



Office of Inspector General | United States Postal Service

Audit Report

Efficiency of Operations at the Columbus OH, Processing and Distribution Center

Report Number 22-041-R22 | March 25, 2022



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Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

March 25, 2022

MEMORANDUM FOR: TODD S. HAWKINS
LAKESHORES DIVISION DIRECTOR
PROCESSING OPERATIONS

PATRICK K. IBBETSON
LAKESHORES DIVISION DIRECTOR
LOGISTICS OPERATIONS

A handwritten signature in black ink, appearing to read "Adam Bieda", is positioned above the "FROM:" field.

FROM: Adam Bieda
Director, Field Operations

SUBJECT: Audit Report – Efficiency of Operations at the Columbus OH,
Processing and Distribution Center
(Report Number 22-041-R22)

This report presents the results of our audit of the Efficiency of Operations at the Columbus, OH, 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 Latrice Pope, 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
Vice President, Logistics
Vice President, Western Region Processing Operations
Director, Lakeshores Region Logistics
Corporate Audit Response Management

Results

Background

This report presents the results of our self-initiated audit of Efficiency of Operations at the Columbus Processing and Distribution Center (P&DC) in Columbus, OH (Project Number 22-041). We conducted this audit to provide U.S. Postal Service management with timely information on operational risks at this P&DC. We judgmentally selected the Columbus P&DC based on a review of overtime, penalty overtime, cancelled trips, late trips, extra trips by Postal Vehicle Service (PVS)¹ and Highway Contract Route (HCR)² drivers, and overall scanning performance. The Columbus P&DC is in the Lakeshores Division and processes letters, flats, and parcels; and it services multiple 3-digit ZIP Codes in urban and rural communities (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
430-433	1,782,065	455,210	2,237,275
437-438	100,836	157,267	258,103
456-458	403,877	472,264	876,141
Total	2,286,778	1,084,741	3,371,519

Source: Postal Service National Labeling List, Environmental Systems Research Institute and 2010 Census Bureau information.

Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Columbus P&DC. To accomplish our objective, we focused on these four audit areas: mail clearance times,³ delayed mail, late and extra outbound trips, and load scans. Specifically, we analyzed the Columbus P&DC's Enterprise Data Warehouse (EDW)⁴ data for workhours, overtime, and penalty overtime for fiscal year (FY) 2021. Additionally, we reviewed Surface Visibility Web (SVWeb)⁵ data for late and extra trips, as well as load scans and trailer utilization for FY 2021. Further, we identified mail clearance times through interviews with Columbus P&DC management and compared them with operations shown in the Run Plan Generator report.⁶ During our site visit from January 10 – January 14, 2022, we interviewed P&DC management and observed mail processing for clearance times and delayed mail, logistics operations, and trailer utilization.

During the week of January 10, 2022, the U.S. Postal Service Office of Inspector General (OIG) also audited three delivery units⁷ serviced by the Columbus P&DC. We will provide the results of those audits to district management in separate reports.

Results Summary

We identified deficiencies for one of the four areas we reviewed that affected the efficiency of operations at the Columbus, OH, P&DC (see [Table 2](#)).

- 1 A service that Postal Service employees use 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 route of travel served by a postal contractor to carry mail in bulk over highways between designated points.
- 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 EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.
- 5 A website dedicated to the Surface Visibility program which provides real-time transportation updates and reports 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 An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.
- 7 The three delivery units were the Lewis Center Main Post Office, Lewis Center, OH (Project Number 22-042); East City Annex, Columbus, OH (Project Number 22-044); and South Columbus Station, Columbus, OH (Project Number 22-043).

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	

Source: Results of OIG review conducted the week of January 10, 2022.

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 systemic issues related to delayed mail. We reviewed the morning mail counts provided by plant personnel, which confirmed these observations.
- Late and Extra Outbound Trips – We observed departing trucks and analyzed data related to late and extra outbound trips and did not find any systemic issues.

