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Highlights

Background

The U.S. Postal Service operates over 29,000 retail facilities, which provide postage, products, and services to patrons in all areas and communities in the United States. To ensure these facilities are safe for both customers and employees, the Postal Service provides preventive maintenance and repair resources for their upkeep. This includes employee workhours to maintain the building and grounds and address general repairs. As part of the 10-year Delivering for America (DFA) plan, the Postal Service plans to create initiatives to upgrade retail facilities, which include refreshing the lobbies.

What We Did

Our objectives were to examine the distribution of resources for maintenance and repairs at retail facilities in lower- and higher-income communities and assess the impact of the retail portion of the DFA plan on these communities. This review was initiated in response to a Congressional request. We analyzed repair and maintenance data to identify funds expended, conducted observations at 48 judgmentally selected retail sites, and interviewed Postal Service officials.

What We Found

We could not determine if there was a fair and equitable distribution of repair and maintenance resources between retail facilities in lower- and higher-income communities nationwide, as the Postal Service's systems do not identify and track all repair and maintenance costs by facility. However, we judgmentally selected and reviewed all repair and maintenance costs at 48 facilities in both low- and high-income communities and found repair and maintenance costs were approved and expensed equally across income communities. We also found that the Postal Service did not consistently record repair and maintenance information and related costs in its data systems. During our site visits, we identified maintenance issues that had not been reported and, therefore, not addressed.

The Postal Service has not yet developed and implemented DFA initiatives to upgrade retail facilities; therefore, we could not assess the plan's impact on these communities. We will conduct future audit work on the DFA as initiatives are developed and implemented. Developing a robust execution plan will ensure that DFA initiatives allocate resources to maintain retail facilities consistently across all communities.

Recommendations

We recommended management develop a plan to identify all repair and maintenance costs at the retail facility level; direct responsible personnel to record the cost of all completed work in the appropriate data systems; and address all outstanding maintenance issues identified at selected facilities.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 20, 2023

MEMORANDUM FOR: ELVIN MERCADO
VICE PRESIDENT, RETAIL AND POST OFFICE OPERATIONS

SCOTT P. RAYMOND
VICE PRESIDENT, RETAIL AND DELIVERY OPERATIONS —
ATLANTIC

TIMOTHY COSTELLO
VICE PRESIDENT, RETAIL AND DELIVERY OPERATIONS —
SOUTHERN

ERIC HENRY
VICE PRESIDENT, RETAIL AND DELIVERY OPERATIONS —
CENTRAL

EDUARDO H. RUIZ
VICE PRESIDENT, RETAIL AND DELIVERY OPERATIONS —
WESTPAC

BENJAMIN P. KUO
VICE PRESIDENT, FACILITIES

A handwritten signature in cursive script that reads "Amanda H. Stafford".

FROM: Amanda Stafford
Deputy Assistant Inspector General
for Retail, Marketing, and Supply Management

SUBJECT: Audit Report – Distribution of Repair and Maintenance Resources
(Report Number 22-081-R23)

This report presents the results of our audit of the U.S. Postal Service's distribution of repair and maintenance resources.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Shirian Holland, Director, Infrastructure and Supply Management, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

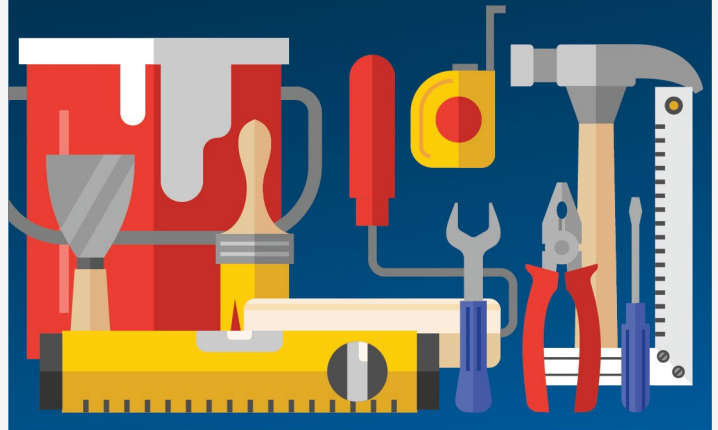
This report presents the results of our audit of the U.S. Postal Service's distribution of repair and maintenance resources (Project Number 22-081). The report responds to a request from Congress.¹ Our objectives were to (1) examine the distribution of resources for maintenance and repairs at retail facilities in lower- and higher-income communities and (2) assess the impact of the Delivering for America (DFA) plan on these communities. See [Appendix A](#) for additional information about this audit.

