



Office of Inspector General | United States Postal Service

## Audit Report

# Efficiency of Operations at the Portland, OR, Processing and Distribution Center

Report Number 22-028-R22 | February 22, 2022



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# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

February 22, 2022

**MEMORANDUM FOR:** MARC E. KERSEY  
PACIFIC NORTHWEST DIVISION DIRECTOR,  
LOGISTICS OPERATIONS

A handwritten signature in cursive script that reads "Lazerick C. Poland".

**FROM:** Lazerick Poland  
Director, Field Operations

**SUBJECT:** Audit Report - Efficiency of Operations at the Portland, OR,  
Processing and Distribution Center  
(Report Number 22-028-R22)

This report presents the results of our audit of the Efficiency of Operations at the Portland, OR, 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 Jennifer Schneider, Operational Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Chief Logistics and Processing Operations Officer and Executive Vice President  
Vice President, Processing and Maintenance Operations  
Vice President, Logistics  
Vice President, Regional Processing Operations Western  
Director, Western Region Processing Operations  
Corporate Audit Response Management

# Results

## Background

This report presents the results of our self-initiated audit of Efficiency of Operations at the Portland Processing and Distribution Center (P&DC) in Portland, OR (Project Number 22-028). We conducted this audit to provide U.S. Postal Service management with timely information on operational risks at this P&DC. The Portland P&DC is in the Pacific Northwest Division and processes letters, flats, and parcels; and it services multiple 3-digit ZIP Codes in urban and rural communities (see Table 1). We judgmentally selected the Portland P&DC based on overtime, penalty overtime, and late and extra trips by Postal Vehicle Service (PVS)<sup>1</sup> and Highway Contract Route (HCR)<sup>2</sup> drivers.

**Table 1. Population Demographics**

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
970-978	3,829,947	419,164	4,249,111
986	578,567	94,140	672,707
<b>Total</b>	<b>4,408,514</b>	<b>513,304</b>	<b>4,921,818</b>

Source: Esri and 2010 Census Bureau Information.

## Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Portland P&DC. To accomplish our objective, we focused on these five audit areas: mail clearance times,<sup>3</sup> delayed mail, late and extra outbound trips, load scans, and trailer utilization. Specifically, we analyzed the Portland P&DC's Enterprise Data Warehouse<sup>4</sup> data for workhours, overtime, and penalty overtime for fiscal year (FY) 2021. We also reviewed Surface Visibility Web<sup>5</sup> (SVWeb) data for late and

- 1 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.
- 2 A contractor provided service to transport mail between postal facilities by land, air, water, and rail.
- 3 The latest time committed mail can clear an operation for proper dispatch or delivery.
- 4 A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to Enterprise Data Warehouse from transactions that occur across the mail delivery system, points-of-sale, and other sources.
- 5 A website dedicated to the Surface Visibility program, Surface Visibility Web provides real time transportation updates and reporting on the movement of trailers in the surface network. The data captured to identify early, on time, late or cancelled trips is also used to evaluate and improve transportation schedules.
- 6 The four delivery units were the Vancouver Main Post Office, Vancouver, WA (Project Number 22-032); Beaverton Post Office, Portland, OR (Project Number 22-031); Piedmont Station, Portland, OR (Project Number 22-030); and Parkrose Station, Portland, OR (Project Number 22-029).

extra trips as well as load scans and trailer utilization from November 1, 2020, to October 30, 2021. Additionally, we reviewed the P&DC's operating plan to identify mail clearance times. Furthermore, during our site visit from November 29 – December 2, 2021, we interviewed P&DC management, and observed mail processing for clearance times and delayed mail, logistics operations, and trailer utilization.

During the week of November 29, 2021, the Postal Service Office of Inspector General (OIG) also audited four delivery units<sup>6</sup> serviced by the Portland P&DC. We will provide the results of those audits to district management in separate reports.

## Results Summary

We identified deficiencies in one of the five areas we reviewed that affected the efficiency of operations at the Portland P&DC (see Table 2).

**Table 2. Summary of Results**

Audit Area	Issues Identified	
	Yes	No
Clearance Times		X
Delayed Mail		X
Late and Extra Outbound Trips	X	
Load Scans		X
Trailer Utilization		X

Source: Results of OIG review conducted the week of November 29, 2021.



For the audit areas where issues were not identified, we performed the following:

- **Clearance times** – We analyzed mail processing schedules and data to verify the plant was meeting the scheduled clearance times. During our visit, we also observed the timely processing of mail.
- **Delayed Mail** – During our observations, we did not identify any delayed mail. In addition, we reviewed the morning mail counts provided by plant personnel which confirmed these observations.
- **Load Scans** – We analyzed load scan data and observed employees scanning containers loaded onto outgoing trucks. Our observations confirmed the data reported in SVWeb was accurate.
- **Trailer Utilization** – We analyzed trailer utilization data and observed employees loading outbound trips. Our observations confirmed the data reported in SVWeb was accurate.

## Finding #1: Late and Extra Outbound Trips

### What We Found

We determined the Portland P&DC had 9,419 outbound late trips and 8,983 outbound extra trips from November 1, 2020, through October 31, 2021 (see Table 3).

