



# AUDIT REPORT

## Mail Delivery Issues – Bear Valley Station, Denver, CO

July 12, 2019



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Report Number DRT-AR-19-009



July 12, 2019

**MEMORANDUM FOR:** HUMBERTO TRUJILLO, JR.  
DISTRICT MANAGER (A), COLORADO/WYOMING

**FROM:** Sherry A. Hilderbrand  
Director, Delivery and Retail Response Team

E-Signed by Hilderbrand, Sherry   
VERIFY authenticity with eSign Desktop  
*Sherry A. Hilderbrand*

**SUBJECT:** Audit Report – Mail Delivery Issues – Bear Valley Station,  
Denver, CO (Report Number DRT-AR-19-009)

This report presents the results of our review of mail delivery issues at Bear Valley Station, Denver, CO (Project Number 19RG024DRT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact please contact Chad Stroup, Operational Manager, at [cstroup@uspsig.gov](mailto:cstroup@uspsig.gov) or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management  
Kevin L. McAdams  
Greg G. Graves

## Background

This report presents the results of our self-initiated audit of Mail Delivery Issues – Bear Valley Station, Denver, CO (Project Number 19RG024DRT000). The Bear Valley Station is in the Colorado/Wyoming District of the Western Area. This audit was designed to provide U.S. Postal Service management with timely information on potential delivery risks at the Bear Valley Station.

The Bear Valley Station has 52 city routes delivered by 59 city carriers (51 Full Time Regular (FTR) city carriers and 8 City Carrier Associates (CCA)<sup>1</sup>). We selected Bear Valley Station based on the percentage of city carriers returning after 6 p.m. and our analysis of Enterprise Customer Care<sup>2</sup> (eCC) data.

## Objective, Scope and Methodology

The objective of this audit was to assess mail delivery service on selected routes at the Bear Valley Station – Denver, CO. To accomplish our objective, we analyzed delivery metrics such as mail arrival, Distribution Up Time (DUT), carriers return to office time, and the number of routes and carriers to assess performance of delivery operations. In addition, we analyzed eCC case data and social media reviews from Yelp and Google. During our site visit from May 21 through May 22, 2019, we interviewed management and employees, conducted delivery unit observations, reviewed scanning procedures on packages, and evaluated the process completed by delivery supervisory personnel in response to eCC cases.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW), eCC, Scan Point Management, and Field Staffing and Support systems. Although we did not test the validity of controls over these systems, we assessed the accuracy of the data by testing the completeness and reasonableness of the data, observing operations at the unit, and interviewing Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from May through July 2019, in accordance with generally accepted government auditing standards. 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 June 12, 2019 and included their comments where appropriate.

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<sup>1</sup> A non-career, bargaining unit employee who performs the full range of city carrier duties.

<sup>2</sup> eCC is a Postal Service software program to record and track customer complaints received by letter, phone, visit, or through the Postal Service's website.

## Finding # 1: City Carriers Returning After 6 p.m.

City Carriers in Bear Valley Station are returning to the office after 6 p.m. Specifically, during Quarters (Q) 1 and 2 of fiscal year (FY) 2019, less than 28 percent of the city carriers returned by 6 p.m., 46 percent by 7 p.m. and 71 percent by 8 p.m. (see [Table 1](#)). The Postal Service's goal is to have 100 percent carriers returning by 6 p.m.<sup>3</sup>

**Table 1. Bear Valley Carriers Returning By 6 p.m.**

FY 2019 Quarter	Percentage of Carriers Returning By 6 p.m.	Percentage of Carriers Returning By 7 p.m.	Percentage of Carriers Returning By 8 p.m.
Q1	19.99%	38.02%	62.30%
Q2	35.68%	53.52%	79.42%
<b>Total Average</b>	<b>27.57%</b>	<b>45.51%</b>	<b>70.57%</b>

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of City Carriers After 6 p.m. data from (EDW- Delivery Data Mart).

This condition occurred due to:

- Late Mail Arrival and Improper Mail Mix:** Mail did not always arrive on time or in the proper mail mix from the Denver Processing and Distribution Center (P&DC) as outlined in the unit's Integrated Operating Plan/Mail Arrival Profile (IOP/MAP).<sup>4</sup> Unit management stated late mail arrival is usually due to the Flat Sorting Machine (FSM) being down, Flats Sequencing System (FSS)<sup>5</sup> mail not processed, Delivery Point Sequence (DPS)<sup>6</sup> mail sitting on the dock at the P&DC, or unscheduled leave taken by the driver. In addition, unit management stated that dispatches from the P&DC often contained quantities of working mail (mail requiring manual sorting by clerks and casing by carriers) in excess of the volumes agreed upon in the IOP/MAP. DPS mail arriving on the last truck must be re-handled often because it is mixed with working mail and box mail, or has all of the units FSS mail, which should arrive on first truck. We were able to validate that the unit is recording the late mail and conditions in the Customer Service Daily Reporting System (CSDRS),<sup>7</sup> as required. The additional work delayed carriers starting their street delivery and contributed to carriers returning after 6 p.m.