Background

From fiscal year (FY) 2020 through FY 2021, the U.S. Postal Service spent over \$1.9 billion on repairs, improvements, and safety projects for all facilities.² Proper upkeep, through repairs and maintenance, allows the Postal Service to ensure a clean, safe, and healthy environment for both employees and customers in each of its over 29,000³ retail facilities in communities across the nation.⁴ Retail facilities include main post offices and associated stations and branches located within the same city or town. More than 74 percent of these facilities are leased and include a maintenance rider, which establishes repair responsibilities between the Postal Service and the lessor. When the landlord does not complete repairs, the Postal Service has the right to perform the work and recover the costs.

Minor repair and maintenance costs are managed directly by the postmaster at a retail unit and usually do not exceed \$2,000. This includes expenses for such things as tools and supplies, cleaning contracts, and plumbing and other maintenance services. The expenses are requested, approved, and reconciled through eBuyPlus, the Postal Service's online purchasing system. The expense is not always recorded at the branch or station level where the work occurred but at the main post office.

From FY 2020 through FY 2021, the U.S. Postal Service spent over \$1.9 billion on repairs, improvements, and safety projects for all facilities.



Repairs and maintenance that the postmaster cannot address locally are usually referred to the Field Maintenance Office (FMO). In addition to these requests, the FMO reviews and approves the custodial, cleaning, and groundskeeping requests submitted by the postmaster on Postal Service (PS) Form 4852, *Workload Analysis and Summary*. Once approved, the repairs and workhours are recorded and monitored by FMO personnel in the electronic Maintenance Activity Reporting & Scheduling (eMARS) data system.⁵ The workhour budget for the FMO is established based on previous year spend and allocated to the district.

A large portion of repair, maintenance, and facility alteration projects – those that the FMO cannot handle – are managed by the Headquarters Facilities team. The Postal Service allocated more than \$250 million in FY 2020 and \$270 million in FY 2021 for those expenses. This funding supports routine and emergency repairs and maintenance to keep all facilities in good operational condition.⁶ Repair and maintenance requests are initiated from annual

¹ House of Representatives Report 117-79, *Financial Services and General Government Appropriations Act, 2022*.

² We were unable to identify the amount spent on retail facilities only due to data limitations (see finding 1).

³ We obtained the initial data of over 31,000 facilities from eFMS and removed all duplicate values to identify facilities by retail function type and with a unique address.

⁴ The Postal Service's mission adopted by the Board of Governors on April 1, 2020, includes serving the American people and binding the nation together by maintaining and operating their facilities.

⁵ eMARS is a data system that helps the FMO manage maintenance operations, including preventive and reactive maintenance, work orders and scheduling, inventory, and equipment records.

⁶ These facilities include retail units, delivery units, processing plants, vehicle maintenance facilities, and administrative offices. The Postal Service does not segment out the repair and maintenance budget for retail facilities.

inspections or requested through the National Facility Response Line.⁷ After Facilities personnel determine the suitability of the request, they enter and track the progress of approved repair and maintenance projects in the electronic Facility Maintenance System (eFMS).⁸ The eFMS houses individual repair and maintenance projects nationwide, and those expenses are monitored at the headquarters level for all projects.

The Postal Service also allocates funds for strategic capital expenditures related to facilities to address issues such as upgrades for customer service and retail needs, space deficiencies, and health or safety considerations. All capital expenditures are approved at the headquarters level and tracked in eFMS, and those costing \$1 million or more require a Decision Analysis Report and go through a robust executive level review and approval process. The Postal Service Headquarters Facilities group allocated more than \$838 million in FY 2020 and \$780 million in FY 2021 for these efforts across all facilities.

Additionally, from a strategic perspective, the Postal Service released the DFA plan in March 2021, which outlined steps over the next ten years to improve financial and operational performance and modernize the network. This plan includes an investment of \$4 billion into retail units to provide a world-class customer experience, including updating the appearance of retail facilities.

