating an influx of people and machinery.

Objective, Scope, and Methodology

Our objective was to determine if Postal Service management is adhering to building maintenance, safety and security standards, and employee working condition requirements at mail processing facilities.

To accomplish our objective, we developed a checklist of requirements related to building maintenance, safety, and security. We judgmentally selected the San Francisco P&DC based on interior square footage, the number of maintenance requests, repair and maintenance spending, its proximity to the retail facilities selected for property condition reviews in the California 1 District, and its consolidation plans. In addition, we reviewed Postal Service systems to identify maintenance issues and analyzed documentation for deficiencies. We conducted

site visits from July 12-15, 2021, and performed observations, completed checklists, and briefed local management on the issues identified.

We relied on computer-generated data from the electronic Facilities Management System (eFMS). We assessed the reliability of the extracted data by reviewing the documentation and comparing it to our observations for completeness, validity, and accuracy. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this performance audit from July through October 2021 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 October 8, 2021, and included their comments where appropriate.

We found that the Postal Service should improve building maintenance, safety, and security at the San Francisco P&DC to ensure it meets prescribed standards. We identified 34 deficiencies at the facility that ranged from minor to more serious violations (see [Appendix A](#)).

Building Maintenance

We identified 16 maintenance deficiencies, including stained, broken, and missing ceiling tiles throughout the facility (see [Figure 1](#)); dirty air vents (see [Figure 2](#)); unsanitary restrooms with dirty floors, toilets, and partitions (see [Figure 3](#)); and trash and debris around the building's exterior (see [Figure 4](#)) and roof (see [Figure 5](#)).

¹ Mail processing facilities nationwide consist of P&DCs, network distribution centers, annexes, surface transfer centers, and international service centers.

² Handbook MS-47, *Facility Cleaning*, TL-5, June 27, 2014.

³ OSHA Act of 1970 and Handbook EL-801, *Supervisor's Safety Handbook*, Section 1-1, July 2020.

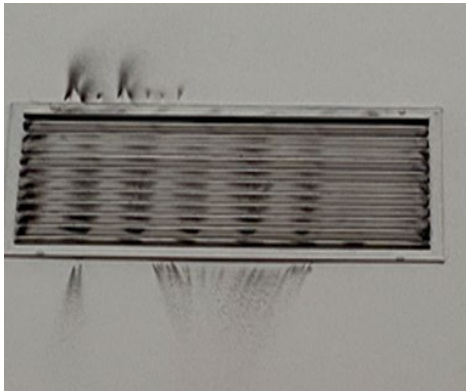
⁴ U.S. Postal Service 10-year Plan, *Delivering for America*, March 2021.

Figure 1. Stained, Broken, and Missing Ceiling Tiles



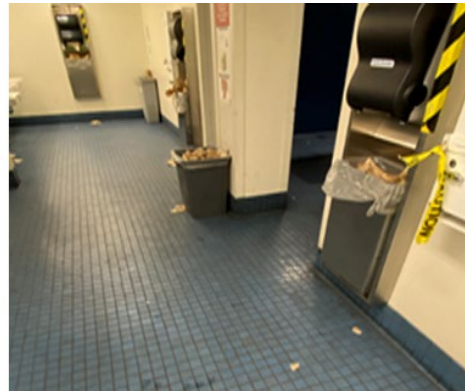
Source: U.S. Postal Service Office of Inspector General (OIG) photos taken July 12, 2021.

Figure 2. Dirty Air Vent



Source: OIG photo taken July 13, 2021.

Figure 3. Unsanitary Restroom



Source: OIG photo taken July 13, 2021.

Figure 4. Trash Around Exterior



Source: OIG photo taken July 12, 2021.

Figure 5. Trash and Debris on Roof



Source: OIG photo taken July 15, 2021.

We also identified the following deficiencies:

- Dirty floors, walls with holes, cobwebs, and dirt throughout the facility.
- Restrooms with inoperable sinks, non-functioning toilets, and clogged floor drains.
- Overhead pipes in the Registry area with peeling paint.
- Parking lots with overgrown trees and shrubbery, potholes, and parking strips that need repainting.