**Table 3. Outbound Late and Extra Trips**

Transportation Metric	Number	Total Number of Trips	Percentage of Late/Extra Trips
Late Trips	9,419	123,718	7.6
Extra Trips	8,983	123,718	7.3

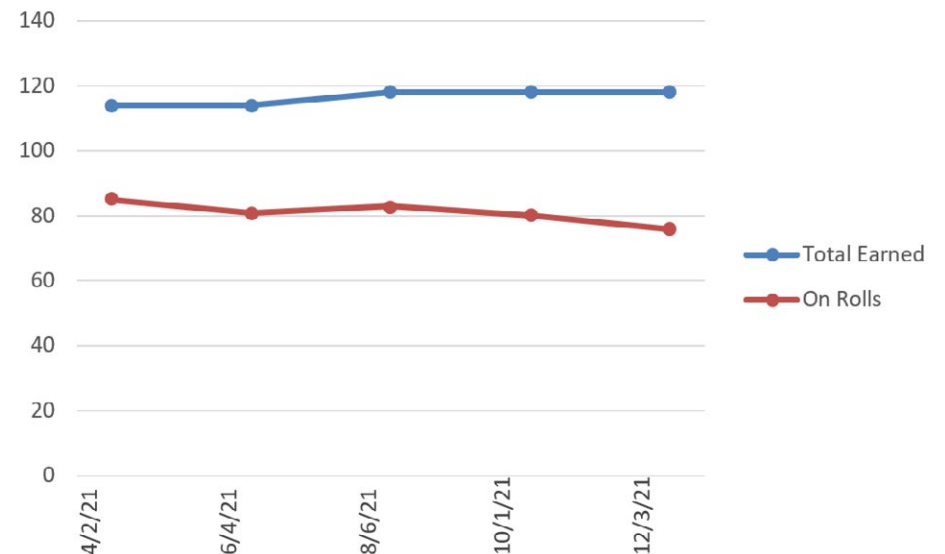
Source: Surface Visibility Web.

<sup>7</sup> The earned complement is based on the optimization of PVS trips and approved by Headquarters Surface Transportation Operations.

## Why Did it Occur

These late and extra trips were caused by vacant postal vehicle service driver positions. Management stated they redistributed the workload caused by the driver shortage to both PVS and HCR drivers. Specifically, the Portland P&DC had a total earned complement <sup>7</sup> of 118 PVS drivers during our visit. However, from April through December 2021, the number of drivers on the rolls at the Portland P&DC did not reach complement (see Figure 1).

**Figure 1. PVS Drivers Earned and on Rolls**



Source: eWorkforce.

Portland P&DC management stated they have had challenges with hiring and retaining employees because the competitive labor market has prevented local management from filling the vacancies. Specifically, other shipping companies offer higher wages and sign-on bonuses of at least \$5,000.

To address the PVS vacancy issue, management actively tried to fill vacancies at the Portland P&DC. For example, management used recruitment tools such

as sponsoring job fairs, advertising through direct mailing and social media, and assigning two employees to work specifically on hiring. Despite these initiatives, management was only able to fill two PVS vacancies in calendar year 2021.

### What Should Have Happened

Management must anticipate recruitment needs in time to ensure that qualified persons are available for appointment. When using competitive recruitment, management determines whether they need additional recruitment efforts to yield a diverse pool of qualified persons for potential Postal Service employment.<sup>8</sup>

### Effect on the Postal Service and its Customers

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

#### Recommendation #1

We recommend the **Pacific Northwest Division Director, Logistics Operations**, coordinate with **Headquarters Logistics and Human Resources**, to identify and implement additional strategies to increase the number of postal vehicle service drivers at the Portland, OR Processing and Distribution Center.

### Management's Comments

Management agreed with the finding and recommendation in the report. See [Appendix B](#) for management's comments in their entirety.

Regarding recommendation 1, management stated that they will continue to identify opportunities to recruit and retain PVS drivers and leverage strategies provided through Headquarters Logistics and Human Resources. The Portland P&DC is in the process of onboarding additional PVS drivers and will apply these strategies to fill their vacancies. Management's target implementation date is April 30, 2022.

### Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendation in the report. The recommendation requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. The recommendation should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that it can be closed.

<sup>8</sup> *Employee and Labor Relations Manual*, Section 321.1.

# Appendices

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# Appendix A: Additional Information

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We conducted this audit from November 2021 through February 2022, 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 February 8, 2022 and included their comments where appropriate.

We relied on computer-generated data from the Enterprise Data Warehouse and Surface Visibility Web. Although we did not test the validity of controls over these systems, we assessed the accuracy of the data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. Therefore, we determined the data were sufficiently reliable for the purposes of this report.



# Appendix B: Management's Comments



February 15, 2022

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Operations at the Portland, OR,  
Processing and Distribution Center (Report Number 22-028-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the finding and recommendation contained in the draft audit report, *Efficiency of Operations at the Portland, OR, Processing and Distribution Center*.

Management agrees with Finding #1 regarding late and extra outbound trips.

Recommendation [1]:

We recommend the Pacific Northwest Division Director, Logistics Operations, coordinate with Headquarters Logistics and Human Resources, to identify and implement additional strategies to increase the number of postal vehicle service driver complement at the Portland, OR Processing and Distribution Center.

Management Response/Action Plan:

Management agrees with this recommendation. Pacific Northwest Logistics Director and the Portland Transportation Manager will continue to look for opportunities to recruit and retain PVS drivers. Any strategies and tactics provided through Headquarters Logistics and Human Resources will be leveraged to support this initiative. Through application of these strategies, Portland P&DC is in the processing of onboarding additional PVS drivers and hope to continue seeing increases to complement.

Target Implementation Date: 04/30/2022

Responsible Official:

Director, Division Logistics for Pacific Northwest

A handwritten signature in black ink, appearing to read "John DiPeri".  
\_\_\_\_\_  
John DiPeri

Sr. Director, Division Processing Operations (Pacific Northwest)

cc: Manager, Corporate Audit Response Management

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