Finding #1: Postal Service Data Systems Do Not Track All Repair and Maintenance Expenses by Facility

We could not determine if there was a fair and equitable distribution of repair and maintenance resources between retail facilities in lower- and higher-income communities nationwide. While the Postal Service manages, controls, and tracks costs in a variety of data systems, we found that repair and maintenance project costs are not always allocated to the retail facility in eFMS. Further, repair and maintenance expenses are paid from different budgets at different levels of the Postal Service. For example,

- Some maintenance contracts for services such as heating, cooling, and ventilation systems; cleaning; and snow plowing are paid at the district level, but the expenses are not allocated to the retail facility.

- FMO workhours and expenses are recorded in eMARS but not allocated to the retail facility.
- Repair and maintenance credit card expenses are recorded to the main post office level and not assigned to their associated station or branch.
- Custodial work hour expenses are accounted for at the main post office and not recorded at the station and branch level.

“We could not determine if there was a fair and equitable distribution of repair and maintenance resources between retail facilities in lower- and higher-income communities nationwide.”

We were not able to determine the distribution of repair and maintenance resources because the Postal Service does not identify and track repair and maintenance costs by facility or by community. However, gaining visibility to all repair and maintenance costs at the retail facility level would strengthen management’s ability to manage all operating costs, and allow for better informed decisions when allocating resources to repair and upgrade facilities – including the forthcoming allocation of \$4 billion associated with the DFA plan.

Recommendation #1

We recommend the **Vice President, Retail and Post Office Operations**, in coordination with the **Vice President, Facilities**, develop a plan to identify all repair and maintenance costs at the retail facility level.

Finding #2: Completion of Repair and Maintenance Projects at Judgmentally Selected Facilities

The Postal Service responded to and addressed repair and maintenance requests at 48 judgmentally selected retail facilities, regardless of the income level. Specifically, while the total amount expensed varied, the percentage of repair and maintenance

⁷ This is the call center for Postal Service personnel to report emergency and general facility repairs.

⁸ The eFMS data system is the official record for Postal Service real property inventory and the management system for administering all related projects including acquisition, design, construction, disposal, repairs, health and safety mitigation, and property inspections.

requests approved and completed were about the same across the different income communities (see Table 1). The Postal Service’s goal is to address all repair and maintenance issues related to the safety, security, and serviceability of the office.⁹

We judgmentally selected 48 facilities in low-, medium-, and high-income communities (12 facilities from each of the four Postal Service Retail and Delivery Areas) and evaluated the repair and maintenance projects for FYs 2020 and 2021 for each facility. These facilities were leased and owned, in urban and rural areas, and ranged in age and size. In addition, we reviewed two sites at the request of a member of Congress. For further information on our methodology, please see [Appendix B](#).

“The Postal Service did not apply adequate oversight to verify that personnel recorded information about completed repair and maintenance work and the associated costs in the data systems.”

We reviewed 1,506 repair calls in the eFMS for retail facilities in our sample. We identified 1,368 repair calls completed and the costs were recorded by either the FMO or Headquarters Facilities team. For the remaining 138 calls, 90 (6 percent) were completed but missing cost information in eFMS, 44 (3 percent) calls were disapproved with no further action, and

four (less than 1 percent) were still in process. We also found maintenance personnel did not document the cost of all work performed at retail facilities in eMARS. Postal Service policy requires maintenance personnel to document costs for work performed in reporting systems.¹⁰

These conditions occurred because the Postal Service did not apply adequate oversight to verify that personnel recorded information about completed repair and maintenance work and the associated costs in the data systems. Without accurate, complete, and consistent repair cost and maintenance data, the Postal Service cannot evaluate maintenance and operation costs and make informed decisions about resources needed to maintain its facilities. Even though repair data was inconsistently recorded, we did not identify any facility in our sample that was not provided the resources needed to repair and maintain the post office.

Recommendation #2

We recommend the **Vice President, Retail and Post Office Operations**, in coordination with the **Vice President Facilities**, direct personnel to record all repair work and associated costs at retail facilities in the appropriate data systems, in accordance with Postal Service policy.

Finding #3: Unaddressed Repair and Maintenance Issues at Judgmentally Selected Facilities

During our site visits to the judgmentally selected facilities, we conducted limited reviews to identify any unaddressed repair and maintenance issues

Table 1. Repair and Maintenance at 48 Retail Facilities in FY 2020 and FY 2021

Community Income Level	Facilities	Count of eFMS Repair calls	Count of eMARS work orders	Total Recorded Expenses	Average Cost of Completed Repairs	Percent of Projects Approved
Low	16	496	1,006	\$1.56 M	\$1,059	96%
Medium	16	460	1,476	\$2.28 M	\$1,242	97%
High	16	550	2,521	\$2.47 M	\$809	98%
Total	48	1506	5,003	\$6.31 M	\$1,037	97%

Source: The U.S. Postal Service Office of Inspector General (OIG) analysis.

