



Audit Report

December 8, 2016





OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

We selected this district as it was one of the most inefficient districts for customer service in fiscal year (FY) 2015 according to our risk model.

Background

The U.S. Postal Service tracks customer service activities, known as Function 4, at post offices, stations, and branches as part of its ongoing effort to provide cost-effective, high-quality customer service.

Postal Service managers have specific policies and procedures for monitoring customer service operational efficiency, such as:

- The Customer Service Variance model, which helps assess retail customer service productivity at select retail units.
- *Post Office Box* and *Distribution Up-Time* reports, which help track mail timeliness.
- The integrated operating plan and mail arrival profile, which state when mail will arrive and the types of mail that will be present.
- Scanning performance goals as properly scanning all barcodes will help provide package visibility, retain customers, and provide information that can be used to improve operations and reduce costs.

Our objective was to assess customer service operational efficiency in the Colorado/Wyoming District. This audit is one in a series of Function 4 efficiency audits. We selected this

district as it was one of the most inefficient districts for customer service in fiscal year (FY) 2015 according to our risk model. We also considered geographic factors, such as the presence of both rural and urban units.

What The OIG Found

The Colorado/Wyoming District has opportunities to improve customer service operational efficiency. We visited 15 facilities and identified deficiencies that could contribute to untimely mail delivery and inefficient customer service operations. Specifically:

- *Units did not meet mail timeliness targets.* Twelve units did not meet the target for distribution of mail to letter carriers and three units did not meet the target for having mail ready for collection by Post Office Box customers. Seven units received mail from the plants that was late and not properly prepared.
- *Mail was not properly scanned.* Employees at eight units did not perform required mail arrival scans and undelivered Vacation Hold and Notice Left parcels were incorrectly scanned as Delivered at nine units.

These conditions occurred because district and local management did not adequately monitor all customer service-related operations. Units had outdated mail arrival profiles



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

and integrated operating plans, the staff was not following efficient mail processing procedures, and some units had poor workroom layouts.

These deficiencies could contribute to late mail delivery and inefficient customer service operations. According to the Customer Service Variance model, units we visited incurred 69,463 more workhours than planned in FY 2016, costing the Postal Service \$2.7 million.

What The OIG Recommended

We recommended management develop strategies to more effectively monitor customer service operations by coordinating units' integrated operating plans and mail arrival profiles; actively monitoring employees to manage workload and ensure they are processing mail efficiently; evaluating unit workroom layout and use; and instructing unit employees to follow required scanning procedures and verify these procedures are followed.


Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

December 8, 2016

MEMORANDUM FOR: RICK J. PIVOVAR
DISTRICT MANAGER (A), COLORADO/WYOMING
DISTRICT

E-Signed by Janet Sorensen
VERIFY authenticity with eSign Desktop


FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Retail, Delivery and Marketing

SUBJECT: Audit Report – Function 4 Efficiency in the
Colorado/Wyoming District
(Report Number MS-AR-17-001)

This report presents the results of our audit of U.S. Postal Service Function 4 Efficiency in the Colorado/Wyoming District (Project Number 16RG018MS000).

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

Attachment

cc: Corporate Audit and Response Management
Vice President, Western Area

Table of Contents

Cover	
Highlights.....	1
Background.....	1
What The OIG Found.....	1
What The OIG Recommended	2
Transmittal Letter.....	3
Findings	5
Introduction	5
Summary.....	5
Customer Service Operations	6
Mail Timeliness	6
Scanning.....	9
Recommendations.....	12
Management's Comments	12
Evaluation of Management's Comments	12
Appendices.....	13
Appendix A: Additional Information	14
Background	14
Objective, Scope, and Methodology	15
Prior Audit Coverage	16
Appendix B: Management's Comments.....	17
Contact Information	19