<sup>3</sup> Staffing and Scheduling Tool, Function 4 Applications User Guide, 2016.

<sup>4</sup> The IOP is a contract between the mail processing plant and the delivery unit. The IOP contains the unit's mail arrival profile to help stabilize mail flow.

<sup>5</sup> Delivery point sequenced mail within street trays, loaded onto trucks destined for the delivery units.

<sup>6</sup> An automated process of sorting mail by carrier routes into delivery order, eliminating the need for carriers to sort the mail manually in the delivery unit prior to their departure to the routes.

<sup>7</sup> CSDRS is a formal delayed mail-reporting system.

- **Outdated Pivot Plans, and IOP/MAP:** According to management, pivot plans<sup>8</sup> were last completed when the unit was converted to FSS in August 2018. Currently, unit management is updating two to three pivot routes a day when time permits. Additionally, the unit did not have an updated and signed IOP/MAP showing agreed upon arrival times and the mail mix for the station. The Postal Service designed the IOP/MAP to help stabilize mail flow by setting delivery unit and processing facilities' expectations for the arrival and quality of mail. A signed copy must be on file in the delivery unit.<sup>9</sup> This information is critical to establishing appropriate staffing and reporting times to eliminate carrier delays.
- **Late Distribution Up Time:** The OIG analysis of DUT shows that between April 8 and May 7, 2019, the station's DUT of 9:00 a.m. was not met 69 percent of the time. The DUT indicates the time that clerks have completed sortation to distribute mail to each delivery route. DUT must effectively support the earliest carrier leave time and be supported by the IOP/MAP. Management stated late DUT is due to late mail arrival, but the unit has recently seen some improvements with the P&DC dispatching mail to the unit timely.
- **Unfilled City Carrier Vacancies:** Bear Valley Station had a high number of vacancies for FTR city carriers. Specifically, based on the city delivery staffing report, the unit had 60 FTR city carrier positions authorized, with 12 (20 percent) vacancies. Unit management stated filling vacancies and retaining CCA's is a constant challenge. Hiring challenges include potential carriers' unwillingness to work overtime and the Postal Service's inability to offer competitive compensation.

Improving staffing levels and adjusting routes and mail flow could allow city carriers to return to their units by 6 p.m. and eliminate excess overtime and penalty overtime.

**Recommendation #1:** We recommend the Manager, Colorado/Wyoming District, instruct unit management to update and sign Integrated Operating Plan/Mail Arriving Profile.

**Recommendation #2:** We recommend the Manager, Colorado/Wyoming District, instruct unit management to modify route base volume estimates on routes and pivot plans through adjustments.

**Recommendation #3:** We recommend the Manager, Colorado/Wyoming District, review and assign the appropriate number of carriers to Bear Valley Station to ensure carriers return to the office in a timely manner.

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<sup>8</sup> Balances carrier workloads with mail volume and absences.

<sup>9</sup> *AM Standard Operating Procedure (SOP) II Guidebook*, Section 2.2, 2013.

## Finding # 2: eCC Case Management

The unit does not always monitor eCC case data to improve service. Bear Valley Station had 777 eCC customer complaints during FY 2019 Quarters 1 and 2 and approximately 79 percent of the complaints were related to mail delivery issues (see Table 2).

**Table 2. Bear Valley Station Complaints from eCC cases**

FY 2019 Quarters 1 & 2	Where is My Package	Where is My Mail	Other	Total
<b>Number of Cases</b>	403	212	162	777
<b>Percentage of Cases</b>	52%	27%	21%	100%

Source: Application System Reporting.

This occurred because management did not provide adequate oversight of delivery routes to identify and correct mail service issues. Specifically, management did not always monitor eCC cases to identify ongoing delivery service issues, logging eCC cases or discussions with carriers, or completing the eCC checklist. According to Postal Service guidance, supervisors are responsible for monitoring routes with multiple eCC cases.<sup>10</sup>

Ensuring carriers are aware of policies and managing delivery operations can improve mail delivery service on routes and ultimately increase customer satisfaction and enhance the customer experience.