⁹ Handbook F-66, *General Investment Policies and Procedures*, dated November 2019.

¹⁰ Handbook MS-63, *Maintenance Operations*, TL8, dated June 2006, Section 5.

related to the appearance, health and safety, or security of the facility. At most facilities, we found new maintenance issues not reported, such as missing or damaged ceiling tiles, non-functioning lights, broken fences, cracked masonry and damaged pavement, and broken downspouts. These issues were found at 73 percent of the facilities in both low- and high-income communities. We discussed these items with local management and found they were unaware of the issues or had not reported them to either the FMO or the National Facility Response Line. During the course of our audit, management took action to address 76 of 192 maintenance issues identified by the OIG. See [Appendix C](#) for an overview of the remaining maintenance issues identified at each facility.

The Postal Service is required to maintain a safe environment for employees and customers.¹¹ In addition, the Occupational Safety and Health Act of 1970 requires employers to provide a safe and healthy workplace free of recognized hazards. In a recent report, we recommended the Postal Service develop and implement a standardized internal inspection program to identify and address property condition issues at all retail and delivery facilities.¹²

Recommendation #3

We recommend the **Vice President, Retail and Post Office Operations**, in coordination with the four **Vice Presidents, Retail and Delivery Operations**, prioritize and develop a plan to address all outstanding building safety, security and maintenance issues identified at facilities selected by the Office of Inspector General.

The Path Forward – Delivering For America Plan

The Postal Service has not yet developed DFA initiatives to upgrade retail facilities; therefore, we could not assess the plan’s impact on these communities. Currently, the retail facility-related initiatives focus on growing revenue, improving efficiencies, and enhancing the customer experience by offering additional services and new technologies. Postal Service management stated that future initiatives will focus on facility improvements. As

part of the DFA, they also noted a commitment to evaluating operations to ensure all communities are provided adequate access to all services.

In August 2022, the Postal Service created a new Retail and Post Office Operations Maintenance group to oversee the work completed by FMOs. This group will directly communicate with postmasters to help address needed repairs and provide guidance on maintenance responsibilities. They are in the process of establishing standards and developing systems to

improve the oversight and timeliness for completing requested repairs from retail facilities. As the Postal Service continues to develop and implement initiatives for the DFA, they should consider strategies to ensure resources are allocated to maintain retail facilities to a consistent standard in all communities.

Management’s Comments

Management generally agreed with the findings and recommendations but disagreed with specific parts of the findings and provided

clarification for others. Management stated that the OIG conducted observations at 50 total sites, including two requested by the Congress, but that the OIG did not inform the Postal Service of the two sites when requested. Regarding the number of retail facilities, management stated there are 30,323 in Postal Service’s databases and accounting for duplicate entries only removes four facilities from the total. Management also stated there are over 1,800 sites with less than 500 square feet and over 300 sites with over 60,000 square feet that the OIG excluded from the data set. Management also reiterated the Postal Service approved 97 percent of repair calls across the OIG sample, regardless of socioeconomic status in the surrounding community. Finally, management stated that they have established a Get it Right initiative that supports the Delivering for America 10-year plan.

Regarding the data systems finding, management stated that if a facility uses the Category Management Center contract, the expenses are charged to the respective finance number for that facility. Management also stated that the report did not note that PS Form 4776 is used to document custodial work hours at the unit level.

“We found new maintenance issues not reported at facilities in both low- and high-income communities.”

¹¹ Handbook EL-801, *Supervisor’s Safety Handbook*, dated July 2020.

¹² *Property Condition Review Capping Report* (Report Number 22-019-R22, dated June 2, 2022).

Regarding the completion of repairs finding, management stated that the OIG did not consider the other reporting systems used to document costs of work performed at retail facilities. Management also stated that despite only utilizing information available in eFMS, the OIG did not identify any facility in the sample that was not provided the resources needed to repair and maintain the post office.

Regarding the unaddressed repairs finding, management stated that [Appendix C](#) of the final draft shows 20 fewer total instances than in the discussion draft shared on March 16, 2023. Additionally, nine facilities have different items selected than what was noted in the discussion draft. Management questioned the accuracy of the finding because of these data discrepancies.