Findings

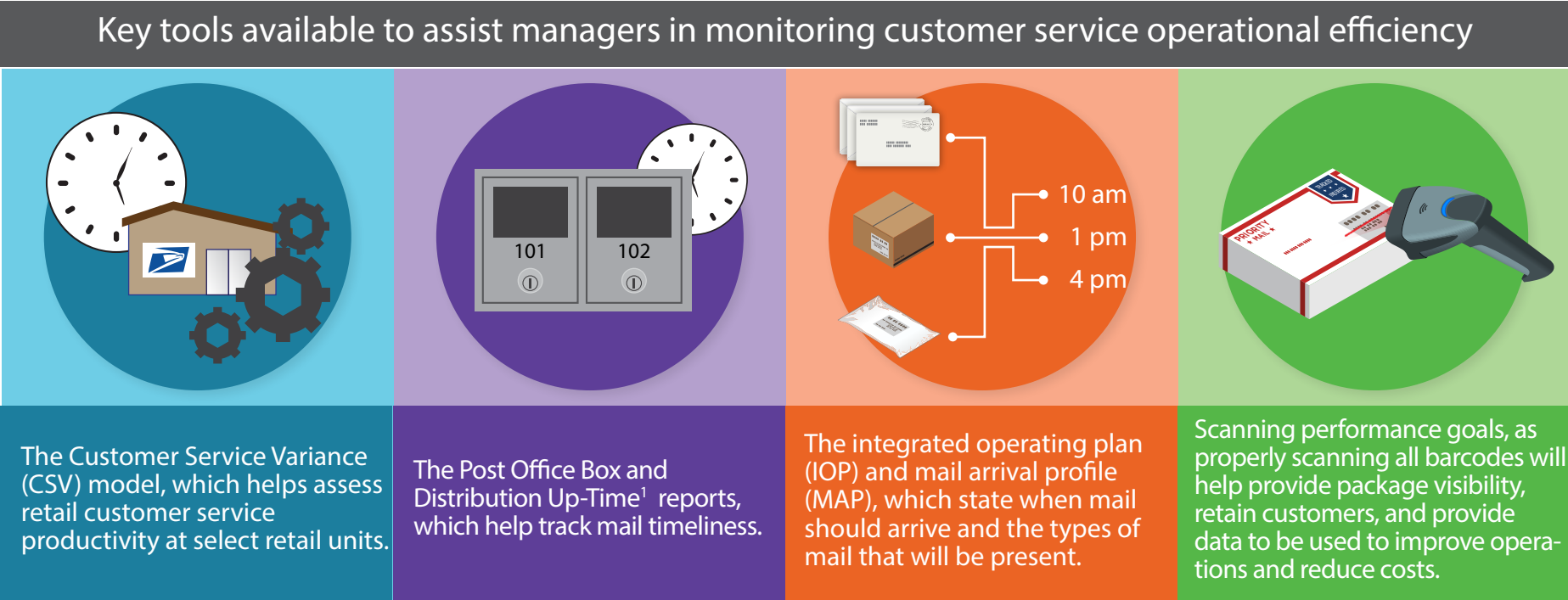
The Colorado/Wyoming District served over 2.4 million Post Office (PO) Boxes and business and residential addresses in FY 2015.

The Colorado/Wyoming District has opportunities to improve customer service operational efficiency.

Introduction

This report presents the results of our audit of U.S. Postal Service Function 4 Efficiency in the Colorado/Wyoming District (Project Number 16RG018MS000). We initiated this audit as part of a series of audits resulting from U.S. Postal Service Office of Inspector General (OIG) models that identify the most at-risk districts for Function 4 operational efficiency. The Retail Customer Service Risk Model report showed that the Colorado/Wyoming District was the eighth most inefficient postal district for customer service operations in fiscal year (FY) 2015. We also considered geographic factors, such as the presence of both rural and urban units. Our objective was to assess the customer service operational efficiency in the Colorado/Wyoming District. See [Appendix A](#) for additional information about this audit.

The Postal Service tracks customer service, or Function 4, activities at post offices, stations, and branches as part of its ongoing effort to provide cost-effective, high-quality customer service. Postal Service managers monitor customer service operational efficiency in accordance with applicable policies and procedures.



The Colorado/Wyoming District served over 2.4 million Post Office (PO) Boxes and business and residential addresses in FY 2015. The district also had over 500 post offices, stations, and branches, and processed over 3.4 billion pieces of mail during that time.

