



June 22, 2004

SUSAN M. PLONKEY
MANAGER, FORT WORTH DISTRICT

SUBJECT: Audit Report – City Letter Carrier Street Management and Route Inspections in the Fort Worth District (Report Number DR-AR-04-001)

This report presents the results of our self-initiated audit of City Letter Carrier Street Management and Route Inspections in the Fort Worth District (Project Number 04YG006DR000).

Background

The Postal Service must provide timely and reliable universal delivery service while managing costs and improving productivity to provide service at the lowest possible price. Delivery operations constitute 43 percent of the workhours in the fiscal year (FY) 2004 field operating budget, which is mainly attributable to office and street workhours. Salary and benefits for rural and city carriers totaled approximately \$20 billion. Nationwide, more than 33,000 delivery units deliver mail on over 240,000 routes to service the more than 141 million delivery addresses. In the FY 2004 field budget, the Postal Service established a goal to reduce delivery workhours by 11.2 million.

The Southwest Area consists of 711 delivery units. The Southwest Area's budget performance goal is to reduce delivery workhours by 891,000. The Fort Worth District has 130 city delivery units, with actual street workhours of 1,021,611, exceeding planned street workhours by 3,399 as February 27, 2004.

The Delivery Operations Information System (DOIS), deployed in FY 2002, was designed to provide actionable data to the delivery unit supervisors/managers to assist them in managing the office activities, planning street activities, and managing route inspection and adjustment activities.

Objective, Scope, and Methodology

The overall objective was to review the efficiency and effectiveness of street management and route inspections. Specifically, we determined whether (1) route

inspections are being conducted to maintain routes at eight hours, and (2) delivery unit supervisors are monitoring city delivery letter carriers street time to conserve workhours. We visited two delivery units in the Fort Worth District, Riverside Station and Oakwood Station. We interviewed managers and employees, reviewed documentation and applicable policies and procedures, and analyzed data in DOIS for FYs 2003 through 2004. Although we relied on data obtained from DOIS, we did not test the validity of the data and controls over the system. Because of an Office of Inspector General (OIG) initiative to combine reviews of city letter carrier office preparation and street functions into a single review, we curtailed this review.

This audit was conducted from February through June 2004, in accordance with generally accepted government auditing standards and included such tests of internal controls as were considered necessary under the circumstances. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

Prior Audit Coverage

We did not identify any prior audits or reviews related to the objective of this audit.

Audit Results

Street management and route inspections were generally efficient and effective at the Oakwood and Riverside Stations.¹ Delivery unit supervisors monitored city delivery carrier's street time to conserve workhours by performing at least the minimum number of required street observations. However, while a route inspection was conducted at the Oakwood Station delivery unit, post route adjustment procedures were not followed to maintain routes at eight hours.

Post Route Adjustment Follow-up Procedures

Route inspections were conducted at the Oakwood Station; however, post route adjustment procedures were not followed. Specifically, the Oakwood Station delivery unit did not conduct an office count and full street observation on all 21 routes after the initial 30-day evaluation period as required by the Southwest Area Route Adjustment Follow-up Procedures, dated June 2001 (revised November 2003). The procedures require the unit to complete an office count and a full street inspection the first 30 days after the route evaluation process. The post route adjustment follow-up procedures consist of tracking daily, the total variances between the carriers' total projected (earned) and total actual (worked) workhours for each route.

¹ We did not review route inspection data at the Riverside Station delivery unit because a route inspection had not been conducted in two years and the unit was scheduled for a new inspection during March 2004.

A route inspection was conducted at the Oakwood Station during April 2003 and adjustments to the routes resulting from the inspection were implemented on June 14, 2003. The post route adjustment follow-up procedures began on June 14, 2003, and were composed of three consecutive 30-day evaluation periods ending on

September 11, 2003. The [REDACTED] did not evaluate the results of the initial 30-day period to determine which routes should be placed in one of the following three categories: (1) routes in adjustment, (2) routes out of adjustment due to workload or adjustment issues, or (3) routes with carrier performance issues that should be evaluated for a longer time. Instead, the [REDACTED] continued to track all routes for an additional 60 days but never categorized the routes or requested any minor adjustments.

The [REDACTED] was not fully aware of all the post route adjustment procedures contained in the Southwest Area Route Adjustment Follow-up Procedures. Specifically, he was not knowledgeable that an office count and a full street observation were required and that he could request minor route adjustments after the initial 30-day period. He believed the carrier had 90 days to learn the route, and during this time, no adjustments could be requested. According to district delivery management, minor route adjustments could and should be requested, if needed, during this 90-day timeframe.

Route inspections are observations of the carrier's office and street time for one or more days. The inspection includes counting and recording the mail handled, and the time used for each function. Route inspections are conducted between the first week of September and May 31, excluding December.