Regarding recommendation 1, management stated that they will develop a plan to identify repairs and maintenance costs at the retail level. The target implementation date is March 31, 2024.

Regarding recommendation 2, management stated that they will direct personnel to record repair work and associated costs at retail facilities in the appropriate data systems. The target implementation date is March 31, 2024.

Regarding recommendation 3, management stated that it creates a bias of prioritizing OIG work over other work requests. Management added that they will address work requests in the order they are received unless there are urgent safety or security concerns. Management also stated that they will develop a plan that will better monitor and track the progress of the abatement of maintenance concerns so as to address and resolve them in a timely manner. The target implementation date is March 31, 2024.

See [Appendix D](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and the corrective actions should resolve the issues identified in the report.

Regarding management's statement that the OIG did not inform them of the two sites requested by the Congress, we met with Postal Service personnel at multiple occasions during the audit. During these meetings, we briefed them on our observations and advised them of the two retail facilities that Congress

requested we visit. Regarding the clarification that there are over 30,000 retail facilities in Postal Service databases, we used data from the Postal Service's official property system of record. We found other databases to be unreliable and to contain more duplicate values than management stated. Further, we discussed with management our sampling methodology using Postal Service design criteria excluding sites over 60,000 square feet classified as mail processing facilities. Regarding management's clarification that expenses are charged to the retail facility if they use the Category Management Center contract, we agree. However, as we reported, we found that some contract expenses were not charged to retail facilities. We also agree that PS Form 4776, Preventive-Custodial Maintenance Route, is used to document custodial work. However, the form tracks work hours rather than record the associated expense in a data system.

Regarding management's statement that the OIG did not consider the other reporting systems used to document costs of work performed at retail facilities, we reviewed information in multiple databases to identify repair and maintenance costs at the retail facility level. Further, as we reported, we found that not all repair costs were documented in two of the systems reviewed.

Regarding management's concern with the accuracy of data in [Appendix C](#), we discussed these items at the exit conference and agreed to conduct a secondary review. We reviewed Postal Service databases to determine if some maintenance issues were reported and resolved after our visits and updated the information in this report to reflect resolution. Further, we provided management with support for each unreported repair and maintenance issue we identified in the report.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. All 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.

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Appendix A: Additional Information

Scope and Methodology

The team examined the Postal Service’s distribution of resources to retail facilities in FYs 2020 and 2021. The team judgmentally sampled 48 Postal Service retail facilities from a universe of 29,369 facilities with an interior size ranging from about 400 square feet up to about 60,000 square feet.¹³ These facilities ranged in age, were leased and owned, and were in urban and rural areas. In addition, we included two sites at the request of a member of Congress.

To accomplish our objective, we:

- Reviewed policies, procedures, manuals, flow charts, training materials, and contracts, to gain an understanding of how the Postal Service plans, manages, and controls the funding and expenses for repair and maintenance processes at retail facilities.
- Interviewed Postal Service management to gain an understanding of the management, responsibilities, and internal control environment for repairs and maintenance at retail facilities. The team discussed communication, monitoring, and information system capabilities, limitations, reporting, and planned enhancements with knowledgeable officials.
- Identified the universe of retail facilities and used demographic mapping software data to assign median income and population data to every ZIP Code. We divided the data set into quartiles to identify communities in the lower, median, and upper income ranges.
- Analyzed the relationship of retail facilities to the income level of the community and the population served.
- Judgmentally selected a sample of facilities in the four Postal Service Retail and Delivery Areas based on median income of the community.
- Developed an electronic data collection instrument to analyze repair and maintenance expenditures for two fiscal years for each sampled facility to determine if there is a correlation between community income level and the distribution of resources.
- Reviewed and analyzed repair and maintenance requests in eFMS and eMARS for FYs 2020 and 2021 for each sampled facility to determine whether the Postal Service had different processes to address requests from low- and high-income communities.
- Reviewed and compared the approved custodial workhours for each sampled facility on the completed PS Form 4852, *Workload Analysis and Summary*, with actual budgeted hours.
- Reviewed information in the Enterprise Data Warehouse to identify contracted costs at the area, district, and facility level for services directly related to maintaining and operating the facility.
- Reviewed Accounts Payable System purchases for each sampled site to identify repairs addressed locally.
- Visited retail facilities to observe the general condition and interview management about repairs and maintenance.
- Reviewed the Postal Service’s DFA plan and discussed current and future initiatives related to upgrades to retail facilities.