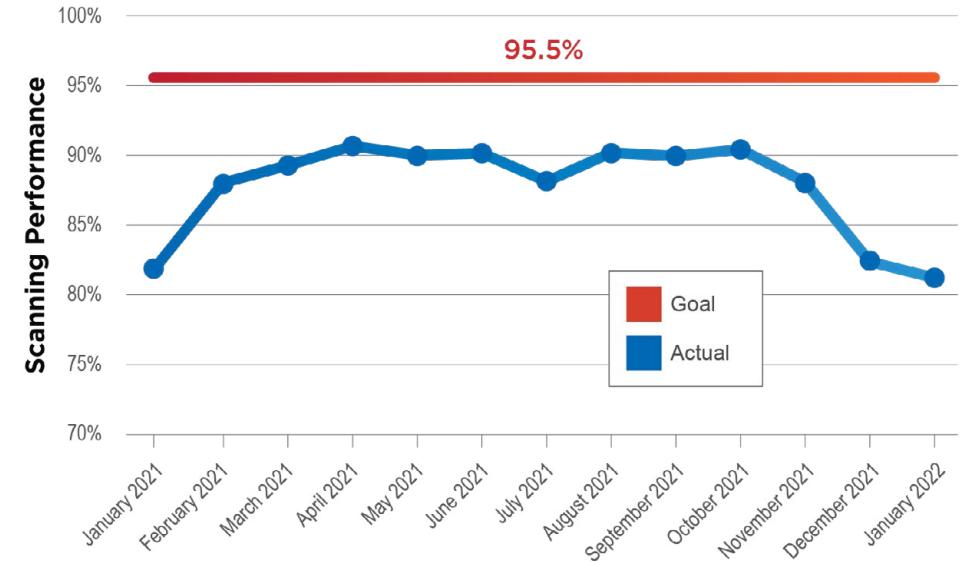
However, we found an issue with MTE, which included wheeled and cardboard MTE blocking space on the workroom floor and docks which impacted the efficiency of operations.

Finding #1: Load Scans

What We Found

Columbus P&DC employees were not performing container load scans consistently before dispatching mail to the next facility.⁸ Specifically, from January 2021 through January 2022, scanning performance for load scans at the Columbus P&DC was about 87.7 percent, which is below the Postal Service’s National Performance Assessment⁹ goal of 95.5 percent¹⁰ (see Figure 1).

Figure 1. Columbus P&DC Average Monthly Load Scan Performance from January 2021 – January 2022



Source: EDW.

⁸ Mail departing from the Columbus P&DC may be routed to a post office, station, delivery unit, or P&DC.

⁹ A web-based system that collects performance-related metrics such as on-time delivery, revenue generation, efficiency, safety, and employee satisfaction, from source systems across the organization. These metrics are translated into balanced scorecards used to monitor the entire enterprise and individual units across the nation.

¹⁰ As of February 15, 2022, the FY 2022 goal had not been released.

Why Did it Occur

Load scans were not being performed consistently because there is no local policy detailing who is responsible to oversee load scan performance at the P&DC. The Processing Operations and Logistics Operations management groups each stated that it was the other's responsibility. However, mail handlers who report to Processing Operations management were performing the load scans.

What Should Have Happened

Postal Service policy¹¹ states that management should ensure employees are scanning containers before loading them onto a trailer.

Effect on the Postal Service and its Customers

When containers do not receive a load scan, management is unable to determine trailer load utilization. According to SVWeb, the Columbus P&DC trailer utilization for network trips departing from the plant was about 44.2 percent in FY 2021, which was lower than the Postal Service's goal of 65 percent. However, due to the data integrity issues related to missing load scans, management could not rely on this data to accurately measure trailer utilization and make operational decisions.