Summary

The Colorado/Wyoming District has opportunities to improve customer service operational efficiency. We visited 15 facilities and identified deficiencies that could contribute to untimely mail delivery and inefficient customer service operations. Specifically:

- **Units did not meet mail timeliness targets.** Twelve units did not meet the target for distribution of mail to letter carriers (Distribution Up-Time) and three units did not meet the target for having mail ready for collection by PO Box customers (PO Box Up-Time). Seven units received mail from the plants that was late and not properly prepared.

¹ PO Box Up-Time is the target for having mail ready for collection by PO Box customers and Distribution Up-Time is the target time for distribution of mail to the letter carriers.

Deficiencies could contribute to late mail delivery and inefficient customer service operations.

Seven units received mail from the processing plants that was late and required rework because it was not properly prepared.

- *Mail was not properly scanned.* Employees at eight units did not perform required mail arrival scans and undelivered Vacation Hold and Notice Left parcels were incorrectly scanned as Delivered at nine units.

These conditions occurred because district and local management did not adequately monitor all customer service-related operations. Units had outdated MAPs and IOPs, staff were not following efficient mail processing procedures, and some units had poor workroom layouts.

These deficiencies could contribute to late mail delivery and inefficient customer service operations. According to the CSV model, units we visited used 69,463 more workhours than planned in FY 2016, costing the Postal Service \$2.7 million.

Customer Service Operations

The Colorado/Wyoming District has opportunities to improve customer service operational efficiency. We visited 15 units and identified deficiencies that could contribute to late mail delivery and inefficient customer service operations. The units we visited used 69,463 more workhours than planned in FY 2016, costing the Postal Service \$2.7 million. In addition, we found scanning deficiencies that negatively impacted customer service.

We also found some notable differences when comparing customer service operational efficiency at high-, medium-, and low-efficiency units in the district. High-efficiency units had trucks that arrived on time from the mail processing plant, an efficient workroom layout, and employees that expressed pride in their work. Low-efficiency units experienced clerks that did not consistently clock to the correct labor distribution code when changing tasks and staff shortages due to vacancies. While we are not presenting recommendations on this analysis, this information (which is described in more detail in [Appendix A](#)) will be useful to management when creating corrective actions to address the findings in this report.

Mail Timeliness

Units did not always meet mail timeliness requirements. During our fieldwork, 12 of 15 units did not meet Distribution Up-Time and none of the units met the Distribution Up-Time during June and July 2016. One unit was late 100 percent of the time during this period while nine units were late over 80 percent of the time during the period (see [Table 1](#)). Seven units received mail from the processing plants that was late and required rework because it was not properly prepared.²

² Loveland Station received 132 inches of unsorted letters, 24 inches of unsorted flats, eight all-purpose containers (APCs) of Delivery Point Sequence mail, a container of parcels, and two APCs of mixed mail on the last truck.