Furthermore, we identified maintenance issues on the roof and in the dock areas. On the roof, we found holes in rubber control joints, rusted air handler supply pipes with missing and exposed insulation, and a ventilator fan cover that was unsecured and missing bolts. In the dock areas, we found holes and cracks in the truck apron area asphalt, a loose dock bumper, yellow guard rails needing paint, and signs identifying the location of fire extinguisher hanging loosely on the walls of the dock.

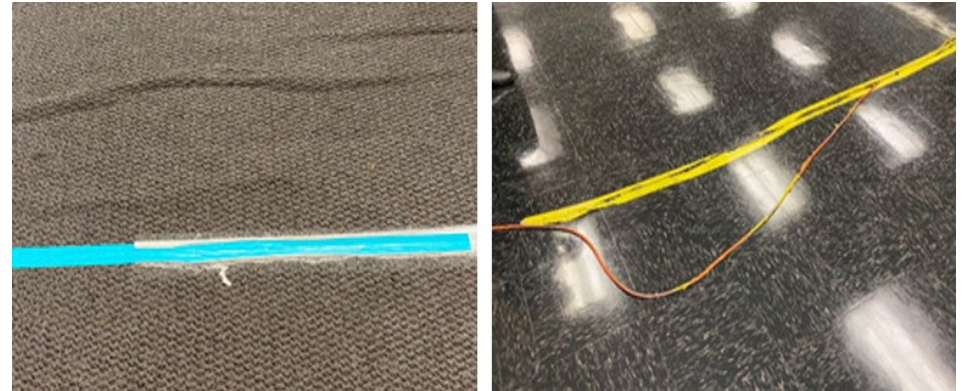
Building Safety

We identified 17 safety deficiencies at the San Francisco P&DC, including potential trip hazards, such as loose carpet and unsecured cords (see Figure 6); blocked electrical panels; microwaves and refrigerators plugged into power strips in an unsafe manner (see Figure 7); and data ports and phone lines that were hanging, uncovered, and detached from the walls (see Figure 8).

We also identified the following deficiencies:

- Improper use of extension cords throughout the facility.
- Damaged electrical outlet.
- First-aid kits with expired contents.
- Missing light covers throughout the facility.
- Loose guard rails along the safety path in the dock area.
- Unsecured ladders in office spaces which could cause trip or fall hazards if bumped or knocked over by employees.
- Three fire extinguishers that were last inspected monthly in May 2021 and annually in September 2019.
- A trailer with broken adjustable legs being supported by pallets was not chocked. The trailer was on a lot that slopes toward the facility and was tagged in 2001 as defective.

Figure 6. Loose Carpet and Unsecured Electrical Cord



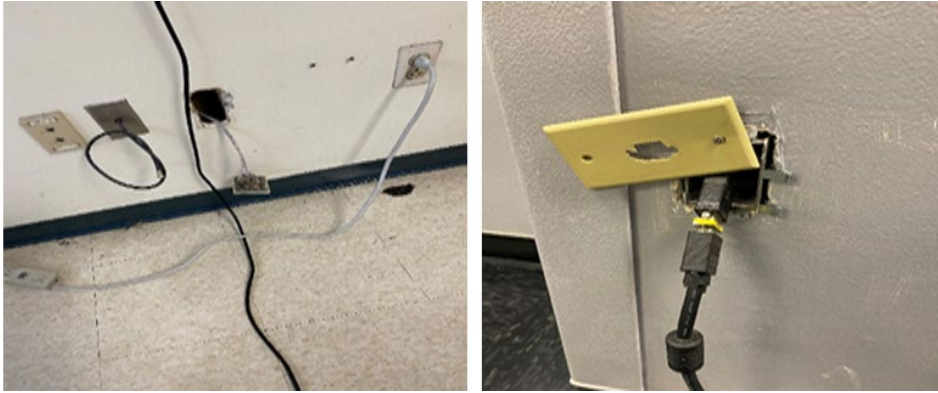
Source: OIG photos taken July 12, 2021.

Figure 7. Excessive and Unsafe Power Strip Usage



Source: OIG photos taken July 13, 2021.

Figure 8. Hanging and Uncovered Phone and Data Lines



Source: OIG photos taken July 13, 2021.