Recommendation #1

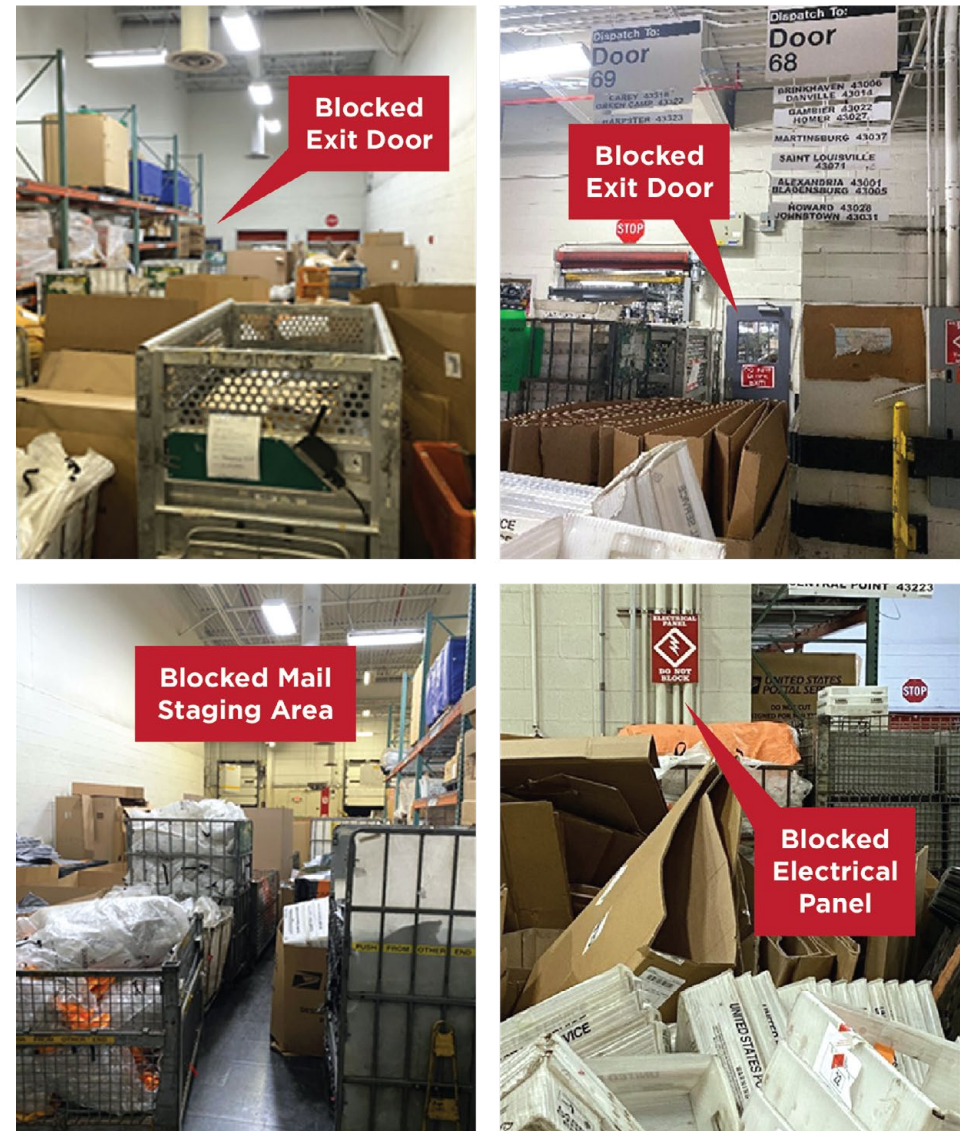
We recommend the **Lakeshores Division Director, Processing Operations** and **Lakeshores Division Director, Logistics**, develop and implement a local policy to establish responsibility for providing oversight for load scan performance.

Finding #2: Mail Transport Equipment

What We Found

During our site visit the week of January 10, 2022, we observed excess MTE blocking space on the workroom floor and dock. Specifically, we found MTE blocking exit doors, electrical panels, and mail staging areas (see Figure 2).

Figure 2. Blocked Exit Door, Electrical Panel, and Mail Staging Area



Source: OIG photos taken January 12, 2022.

¹¹ Surface Visibility Program User booklet.

Why Did it Occur

There was excess MTE throughout the plant due to inadequate management oversight. Specifically, processing management stated that there was excess MTE because there was an overflow of equipment on hand from peak season.

Additionally, logistics, processing, and maintenance management stated that employees were not correctly breaking down and stacking excess cardboard MTE in the truck trailers transporting it to a recycling center. Therefore, they could not maximize the number of cardboard containers transported to the recycling center and had to store the excess cardboard MTE throughout the plant.

What Should Have Happened

According to Postal Service policy,¹² management is responsible for controlling the inventory levels of MTE and returning any unnecessary excess MTE items to the Mail Transport Equipment Service Center.¹³ Postal Service policy also requires facilities to recycle unusable cardboard mail containers.¹⁴

Effect on the Postal Service and its Customers

The excess MTE blocked operations on the workroom floor and dock area, hindering employees' ability to stage mail efficiently. When mail cannot be efficiently staged, sorted, or loaded onto trailers, it can lead to delayed mail and late and extra outbound trips, which can negatively affect the Postal Service brand. In addition, excess MTE can create safety hazards throughout the plant, including blocking access to exits and electrical panels.

Recommendation #2

We recommend the **Lakeshores Division Director, Processing Operations**, develop a plan to remove excess mail transport equipment and ensure cardboard is effectively stacked in recycling trailers to maximize capacity.