**Recommendation #4: We recommend the Manager, Colorado/Wyoming District,** instruct unit management to monitor eCC cases and use the information, as appropriate, to improve delivery operations.

## Finding # 3: Package Delivery Scanning

We determined unit employees were improperly scanning packages at the unit and were not following package scanning and handling policies. Specifically, we conducted an observation on May 21, 2019, and judgmentally selected 79 packages that were in the unit before the carriers arrived for the day to review their scanning and tracking data. Of the 79 packages we identified, seven were in the parcel distribution area, 51 were at the carrier cases, and 21 were in the notice left area. We found 33 of the 79 (42 percent) had missing or improper scans. In particular:

- Seventeen showed a “Delivered, In/At Mailbox” scan, but were at the unit.
- Six packages did not receive a Stop-The-Clock (STC) scan, indicating why they had not been delivered.

<sup>10</sup> eCC Leader Standard Work, 08-16-2018.

- Three packages were attempted and should have been returned to sender because it exceeded the 15-day timeframe.
- Six had “No Access” scans, in particular:
  - Two should have been scanned as “Business Closed.”
  - Two should have been scanned as “Insufficient Address” and returned to sender.
  - One scanned three different days prior to our site visit and then a “Delivered, In/At Mailbox” scan on two different days.
  - One scanned at a different address than the destination address.
- One had "Arrival-at-Unit" (AAU) scans on multiple days.

The Postal Service’s goal is to make sure mail is delivered to the correct address with proper service, which includes scanning every mail piece ensuring 100 percent visibility throughout the process.<sup>11</sup>

The package scanning issues occurred because local management did not adequately enforce scanning procedures. Customers rely on accurate scan data to track their packages in real time. When employees do not scan mail pieces correctly, customers are unable to determine the actual status of their packages. By improving scanning operations, management can potentially improve mail visibility, increase customer satisfaction, enhance the customer experience and Postal Service brand.

**Recommendation #5: We recommend the Manager, Colorado/Wyoming District, instruct unit management to ensure staff follow delivery standard operating procedures for scanning mail pieces.**

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<sup>11</sup> Postal Service Fact Sheet, *World Class Visibility – Scanning and Postal Service Delivery Done Right*.

## Other Matters: Assets at Risk

During our site visit we observed vehicle keys and stamp stock inventory that was not secured as required (see [Figures 1](#) and [2](#)). Specifically, the lockbox where vehicle keys are kept was broken. Also, the room and safe where accountable stamp stock were kept was unlocked. These conditions occurred because management did not ensure keys and accountable items were properly secured, as required.<sup>12</sup> Effective physical access controls protect Postal Service employees and assets. During our review, we brought these issues to unit management's attention, who took corrective action by repairing the broken lock containing the keys and securing the safe containing stamp stock. As a result, we are not making a recommendation on these issues.

**Figure 1. Vehicle Keys at Risk**



Source: OIG photographs taken on May 22, 2019 at the Bear Valley Station in Denver, CO concerning vehicle keys and stamp stock at risk.

**Figure 2. Stamp Stock at Risk**



## Management's Comments

Management agreed with the findings and recommendations 1, 3-5, and partially agreed with finding and recommendation 2. See [Appendix A](#) for management's comments in their entirety.

Regarding recommendation 1, management agreed that the IOP for the Bear Valley Station needs to be updated. Management's target implementation date is July 13, 2019.

Regarding recommendation 2, management did not agree that routes at the Bear Valley Station should be adjusted and provided additional support showing that route inspections had been completed on routes at the unit within a reasonable timeframe,

<sup>12</sup> Postal Operations Manual, Issue 9, Section 633.42 Arrow Lock Keys and 126.24 Protecting Stamps and Accountable Stock.



prior to our review. Management did agree that pivot plans for each route need to be updated and have subsequently been updated. This action was completed as of July 8, 2019.

Regarding recommendation 3, management agreed that there needs to be an appropriate number of carriers at the Bear Valley Station to ensure carriers return in a timely manner and is working to fill the positions. Management's target implementation date is September 1, 2019.

Regarding recommendation 4, management agreed that eCC cases need to be monitored and information taken from the complaints needs to be acted upon immediately. Local management will assign an Executive and Administrative Schedule employee to make initial quality contacts within the first 24 hours of a complaint and a checklist has been implemented in the unit to ensure compliance. These actions were completed as of July 8, 2019.

Regarding recommendation 5, management agreed that the station must follow the scanning SOP to ensure delivery and customer satisfaction. Unit management was provided the scanning SOP and has been instructed to follow it daily and will monitor Stop the Clock scans daily to ensure parcels have been delivered. These actions were completed as of July 8, 2019.