In addition, we identified safety issues on the roof and dock areas. On the roof, we found open fire vents with no fall protection and an unsecured crossover bridge with a broken step (see Figure 9). The open fire vents and unsecured crossover bridge expose employees and contractors to serious work-related injuries. In the dock areas, we found guard rails with protruding bolts and broken concrete near the safety path, creating potential trip hazards for employees and contractors (see Figure 10).

Figure 9. Open Fire Vents and Unsecured Crossover Bridge



Source: OIG photos taken July 15, 2021.

Figure 10. Protruding Bolts and Broken Concrete



Source: OIG photos taken July 14, 2021.

Building Security

We identified one security issue, which involved overgrown trees along the fence perimeter of the employee parking lot. The trees are close enough to the perimeter fence that someone could potentially climb them and jump over the fence to gain unauthorized entry to secure areas (see Figure 11). Postal Service policy states that trees should not be closer than 10 feet to a fence or building and must not provide points of unauthorized entry to the facility.⁵

Figure 11. Overgrown Trees



Source OIG photos taken July 13, 2021.

⁵ Handbook RE-5, *Building and Site Security Requirements*, Section 2-2.5, September 2009.

According to the senior maintenance manager, conditions related to building maintenance, safety, and security occurred at the San Francisco P&DC because:

- Management does not have sufficient staff to address some maintenance and safety issues. The facility currently has three custodial vacancies. In addition, building equipment mechanics and custodians assigned to the San Francisco P&DC are assisting the International Service Center in backfilling vacant positions. The maintenance manager also stated that the staff are assigned to priority projects to prepare for machine upgrades, facility consolidation, and peak season. Furthermore, custodians are usually focused on sanitizing the facility daily as positive COVID-19 cases are reported. This cleaning is being done in addition to the normal COVID-19 cleaning requirement.
- Management did not provide sufficient oversight to ensure that designing and moving workstations and cubicles prevented safety hazards such as blocking electrical panels. Workstations and cubicles were moved due to plant consolidation efforts and the need to address COVID-19 social distancing concerns.
- Management did not convey to employees how to use power strips properly and safely. The safety specialist stated that because of employees' fears of contracting COVID-19 and not wanting to use appliances in the break rooms, there has been an excessive number of microwaves and refrigerators plugged into power strips.
- Management stated the fire vents are supposed to remain closed and only open in the event of a fire. Employees manually opened the fire vents for various reasons, such as venting smells from the building or circulating the air.
- Management stated that inspection of the three fire extinguishers in the Retail Business Development office was missed due to an oversight. Furthermore, management did not prioritize fixing the inoperable restrooms.

The Postal Service is required to maintain a safe environment for employees. In addition, OSHA requires employers to provide a safe and healthful workplace free of recognized hazards. When corrective actions are not implemented or

are implemented but inadequate, maintenance and safety issues may still exist, increasing the Postal Service's exposure to OSHA fines, the risk of injury to employees, and any costs associated with injuries such as workers' compensation claims, loss of work and productivity, and lawsuits.

Management's attention to maintenance, safety, and security deficiencies can reduce these risks. We identified nine issues at the San Francisco P&DC that could potentially result in \$27,594⁶ of risk exposure.

Corrective Actions

Management at the San Francisco P&DC started implementing corrective actions during and after our site visit.

Maintenance and safety staff abated some issues by cleaning air vents, unblocking electrical panels, securing ladders, performing inspections on fire extinguishers, and removing trash and debris in and around the facility. We appreciate management's prompt attention to these matters.

Recommendation #1

We recommend the **Senior Director, Processing Operations, Pacific Northwest Division**, develop and implement an action plan, including a timeline for completing items, to address all building maintenance, safety, and security issues identified during our audit, at the San Francisco, CA, Processing & Distribution Center.

Recommendation #2

We recommend the **Senior Director, Processing Operations, Pacific Northwest Division**, direct the Safety Manager to convey to plant employees the proper and safe use of power strips and perform a routine safety inspection to ensure all appliances are plugged into the correct electrical receptacles.