We conducted this performance audit from April 2022 through April 2023 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on March 16, 2023, and included their comments where appropriate.

We assessed the reliability of data from the Enterprise Data Warehouse and the eFMS and eMARS systems by reviewing existing information, comparing data from other sources, and interviewing Postal Service officials knowledgeable about the data. Further, we

¹³ See Appendix B for further details on the sample methodology.

reviewed a judgmental sample of repairs and traced the information to the corresponding PS Form 4805, *Maintenance Work Order Request*, to determine if the information was included in eMARS. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit within the last five years.

Appendix B: Sampling Methodology

To select a judgmental sample, we first assigned the median income and population to every ZIP Code from a third-party data set. We identified a median community income level of \$57,039 for the data set of 29,369 retail facilities and divided it into quartiles to identify the upper, lower, and median income ranges. We considered the top and bottom quartiles of income to be high- and low-income and everything in between as medium-income. From this data set, we determined the following:

- More than half of all retail facilities (17,163 of 29,369) serve people who reside in urban communities.
- Nearly 75 percent of the facilities are in communities where the average income is below the national average.¹⁴
- The Postal Service has approximately one facility for about 9,000 people in lower-income communities compared with one facility for nearly 17,000 people in higher-income communities.

We analyzed the information by the four Postal Service Retail and Delivery Areas to identify districts with a mix of facilities serving communities in each income group. See Table 2.

We selected two districts in each of the four areas. We reviewed the data to select facilities in a geographic area that included a mix of leased and owned facilities serving both urban and rural areas. We also considered other factors including the number of repair requests, age and size of the facility, and economically disconnected areas and disadvantaged communities. In each district we selected two facilities in each of the low-, medium-, and high-income groups. In addition to the 48 facilities selected, we reviewed two sites at the request of a member of Congress.

Table 2. Count of Facilities by Retail and Delivery Area

Retail and Delivery Area	Community Income Levels				Total
	Low	Median		High	
		Low	High		
Atlantic	1,230	1,767	1,926	3,310	8,233
Central	2,107	2,842	3,177	1,865	9,991
Southern	2,937	1,740	1,132	760	6,569
Western Pacific	1,068	994	1,107	1,407	4,576
Totals	7,342	7,343	7,342	7,342	29,369

Source: OIG analysis.

¹⁴ According to the United States Census Bureau, the 2021 median community income level was \$70,784. Therefore, most Postal Service retail facilities serve communities below this median income level.

Appendix C: Summary of Maintenance Issues

The tables below outline all remaining building safety, security and maintenance issues identified at 41 selected sites visited by the OIG in each Retail and Delivery Area. Management completed repairs at four sites to correct the identified issues. We did not identify any issues at the other five sites.

ATLANTIC AREA											
Community Income Level		Low			Medium			High			
Facility Name		Newark Midtown Station	Newark South Station	Portland Downtown Station	Waterville Main Office	Auburn Main Office	Edgecomb Main Office	Elizabeth Bayway Station	Hightstown Main Office	Derry Main Office	
Maintenance Issues										Total	
EXTERIOR	Doors & Windows									X	1
	Loading Dock		X					X			2
	Parking & Sidewalks				X		X	X			3
	Landscaping		X		X						2
	Roof & Gutters							X			1
	Electrical	X									1
INTERIOR	Floors			X		X		X			3
	Ceilings	X	X			X			X	X	5
	Electrical	X	X					X			3
	Painting				X						1
	Plumbing	X			X						2
	Other Miscellaneous	X	X	X				X			4
Total		5	5	2	4	2	1	6	1	2	28

CENTRAL AREA												
Community Income Level	Low				Medium				High			
Facility Name	Springfield Downtown Station	Chicago Stockyards Station	Chicago West Station	Decatur Main Office	Chicago Elmwood Park	Maywood Broadview Branch	Oaklawn Moraine Valley	Rantoul Main Office	Bolingbrook Main Office	Morton Main Office	Schaumburg Hoffman Estates Branch	
Maintenance Issues												Total
EXTERIOR	Doors & Windows			X								1
	Siding	X										1
	Stairs & Walkways							X			X	2
	Loading Dock							X				1
	Parking & Sidewalks				X			X	X			3
	Landscaping		X	X		X						3
	Painting			X								1
	Roof & Gutters						X					1
	Electrical									X		1
INTERIOR	Floors										X	1
	Ceilings	X			X	X		X				4
	Electrical				X			X		X	X	4
	Plumbing					X		X				2
	Safety							X				1
	Other Miscellaneous	X	X	X	X	X	X	X				X
Total	3	2	4	4	4	2	1	7	1	2	4	34