**Table 1. Fifteen Units That Did Not Meet Scheduled Distribution Up-Time Scans
(Between June and July 2016)**

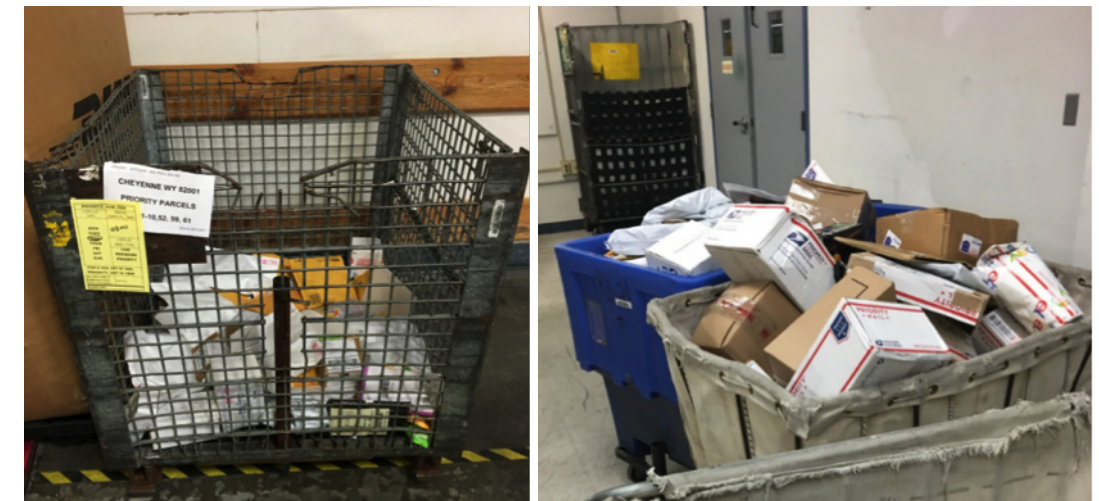
Unit Name	Period Reviewed	On-Time or Early	Late	Missing	Total Scans	Percentage Late
Parker Post Office	June 11 – July 8	0	23	0	23	100%
Greenwood Village Branch	June 11 – July 12	1	25	0	26	96%
Cheyenne Post Office	June 18 – July 20	2	25	0	27	93%
Montbello Station	June 14 – July 14	1	24	1	26	92%
Loveland Post Office	June 9 – July 18	3	29	1	33	88%
Denver – Lakewood Branch	June 10 – July 19	5	28	0	33	85%
Golden Post Office	June 11 – July 20	5	28	0	33	85%
Fort Collins Post Office	June 9 – July 18	4	28	1	33	85%
Aurora – Tower Station	June 15 – July 12	3	19	1	23	83%
Aurora – Main Office Station	June 11 – July 13	5	22	0	27	82%
Denver – Sullivan Station	June 11 – July 14	7	21	0	28	75%
Pueblo Main Office Station	June 9 – July 14	12	18	0	30	60%
Boulder Valmont Station	June 18 – July 28	15	18	1	34	53%
Westminster Post Office	June 6 – July 13	16	16	0	32	50%
Casper Post Office	June 15 – July 19	26	3	0	29	10%

Source: Postal Service Distribution Up-Time reports.

We observed a significant amount of mail left after the Distribution Up-Time, which could lead to delayed mail delivery (see Figure 1).

Further, during our visits, three of 15 units did not meet PO Box Up-Time. In addition, 13 of the units did not meet PO Box Up-Time during June and July 2016. One such unit was late 77 percent of the time during the reported period (see Table 2).

Figure 1. Mail Left After Distribution Up-Time



Source: OIG photos taken at the Cheyenne Post Office on July 20, 2016.

Seven of the units lacked an updated IOP or MAP indicating mail arrival times and mail conditions to facilitate staffing requirements.

Table 2. Thirteen Units That Did Not Meet Scheduled PO Box Up-Time Scans (Between June and July 2016)

Unit Name	Period Reviewed	On-Time or Early	Late	Missing	Total Scans	Percentage Late
Montbello Station	June 14 – July 14	5	20	1	26	77%
Denver – Lakewood Branch	June 10 – July 19	10	22	1	33	67%
Cheyenne Post Office	June 18 – July 20	11	16	0	27	59%
Denver – Sullivan Station	June 11 – July 14	16	12	0	28	43%
Fort Collins Post Office	June 9 – July 18	24	8	1	33	24%
Pueblo Main Office Station	June 9 – July 14	25	4	1	30	13%
Westminster Post Office	June 6 – July 13	27	4	1	32	13%
Boulder Valmont Station	June 18 – July 28	29	4	1	34	12%
Aurora – Main Office Station	June 11 – July 13	23	3	1	27	11%
Greenwood Village Branch	June 11 – July 12	23	1	2	26	4%
Aurora – Tower Station	June 15 – July 12	21	1	1	23	4%
Casper Post Office	June 15 – July 19	27	1	1	29	3%
Loveland Post Office	June 9 – July 18	31	1	1	33	3%

Source: Postal Service Box Up-Time reports.

We observed a considerable amount of mail left after the PO Box Up-Time at some units (see Figure 2).

According to Postal Service policy,³ postmasters establish PO Box and Distribution Up-Times and strive to have all mail in PO Boxes as early as possible to attract customers to this premium service.