Recommendation #3

We recommend the **Senior Director, Processing Operations, Pacific Northwest Division**, evaluate and mitigate safety risks associated with open fire vents.

⁶ Based on average fine amount the Postal Service paid for mail processing facilities' OSHA violations from 2018 to 2020.

Recommendation #4

We recommend the **Senior Director, Processing Operations, Pacific Northwest Division**, coordinate with the U.S. Postal Inspection Service to evaluate potential security concerns with the proximity of trees to the perimeter fence.

Management's Comments

Management agreed with the report's findings, recommendations, and other impact amount.

Regarding recommendation 1, management stated that they abated all building safety and security issues noted during the audit. They provided a checklist of completed maintenance, safety, and security items with abatement dates and FSSP problem numbers, as well as before and after pictures of abated items. Management stated that the Postal Service had abated the items by October 9, 2021.

Regarding recommendation 2, management stated that the local safety specialist would conduct semiannual building inspections, provide plant management with the findings, and set abatement timelines. Management also provided stand-up talks on Safety Compendium Electronic Appliances to all plant employees. The talks covered the proper use of power strips and the requirement that appliances be plugged directly into a wall outlet. Management had abated the issues by July 18, 2021 and completed stand-up talks by October 18, 2021.

Regarding recommendation 3, the plant manager provided stand-up talks to plant maintenance management and building staff to eliminate safety risks associated with fire vents. The directive informed staff members that smoke vents are always to remain closed and be used only in emergencies. Management gave all stand-up talks by August 6, 2021.

Regarding recommendation 4, management stated that the local facility security specialist completed the Vulnerability Risk Assessment Tool (VRAT) and provided the information to the U.S. Postal Inspection Service specialist. Management awarded a contract for abatement of security concerns related to the trees and

stated that they will complete the required yearly assessment, share the findings, and abate any issues. Management completed the VRAT on October 7, 2021.

See [Appendix B](#) 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 should have resolved the issues identified in the report.

Regarding recommendation 1, management provided a checklist and before and after pictures of abated maintenance, safety, and security issues.

Regarding recommendation 2, management abated the issues, provided before and after pictures, and conducted stand-up talks on the proper and safe use of power strips and the requirement that appliances be plugged directly into wall outlets.

Regarding recommendation 3, management provided stand-up talks to eliminate safety risks associated with fire vents.

Regarding recommendation 4, management completed the VRAT and awarded a contract for abatement of the security concerns related to the proximity of trees to the perimeter fence.

All recommendations require OIG concurrence before closure. Management provided supporting documentation of corrective actions taken for recommendations 1, 2, 3, and 4. Consequently, we consider all recommendations closed with the issuance of this report.

Appendices

Click on the appendix title below to navigate to the section content.

Appendix A: Facility Deficiency Summary 9

Appendix B: Management’s Comments 11

Appendix A: Facility Deficiency Summary

San Francisco Processing & Distribution Center		Deficiencies
Building Maintenance Issues		
1	Damaged and dirty walls	D
2	Dirty floors	D
3	Damaged/missing ceiling tiles	D
4	Plumbing issues in restrooms (inoperable sinks, non-functioning toilets, clogged floor drain)	D
5	Dirty air vents	D*
6	Peeling paint on pipes	D*
7	Holes in rubber control joints on roof	D
8	Air handler supply pipes rusted, exposed and missing insulation	D
9	Ventilator fan cover on roof missing bolts	D
10	Holes and cracks in asphalt located in the truck apron area	D
11	Yellow guard rails in dock area need repainting	D
12	Loose dock bumper	D
13	Labels identifying fire extinguisher locations hanging loosely on dock walls	D
14	Landscaping not maintained (trash and debris)	D*
15	Parking lots not maintained (potholes, parking strips need repainting)	D
16	Overgrown trees and shrubbery	D*
Building Safety Issues		
17	Trip hazards	D
18	Damaged electrical outlets	D
19	Blocked electrical panel	D*