Postal Service Handbook M-39, Management of Delivery Services, requires the delivery unit to evaluate the routes to determine if the adjustments implemented have met their objective. Route adjustments, which are implemented from a route inspection, are designed so regular routes will be as close to eight hours of daily work as possible. The Southwest Area established Route Adjustment Follow-up Procedures, which state that after the first 30 days of the route evaluation process, an office count and a full street inspection will be completed. Management will review the results of both with the carrier. These procedures ensure that post route adjustment evaluations are standardized to identify the need for minor route adjustments and provide a process for identifying and correcting performance deficiencies.

By following Southwest Area Route Adjustment Follow-up Procedures, routes with workload or adjustment issues can be considered for minor route adjustments and corrective action can be taken on routes with carrier performance issues to maintain routes at eight hours.

Recommendation

We recommend the Manager, Fort Worth District:

1. Train the Oakwood Station [REDACTED] on the Southwest Area's Route Adjustment Follow-up Procedures to ensure routes are maintained at eight hours.

Management's Comments

Management agreed with our recommendation and provided documentation of correspondence previously sent to Oakwood Station management concerning Route Adjustment Follow-up Procedures. The District Manager stated they were not certain why the delivery supervisor at Oakwood Station was not fully aware of the follow-up procedures other than a communication gap. In addition, the District Manager provided documentation of training on these procedures given to the delivery unit supervisor on May 17, 2004. Also, the District Manager stated that future training would be formally documented to ensure a recurrence is prevented. Management's comments, in their entirety, are included in the appendix of this report.

Evaluation of Management's Comments

Management's comments are responsive to our recommendation. The Fort Worth District provided documentation that Route Adjustment Follow-up Procedures were sent to the Oakwood Station. We found no documentation that the procedures were specifically shared with the [REDACTED] or documentation indicating that the [REDACTED] was trained on the procedures during the period when the post route follow-up procedures were conducted. Subsequent to our audit, the district provided training to the [REDACTED] on May 17, 2004. Management's actions taken and planned should correct the issues identified in the finding.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions, or need additional information, please contact Debbie Pettitt, Director, Delivery and Retail, at (404) 507-8329 or me at (703) 248-2300.

/s/ Mary W. Demory

Mary W. Demory
Deputy Assistant Inspector General
for Operations and Human Capital

Attachment

cc: John A. Rapp
James F. Taylor
Joseph K. Moore

APPENDIX. MANAGEMENT'S COMMENTS

CUSTOMER SERVICE
FORT WORTH DISTRICT



May 25, 2004

KIM H. STROUD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – City Letter Carrier Street Management and
Route Inspections in the Fort Worth District
(Report Number DR-AR-04-DRAFT)

The Fort Worth District wishes to acknowledge the cooperation of your Audit Team and the opportunity to respond to their draft report. After our review of the implementation process for the Southwest Area's Route Adjustment Follow-up Procedures, we are extremely concerned that the Delivery Supervisor at the Oakwood Station in Arlington did not adhere to the guidelines and was not fully aware of the follow-up procedures. The attached correspondence was documented during our investigation:

1. June 28, 2002 – Initial notification to the unit (~76012 /Arlington, TX) and Postmaster with 30, 60, 90-day follow-up timeline, SOP guidelines, and required forms for mail count and route inspection adjustments implemented April 27, 2002.
2. November 8, 2002 - Sample correspondence from the follow-up training for units implementing route adjustments from District Route Inspection Coordinator, Thomas Alonzo, providing further instructions and clarifying that the procedures are mandatory—not optional.
3. July 30, 2003 – Operations Programs Support notification to Oakwood Station in Arlington that the 30-day required forms had not been submitted for the adjustments implemented on June 14, 2003, with return receipts from: (a) Oakwood Station in Arlington; (b) Richard Marino, Acting Customer Service Operations Manager, administratively responsible for Oakwood Station; and (c) Arlington Postmaster, Robert Provencio, with instructions to stay current on the paperwork.
4. July 30, 2003 – Follow-up Tracking Form with 30, 60, 90-day dates for required submission of forms in order to comply with procedures.

Based on our findings, we can ascertain no reason why the Delivery Supervisor at Oakwood Station in Arlington was not fully aware of the follow-up procedures other than a communication gap. Future training will be formally documented to ensure a recurrence is prevented. Also attached is the formal training record for the Delivery Supervisor at Oakwood, as recommended.

We request that the final report include this explanatory information about the implementation of the Route Adjustment Follow-up Procedures in the Fort Worth District. We appreciate your consideration, and again thank you for the opportunity to respond to the Draft report.


Susan Plonkey
District Manager

Attachments

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