Mail timeliness issues occurred because management did not adequately monitor key processes related to the following:

- **Outdated IOPs and MAPs.** Seven of the units lacked an updated IOP or MAP indicating mail arrival times and mail conditions to facilitate staffing requirements. Postal Service policy⁴ requires each district to have an updated IOP and MAP between delivery units and plants to coordinate activities.

Figure 2. Mail Left After PO Box Up-Time



Source: OIG photos taken at the Montbello Station on July 14, 2016.

³ *Postal Operations Manual*, Issue 9, Section 141.23, dated July 7, 2016.

⁴ *Field Operations Standardization Development – Morning (AM) Standard Operating Procedures Guidebook*, Section 2-2, IOP, dated March 2011.

By improving the timeliness of mail through more effective monitoring, district management could potentially save money by decreasing labor hours and customer complaints related to mail delays.

Employees at eight units did not properly scan mail as Arrival at Unit or Acceptance, while employees at nine units scanned undelivered Vacation Hold and Notice Left parcels as Delivered.

- **Inefficient mail processing procedures.**⁵ Staff at three of the 15 units we visited did not follow efficient mail processing procedures. For example, we observed clerks moving empty mail containers back to the dock one at a time instead of processing all of the parcels and hooking the containers together for one trip; parcel hampers placed in front of carrier cages, blocking access; equipment holding mail placed in front of the hot case, making it necessary for carriers to awkwardly reach over it to grab mail; and clerks scanning Express Mail and delivering it to carriers individually. Postal Service policy⁶ places a priority on efficient mail staging and processing operations.
- **Poor workroom layout.** One station we visited had two Passive Adaptive Scanning Systems (PASS) machines separated by delivery zones; the clerks sorted parcels at one PASS, then moved parcels for two of the four zones across the facility to be sorted or scanned again. Another unit lacked sufficient space for an efficient layout; overflow of the staging area blocked aisles and prevented unloading of the truck, while Notice Left mail, caller service, and carrier cases were not close together, causing the retail clerk to walk to several areas to retrieve customer mail (see Figure 3). The inefficient layout also caused a potential safety concern as clerks sorted and tossed packages across the walkway. Postal Service policy⁷ requires the workroom floor be arranged to minimize walking and facilitate an orderly and safe flow of mail and equipment.

By improving the timeliness of mail through more effective monitoring, district management could potentially save money by decreasing labor hours and customer complaints related to mail delays. We collected data on the number of excess workhours for FYs 2015 and 2016, for the units we visited. We identified 64,495 and 69,463 excess workhours in FYs 2015 and 2016, respectively, and consider the resulting \$5.3 million⁸ to be questioned costs.⁹

Scanning

We determined that employees did not perform required mail arrival scans or scanned mail as Delivered although the mail was found at the unit. Specifically, employees at eight units did not properly scan mail as Arrival at Unit or Acceptance, while employees at nine units scanned undelivered Vacation Hold and Notice Left parcels as Delivered (see Table 3). In addition, we found false scans at two units: two parcels scanned as Delivered, with subsequent delivery attempts; one parcel scanned as Delivered on two separate occasions; one parcel scanned Arrival at Unit on two separate occasions after being scanned Out for Delivery; and four parcels scanned Out for Delivery yet found in hampers during our visit.

Figure 3. Inefficient Workroom Layout



Source: OIG photos taken at the Montbello Station on July 14, 2016.

⁵ The most efficient work method allows for single handling of all types of mail and all work methods. For example, a clerk should not pull one carrier's mail from the distribution case and walk it to just one carrier at a time. The clerk should also be using some type of rolling conveyance (if room allows) to limit the number of trips.

⁶ *Postal Operations Manual*, Issue 9, Section 441, dated July 7, 2016.

⁷ *Handbook M-39 Management of Delivery Service*, Section 117.1, dated March 1, 1998.

⁸ We multiplied the excess workhours by Function 4 labor rates for the Colorado/Wyoming District. These rates were \$40.42 for FY 2015 and \$38.79 for FY 2016.

⁹ Unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, contract, etcetera. May be recoverable or unrecoverable. Usually a result of historical events.