SOUTHERN AREA										
Community Income Level		Low		Medium			High			
Facility Name		Atlanta Cascade Heights Station	Atlanta Lakewood Station	Auburn Main Office	Grantville Main Office	Montgomery Lagoon Park Station	Moreland Main Office	Webb Bridge Station	Decatur Main Office & VMF	
Maintenance Issues										
										Total
EXTERIOR	Loading Dock						X			1
	Parking & Sidewalks				X		X			2
	Painting		X							1
	Roof & Gutters	X								1
	Electrical			X			X	X		3
INTERIOR	Floors		X					X	X	3
	Ceilings	X			X	X	X	X	X	6
	Electrical							X		1
	Painting		X							1
	Safety				X					1
	Other Miscellaneous	X			X	X	X	X	X	6
Total		3	3	1	4	2	5	5	3	26

WESTERN PACIFIC AREA

Community Income Level		Low			Medium				High						
Facility Name	Hemet Main Office	Bethel Island Main Office	Yucca Valley Landers Branch	Bloomington Main Office	Fontana Main Office	Lodi Main Office	Pollock Pines Main Office	Pomona Main Office	Redlands Lugonia Station	Clements Main Office	Fontana Southside Station	Placerville Main Office	La Verne Main Office		
Maintenance Issues														Total	
EXTERIOR	Landscaping						X			X				2	
	Electrical				X			X						2	
INTERIOR	Floors				X								X	2	
	Ceilings	X			X	X		X			X		X	6	
	Electrical	X	X				X	X	X		X		X	7	
	Other Miscellaneous	X		X	X	X	X	X				X	X	9	
Total		3	1	1	1	4	2	3	4	1	1	2	1	4	28

Appendix D: Management's Comments



April 13, 2023

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response - Distribution of Repair and Maintenance Resources (Project Number 22-081-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Distribution of Repair and Maintenance Resources*.

Postal Service management has reviewed the Office of Inspector General (OIG) report titled "Distribution of Repair and Maintenance Resources." The Postal Service is firmly committed to ensuring that our facilities are safe for both customers and employees by providing resources for preventive maintenance, repair, and upkeep. We have pursued a systemic and comprehensive cross-functional strategy regarding fair and equitable distribution of repair and maintenance resources among retail facilities nationwide. Postal Service management does not identify and track all repair and maintenance costs based upon lower and higher income communities. The Postal Service is bound by a Universal Service Obligation (USO) which means we provide delivery to every address Nationally, regardless of income. Rather than pursuing an income-based strategy organization-wide, the Postal Service will pursue and enhance a collaborative, proactive strategy to record and address all repair and maintenance issues. The Postal Service is working aggressively to address this issue and will continue to do so.

Before responding to this report's recommendations, we would like to briefly clarify some aspects of the report's findings. First, the data referred to in this report and the data as maintained by the Postal Service contain some discrepancies. The report makes reference to conducting observations at 48 judgmentally selected retail sites. The audit in fact included observations conducted at 50 total sites, including two additional sites that were requested by Congress.

Additionally, the Postal Service requested to know which two audited sites were requested by Congress but was not informed. The OIG report also states that the Postal Service operates over 29,000 retail facilities across the United States. There are 30,323 retail facilities in the Postal Service's current databases, and accounting for duplicate entries only removes four facilities from the total. The final audit also reflects sampled facilities ranging from 400–60,000 square feet; however, previous drafts of the audit listed a surveyed complement of facilities ranging from 500-60,000 square feet. Additionally, there are over 1,800 sites with less than 500 square feet and over 300 sites with more than 60,000 square feet that were excluded from the data set used by the OIG in this audit. Management contends every retail postal facility represents a relevant data point in this audit.