### **Evaluation of Management's Comments**

The OIG considers management's comments responsive to the recommendations in the report. Regarding recommendation 2, based on the additional support provided, we agree with management that routes do not need to be adjusted and the action taken to update pivot plans is sufficient. We have adjusted our reported based on the additional information provided.

We consider recommendations 2, 4, and 5 closed with the issuance of this report.

Recommendation 1 and 3 require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. Recommendations 1 and 3 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.

## Appendix A. Management’s Comments

COLORADO/WYOMING DISTRICT  
DISTRICT MANAGER



July 9, 2019

LAZERICK POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Mail Delivery Issues – Bear Valley DRT-AR-19-DRAFT

**Recommendation [1]:** We recommend the Manager, Colorado/Wyoming District, instruct unit management to update and sign Integrated Operating Plan/Mail Arriving Profile.

**Management Response/Action Plan:**

Management agrees that the IOP for the Bear Valley station needs to be updated. The IOP/MAP is an agreement on mail arrival times and the makeup of the mail between the station, the plant and transportation.

**Target Implementation Date:**

July 13, 2019

**Responsible Official:**

MCSO Denver  
Lead MDO/A Denver Plant  
Transportation Mgr COMWY

**Recommendation [2]:** We recommend the Manager, Colorado/Wyoming District, instruct unit management to modify route base volume estimates on routes and pivot plans through adjustments.

**Management Response/Action Plan:**

Management does not agree that the routes at Bear Valley need to be adjusted, but management does agree the pivot plans for each route need to be updated. Management will ensure that the unit manages the workhour to workload to improve the efficiency of the unit by use of the City Carrier PET tool on a daily basis. Pivot plans have been updated on all routes.

**Target Implementation Date:**

July 8, 2019

**Responsible Official:**

MCS/A Bear Valley  
MCSO Denver

7500 E. 53rd Place, Room 1131  
Denver, CO 80266-9998

COLORADO/WYOMING DISTRICT  
DISTRICT MANAGER

**Recommendation [3]:** We recommend the Manager, Colorado/Wyoming District, review and assign the appropriate number of carriers to Bear Valley Station to ensure carriers return to the office in a timely manner.

Management Response/Action Plan:

Management agrees that there needs to be an appropriate number of carriers at the Bear Valley Station to ensure carriers return in a timely manner. We have been working on hiring to get Bear Valley staffed up, currently we have the following:

- 6 CCA's on rolls in the unit
- 4 vacant routes. All 4 were posted 7/6/19 and will come down on 7/13/19. The awards will go out on 8/3/19. If no one bids these routes, they will go residual and then go on ereassign. If there is no movement on ereassign for 3 weeks, we will place any unassigned regulars on these routes or convert CCA's to regulars to be placed on these routes.
- 3 residual routes, all 3 will be filled on July 20, 2019

Target Implementation Date:

August 3, 2019 if all 4 routes are bid by carriers outside the station.

September 1, 2019 if no one bids any of the 4 routes posted. If carriers bid within the station the process starts over with the new vacant routes that must go up for bid.

Responsible Official

Denver MCS/A

Denver SCSS

**Recommendation [4]:** We recommend the Manager, Colorado/Wyoming District, instruct unit management to monitor eCC cases and use the information, as appropriate, to improve delivery operations.

Management Response/Action Plan:

Management agrees that eCC cases need to be monitored and the information taken from the complaints needs to be acted upon immediately. Local management will assign an EAS to make initial quality contacts within the first 24 hours of complaint and a checklist has been implemented in the unit to ensure compliance.

Target Implementation Date:

July 8, 2019

Responsible Official

MCS/A

COLORADO/WYOMING DISTRICT  
DISTRICT MANAGER

**Recommendation [5]:** We recommend the Manager, Colorado/Wyoming District, instruct unit management to ensure staff follow delivery standard operating procedures for scanning mail pieces.

**Management Response/Action Plan:**

Management agrees that the station must follow the scanning SOP to ensure delivery service and customer satisfaction. Management has been provide the SOP and has been instructed that they are to follow the SOP daily. The unit will send the Stop the Clock Verify Tool to the MCSO daily to ensure parcels have been delivered.

**Target Implementation Date:**

July 8, 2019

**Responsible Official**

MCS/A

MCSO



Humberto Trujillo Jr.  
District Manager/A  
Customer Service and Sales  
Colorado/Wyoming

cc: Corporate Audit and Response Management  
Kevin L. McAdams  
Greg G. Graves  
Marilyn Ross