Table 3. Mail Scanning Performance (July 12 Through July 22, 2016)

Unit Name	Total Pieces Selected and Traced	Number of Pieces With No Arrival at Unit Scan	Number of Pieces Scanned as Delivered but Found at Unit
Boulder Valmont Station	181	0	0
Westminster Post Office	147	0	12
Montbello Station	148	0	10
Casper Post Office	127	1	1
Cheyenne Post Office	126	0	4
Loveland Post Office	144	0	0
Greenwood Village Branch	105	0	0
Parker Post Office	155	0	1
Pueblo Main Office Station	114	18	1
Aurora - Tower Station	101	2	0
Aurora - Main Office Station	153	3	2
Denver - Sullivan Station	141	1	0
Denver - Lakewood Branch	174	4	3
Golden Post Office	135	1	0
Fort Collins Post Office	118	1	1
Total	2,069	31	35

Source: OIG analysis of Postal Service scan performance using the USPS.com Track & Confirm tracking system.

Postal Service policy¹⁰ requires the Arrival at Unit scan to be part of a unit's distribution process, with the goal of finalizing as many pieces as possible in first handling. The Postal Service's goal is to scan every mailpiece that has a barcode (flats, letters, and packages). The Postal Service also promotes the tracking feature on its website as a tool for customers to view the status of a mailpiece at any time. The organization aims to achieve 100 percent visibility and provide world-class package delivery services by offering several updates on the status of delivery.

The aforementioned mail scanning issues occurred because customer service managers did not adequately monitor customer service-related operations. Supervisors at nine of the 15 units we visited arrived up to 6 hours after the start of the first clerk, thereby missing the opportunity to oversee much of the scanning operations. In addition, there were inconsistencies related to how supervisors interpret the policies for scanning Vacation Hold mail. For example, one manager stated that if a customer is on a long vacation, carriers scan mail as Delivered, and if it is for a short time, they scan the mail as Notice Left.

¹⁰ *Scanning at a Glance – Delivering 100% Visibility*, page 13, August 2011.

When employees do not scan mailpieces correctly, customers are unable to determine the status of undelivered mail. Customers rely on accurate data to track their packages in real time. By improving scanning operations, district management can increase mail visibility, improve customer service, and receive fewer customer complaints related to the location and delivery status of their packages.

Recommendations

We recommend management develop strategies to more effectively monitor customer service operations by coordinating units' integrated operating plans and mail arrival profiles; actively monitoring employees to manage workload and ensure they are processing mail efficiently; evaluating unit workroom layout and use; and instructing unit employees to follow required scanning procedures and verify these procedures are followed.

We recommend the acting manager, Colorado/Wyoming District, develop strategies to more effectively monitor customer service operations by:

1. Coordinating units' integrated operating plans and mail arrival profiles.
2. Actively monitoring employees to manage workload and ensure they are processing mail efficiently.
3. Evaluating unit workroom layout and use.
4. Instructing unit employees to follow required scanning procedures and verify these procedures are followed.

Management's Comments

Management agreed with the findings, recommendations, and monetary impact.

Regarding recommendation 1, management stated they will develop new IOPs and MAPs after the Denver Plant completes staffing adjustments to accommodate a new package sorting system and the consolidation of the Mail Processing Annex. The target implementation date is January 31, 2017.

Regarding recommendation 2, management stated that Delivery Programs will lead a Kaizen Multiplicity event¹¹ to improve efficiencies in the five offices we visited with low efficiency ratings. Management stated the new IOP will lead to improved flows in the respective units. The target implementation date is February 28, 2017.

Regarding recommendation 3, management stated that Delivery Programs will review the current floor layout for the opportunity offices to ensure they meet Lean Mail Delivery and Six Sigma expectations. The target implementation date is February 10, 2017.

Regarding recommendation 4, management agreed with the finding in a subsequent conversation. Management's written response stated that a stand up talk on scanning procedures will be given on December 1 and 2, 2016 to all Customer Service employees, with a subsequent follow-up review to ensure procedures are being followed. The target implementation date is December 12, 2016.