The Postal Service would also like to note that the audit showed that the Postal Service completed repair calls and recorded the associated costs in 90.8% of repairs, with an additional 6% of repairs completed without recording cost information in eFMS. The audit did not show any bias in the repair and maintenance resources utilized in lower- and higher-income communities nationwide on the basis of community income level based on the percentage of repair projects that were approved. Although the OIG's report indicates

that the Postal Service should consider additional strategies to ensure that resources are allocated to maintain a consistent standard for retail facilities in all communities, the Postal Service would like to reiterate that the Postal Service approved 97% of repair calls across the OIG's sample, regardless of socioeconomic status in the surrounding community. The Postal Service has also established a Get It Right (GIR) Initiative—Initiative 162—that supports the Delivering for America (DFA) 10-year plan. Developing additional initiatives has not yet been determined to be necessary based upon the audit findings.

Finding #1: Management partially agrees:

OIG Comment: The audit states, "Some maintenance contracts for services such as heating, cooling, and ventilation systems; cleaning; and snow plowing are paid at the district level, but the expenses are not allocated to the retail facility."

Management Comment: If a retail facility uses the Category Management Center (CMC) contract, these are charged to the respective finance number for that facility.

OIG Comment: OIG states, "Custodial work hours are accounted for at the main post office and not recorded at the station and branch level."

Management Comment: PS Form 4776 is used to document custodial work hours at the unit level. This was not noted in the report.

Finding #2: Management partially agrees

OIG Comment: OIG states, "We found maintenance personnel did not document the cost of all work performed at retail facilities in eMARS."

Management Comment: This OIG statement does not consider the other reporting systems used by the Postal Service to document costs of work performed at retail facilities. While Management concurs that recording of maintenance repairs is essential, this recording takes place in various other databases under maintenance: electronic Maintenance Activity Recording System (eMARS), electronic Facility Maintenance System (eFMS), eBUY+, the CMC, purchase card processes, and maintenance ticketing systems.

However, despite only utilizing the information available in eFMS, the OIG also states that, "we did not identify any facility in our sample that was not provided the resources needed to repair and maintain the post office." They likewise stated that "the percentage of repair and maintenance requests approved and completed were about the same across the different income communities."

Finding #3: Management partially agrees

OIG Comments: The OIG states, "During the course of our audit, management took action to address 76 of 192 maintenance issues identified by the OIG."

Management Comments: The draft audit shared with Postal Management on 3/16/23 indicated 212 (192 is listed in the final) unaddressed and unreported maintenance opportunities. However, Appendix C of the final draft now shows 20 fewer total instances. Additionally, there are nine remaining facilities that now have a different item selected as the issue in Appendix C than the discussion draft. While Management is concerned by these unreported safety and maintenance issues in both lower- and higher-income communities, the significant discrepancies in this limited data set calls into question the accuracy of Finding #3 and the data discrepancies associated with it.

Recommendation 1:

We recommend the Vice President, Retail and Post Office Operations, in coordination with the Vice President, Facilities, develop a plan to identify all repair and maintenance costs at the retail facility level.

Management Response/Action Plan:

Management agrees with this recommendation. The Postal Service will develop a plan to identify repairs and maintenance costs at the retail level.

Target Implementation Date: 03/31/2024

Responsible Officials:

Vice President, Retail & Post Office Operations
Vice President, Facilities

Recommendation 2:

We recommend the Vice President, Retail and Post Office Operations, in coordination with the Vice President, Facilities, direct personnel to record all repair work and associated costs at retail facilities in the appropriate data systems, in accordance with Postal Service policy.

Management Response/Action Plan:

Management agrees with this recommendation. Management will direct personnel to record repair work and associated costs at retail facilities in the appropriate data systems.

Target Implementation Date: 03/31/2024

Responsible Officials:

Vice President, Retail & Post Office Operations
Vice President, Facilities

Recommendation 3:

We recommend the Vice President, Retail and Post Office Operations, in coordination with the four Vice Presidents, Retail and Delivery Operations, prioritize and develop a plan to address all outstanding building safety, security and maintenance issues identified at facilities selected by the Office of Inspector General.

Management Response/Action Plan:

Management partially agrees with this recommendation. As currently stated in this audit report, this recommendation creates a bias of prioritizing OIG work over other work requests. Postal management will address work requests in the order they are received unless there are urgent safety or security concerns.

Management will develop a plan that will better monitor and track progress of the abatement of maintenance concerns to address and resolve them in a timely manner.

Target Implementation Date: 03/31/2024

Responsible Officials:

Vice President, Retail & Post Office Operations
Vice President, Facilities

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on 2023-04-13 13:26:17 CDT

Elvin Mercado
Vice President, Retail and PO Operations

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Benjamin P. Kuo
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