San Francisco Processing & Distribution Center		Deficiencies
20	Unsecured ladders	D*
21	Missing light covers	D*
22	Fire extinguishers not inspected monthly	D*
23	Fire extinguishers not inspected yearly	D*
24	Unsecured crossover bridge on roof	D
25	No fall protection system for open fire vents	D
26	Improper use of extension cords	D
27	Unsafe use of power strips	D
28	Uncovered, detached, and hanging data ports and phone lines	D
29	Loose guard railings in dock area	D*
30	Broken concrete near safety path in dock area	D
31	Bolts in guard railings in dock area protrude out	D*
32	Expired contents in first aid kits	D*
33	Defective equipment not removed from facility	D
Building Security Issues		
34	Overgrown trees in close proximity of the fence	D
Total Deficiencies		34

Source: OIG analysis based on plant review. D – Deficiency; D* – Corrected Deficiency

Appendix B: Management's Comments

Senior Director
Processing Operations
Pacific Northwest Division



Joseph Wolski
Director, Audit Operations

Subject: Property Condition Review – San Francisco, CA (Project Number 21-158)

A review conducted by the Office of Inspector General (OIG) on the property conditions at the San Francisco Processing Distribution Center (SFPDC) 1300 Evans Avenue San Francisco, CA 94188. The OIG provided recommendations based on their findings during the property condition review. **We are in agreement with the audit and monetary findings .**

A detailed review of the OIG report was performed, below are the responses, with specific tasks and abatement actions to be performed, we are in agreement with the recommendations and we have abated the issues.

Recommendation #1:

We recommend the Senior Director, Processing Operations, Pacific Northwest Division, develop and implement an action plan including a timeline for completing items, to address all building maintenance, safety and security issues identified during our audit, at San Francisco, CA, Processing & Distribution Center.

Management Response/Action Plan:

We are in agreement with recommendation. SFPDC Maintenance and National Facilities completed and abated all building, safety and security issues recorded during the audit. Please reference attachment #1 checklist, which includes abatement dates and FSSP problem numbers, attachment #2 includes pictures.

Target Implementation Date:

Issues were abated between 7/15/2021 through 10/09/21

Responsible Official:

Maintenance Manager

Recommendation #2:

We recommend the Senior Director, Processing Operations, Pacific Northwest Division, direct the Safety Manager to convey to plant employees the proper and safe use of power strips and perform a routine safety inspection to ensure all appliances are plugged into correct electrical receptacles.

Management Response/Action Plan:

We are in agreement with recommendation. Local Safety Specialist is scheduled to conduct semi-annual building inspections and provide audit findings with Plant Management and set abatement timelines. Attachment #4 Stand-Up Talk on Safety Compendium Electronic Appliance from Plant Manager to all plant employees.

Target Implementation Date:

Issues were abated between 7/15/21 through 7/18/2021
Stand Up Talks were conducted 10/15/2021 through 10/18/21.

Responsible Official:

Maintenance Manager
Safety Manager

Recommendation #3:

We recommend the Senior Director, Processing Operations, Pacific Northwest Division, evaluate and mitigate the safety risks associated with open fire vents.

Management Response/Action Plan:

We are in agreement with recommendation. Attachment #5 Stand-Up Talk/Directive from Plant Manager to Plant Maintenance Management and Building Staff was provided to eliminate the safety risks associated with fire vents.

Target Implementation Date:

Stand up talks were conducted between 7/18/2021 through 8/6/21

Responsible Official:

Maintenance Manager

Recommendation #4:

We recommend the Senior Director, Processing Operations, Pacific Northwest Division, coordinate with United States Postal Inspection Service (USPIS) to evaluate the potential security concerns with the proximity of the trees to the perimeter fence.

Management Response/Action Plan:

We are in agreement with recommendation. Local Facility Security Specialist completed the Vulnerable Risk Assessment Tool (VRAT) and provided information to the United States Postal Inspection Service Specialist. A contract was awarded for abatement of the security concerns related to trees.

Target Implementation Date:

Conducted the Vulnerable Risk Assessment Tool on 10/7/21 and provided a copy to United States Postal Inspection Service Specialist. We will complete the required yearly assessment, share findings and abate issues. A copy will be provided to USPIS Specialist .

Responsible Official:

SF P&DC Plant Manager
Maintenance Manager
SF P&DC Local Security Specialist



John DiPeri
Senior Director
Processing Operations
Pacific Northwest Division

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