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 in the report and corrective actions taken or planned should resolve the issues identified in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

¹¹ Kaizen refers to activities that continuously improve all functions and involve all employees from the Chief Executive Officer to the assembly line workers. It also applies to processes, such as purchasing and logistics, which cross organizational boundaries into the supply chain.

Appendices

*Click on the appendix title
to the right to navigate
to the section content.*

Appendix A: Additional Information 14

 Background 14

 Objective, Scope, and Methodology 15

 Prior Audit Coverage 16

Appendix B: Management’s Comments..... 17

Appendix A: Additional Information

Background

Postal Service financial systems track customer service operations as Function 4 operations. Function 4 includes customer service activities – both supervisory and non-supervisory – of employees at post offices, stations, and branches involved in automated, mechanized, manual, and PO Box distribution of mail, Post Office window, and vending equipment services and miscellaneous administrative and Central Forwarding System operations. Customer service operations' workload includes mail volumes by type of mail, retail transactions, and retail revenue.

In March 2010, the Postal Service unveiled a comprehensive action plan for the next decade to increase efficiency and manage costs under its control. The Postal Service uses a CSV model to monitor retail customer service productivity. The program uses target productivity to determine the hours that should be used for a given amount of work.

As part of our fieldwork, we selected five low-, medium-, and high-efficiency units within the district for field observation based on our evaluation of FY 2015 CSV data, our risk model analysis, and geographic and office size considerations (see Table 4).

Table 4: Fifteen Units Selected for Field Observations

Unit Name	City, State	OIG Efficiency Ranking
Denver - Sullivan Station	Denver, CO	Low
Fort Collins Post Office	Fort Collins, CO	Low
Aurora - Tower Station	Aurora, CO	Low
Cheyenne Post Office	Cheyenne, WY	Low
Casper Post Office	Casper, WY	Low
Greenwood Village Branch	Greenwood Village, CO	Medium
Golden Post Office	Golden, CO	Medium
Boulder Valmont Station	Boulder, CO	Medium
Montbello Station	Denver, CO	Medium
Aurora - Main Office Station	Aurora, CO	Medium
Parker Post Office	Parker, CO	High
Denver - Lakewood Branch	Lakewood, CO	High
Pueblo Main Office Station	Pueblo, CO	High
Westminster Post Office	Westminster, CO	High
Loveland Post Office	Loveland, CO	High

Source: OIG analysis of Postal Service CSV data for FY 2015 and other efficiency, staffing, and geographic considerations.

We found some notable differences when comparing performance at these units. Highly efficient units had trucks that arrived on time from the mail processing plant, an efficient workroom layout, and employees who expressed pride in their work. Less-efficient units had clerks who did not consistently clock to the correct labor distribution code when changing tasks and staff shortages due to vacancies.

Objective, Scope, and Methodology

Our objective was to assess the customer service operational efficiency in the Colorado/Wyoming District. Specifically, we:

- Reviewed documentation and applicable policies and procedures related to Function 4 and customer service operations.
- Performed audit steps using the Function 4 audit checklist.
- Observed customer service operations at 15 retail units in the Colorado/Wyoming District. We judgmentally selected these 15 units based on our evaluation of FY 2015 CSV data, our FY 2015 Retail Operations Risk Model reports, geographic, and office size considerations (for example, we excluded smaller offices¹² from our potential site selection universe). We specifically selected five units for observation within what we determined to be high-, medium-, and low-efficiency units.
- Obtained, reviewed, and analyzed operational data such as mail security and arrival times, scanning, drop shipments, and supervision.
- Interviewed customer service supervisors at the sites to determine if Function 4 operations are being completed according to Postal Service policy and procedures.
- Interviewed appropriate retail operations managers at the area and district levels to obtain a general overview of their customer service and Function 4 operations.
- Identified opportunities to decrease workhours for each fiscal year by subtracting earned workhours from actual workhours.

We conducted this performance audit from June through December 2016, 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 November 1, 2016, and included their comments where appropriate.

We assessed the reliability of CSV data by comparing it to data in eFlash and discussing the data with knowledgeable Postal Service officials. We determined that the data were sufficiently reliable for the purposes of this report.