Management's Comments

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

Regarding recommendation 1, management stated that Processing Operations will be responsible for load scans completed by mail handlers and Logistics Operations will be responsible for load scans completed by drivers and expeditors. In addition, management is conducting daily performance reviews of load scans and overhauling its process to eliminate extra placards being printed. Management's target implementation date is April 30, 2022.

Regarding recommendation 2, management stated that they have reworked the recycled cardboard process and will oversee the proper loading of MTE for maximum utilization. In addition, management will review additional avenues for moving more rolling stock MTE out of the facility to ensure it is not blocking aiseways, exits, electrical panels, and fire extinguishers. Management also noted that the Columbus P&DC will participate in the New Cardboard Reuse Informational Webinar and complete Implementation Certification by April 29, 2022. Management's target implementation date is April 30, 2022.

Evaluation of Management's Comments

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

¹² Handbook PO-502, Mail Transport Equipment, Section 3-4.1, Plant Roles and Responsibilities and SOP Processing – Standard Operating Policy (SOP) for Return of MTE at Plants.

¹³ Receives, stores, ships, examines, sorts, packs, and removes from service various types of MTE.

¹⁴ Delivery Standard Work Instructions, MTE, Gaylord reuse.

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Appendix A: Additional Information

We conducted this audit from January through March 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 March 8, 2022, and included their comments where appropriate.

We relied on computer-generated data from the EDW and SVWeb. 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



03/17/2002

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Operations at the Columbus, OH,
Processing and Distribution Center (Report Number 22-041-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 Columbus, OH, Processing and Distribution Center*.

Recommendation [1]:

We recommend the **Lakeshores Division Director, Processing Operations and Lakeshores Division Director, Logistics**, develop and implement a local policy to establish responsibility for providing oversight for load scan performance.

Management Response/Action Plan:

Management agrees with this recommendation.

Processing Operations will be responsible for the Surface Visibility Load scans as related to Mail Handler dock personnel scanning. Logistics Operations will be responsible for the SV load scans as related to the driver and expediter scanning.

Local Processing Operations management implemented the following:

"SV load" team was put in place on four operations with daily performance messaging from In-Plant Support. The communications drill to highest missing load scan impacts by destination and unit so immediate corrective action can be taken. Columbus has shown a two-point increase in the SV load score since applying this process and will continue until the target score is consistently met.

An MTEL placard overhaul is being conducted by a subject matter expert from Logistics Division Director. Once this process is complete and all placard bullpens have been optimized, Processing and Logistics will have shared responsibility of printing MTEL placards based on daily utilization. This will eliminate the current process where extra placards are printed, negatively impacting the SV load scores

This process is expected to be completed within the next three weeks. Upon completion, service talks for the new process will be given and documented with daily performance tracking communicated by In-Plant Support. SV Close scan issues have already been abated and are currently over target.

Target Implementation Date: 04/30/2022

Responsible Official:

Director, Division Logistics for Lakeshores

Recommendation [2]:

We recommend the **Lakeshores Division Director, Processing Operations**, develop a plan to remove excess mail transport equipment and ensure cardboard is effectively stacked in recycling trailers to maximize capacity.

Management Response/Action Plan:

Management agrees with this recommendation.

Operations, Maintenance, and Logistics met to review contractual obligations and requirements for MTE processing. The Maintenance manager has reworked the recycled cardboard process. Based on information provided, Maintenance will now focus directly with the contractors responsible for cardboard movement. Significant progress has been made with over 60 percent of the workroom floor cleaned and organized. Once Maintenance receives proper approval for additional trips, Operations will oversee the proper loading of all trailers to ensure maximum utilization. Logistics is reviewing additional avenues to move more of the rolling stock MTE out of the facility via extra trips and/or "dirty load" requests. Operations has communicated with Customer Service that only properly prepared/processed MTE will be accepted. All MTE sent to the Columbus P&DC must be prepped per established guidelines.

Operations/Safety will perform daily checks to ensure aiseways, exits, electrical panels, and fire extinguishers are not blocked with MTE.

Columbus P&DC will participate in the New Cardboard Reuse Informational Webinar March 23, 2022; and complete the Implementation Certification by April 29, 2022. This program is being initiated by Corporate Sustainability Initiatives.

Target Implementation Date: 04/30/2022

Responsible Official:

Director, Division Logistics for Lakeshores



Todd Hawkins, Senior Director Lakeshores Division

3/21/22

Date

cc: *Manager, Corporate Audit Response Management*

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