¹² We eliminated offices that earned fewer than 11,000 Function 4 hours in FY 2015.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Capital and Northern VA Districts Operations Related to Customer Services</i>	To assess customer service operations in the Capital and Northern Virginia districts.	MS-AR-16-007	8/25/2016	\$16.2
<i>Function 4 Customer Service – Connecticut Valley District</i>	To assess Function 4 operations for efficiency and customer service in the Connecticut Valley District.	MS-AR-16-002	4/13/2016	\$3.9
<i>Customer Service Operations Efficiency – Chicago District</i>	To assess overall efficiency in retail customer service operations in the Chicago District.	MS-AR-15-005	4/28/2015	None

Appendix B: Management's Comments

DISTRICT MANAGER
COLORADO/WYOMING DISTRICT



November 29, 2016

LAURIE DILLARD
DIRECTOR, AUDIT OPERATIONS
audittracking@uspsaig.gov

SUBJECT: Function 4 Efficiency in the Colorado/Wyoming District
Report Number MS-AR-17 DRAFT

Management agrees with the questioned costs of \$5,301,358.

Recommendations

We recommend the acting manager, Colorado/Wyoming District, develop strategies to more effectively monitor customer service operations by:

1. Coordinating units' integrated operating plans and mail arrival profiles.

Management Response/Action Plan:

Management agrees with these findings.

The IOP for the Denver plant is undergoing a major overhaul due to the implementation of the Hip Hop (HTPS) package sorting system. In addition, the Mail Processing Annex (MPA) is slated to end operations effective January 6, 2017. Staffing is being readjusted to address the requirement for the Hip Hop and the consolidation of the MPA operation.

New bids at the Denver P&DC will be posted in December and will be effective January 7, 2017. The plant team will fine tune the staffing to ensure efficiency in January. Once they are stable we can finalize new dispatch times for our units and new IOP's/MAP's will be developed as appropriate.

Target Implementation Date: January 31, 2017

Responsible Official:

Lora McLucas, Manager Operation Programs Support along with Kathleen Ramp, Manager In-Plant Support(A)

2. Actively monitoring employees to manage workload and ensure they are processing mail efficiently.

Management Response/Action Plan:

Management agrees with these findings.

The findings from this audit were shared with the appropriate Senior Operating Managers for their initial follow up. Delivery Programs will lead a Kaizen Multiplicity event to improve efficiencies in the 5 offices with the LOW efficiencies ranking.

7500 E. 53RD PLACE, ROOM 1131
DENVER, CO 80266-9998

WWW.USPS.COM

The new plant operating plan will lead to improved flows to the Customer Service units. The Kaizens will begin in February to coincide with the improved flows from the plant. A copy of the Kaizens will be provided upon completion.

Target Implementation Date: Kaizens begin February 1, 2017 with completion by February 28, 2017.

Responsible Official:

Lora McLucas, Manager Operation Programs Support

3. Evaluating unit workroom layout and use.

Management Response/Action Plan:

Management agrees with these findings.

Delivery Programs will lead a review of the current floor layout for the opportunity offices listed to ensure they meet Lean Mail Delivery and 6S expectations.

Target Implementation Date: February 10, 2017

Responsible Official:

Lora McLucas, Manager Operation Programs Support

4. Instruct unit employees to follow required scanning procedures and verify these procedures are followed.

Management Response/Action Plan:

A stand up on scanning procedures will be given on December 1, 2016 and December 2, 2016 to all Customer Service employees.

A follow up review will be completed to ensure procedures are being followed.

Target Implementation Date: December 12, 2016

Responsible Official:

Installation heads

Rick Pivovar

Rick J. Pivovar
District Manager (A)

cc: Sally K. Haring, Manager, Corporate Audit and Response Management,
CARMManager@usps.gov
Greg G. Graves, Vice President, Western Area, Gregory.g.graves@usps.gov



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

Contact us via our [Hotline](#) and [FOIA](#) forms.
Follow us on social networks.
Stay informed.

1735 North Lynn Street
Arlington, VA 22209-2020
(703) 248-2100