

# Efficiency of Operations at the Miami Processing and Distribution Center, Miami, FL

## AUDIT REPORT

Report Number 23-049-R23 | April 10, 2023



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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April 10, 2023

**MEMORANDUM FOR:** JUAN GONZALEZ  
GULF ATLANTIC DIVISION DIRECTOR, LOGISTICS

MARK DAHLSTROM  
GULF ATLANTIC DIVISION DIRECTOR, PROCESSING

A handwritten signature in black ink, which appears to read "Sean Balduff", is positioned below the recipient names.

**FROM:** Sean Balduff  
Director, Field Operations

**SUBJECT:** Audit Report – Efficiency of Operations at the Miami Processing and  
Distribution Center, Miami, FL (Report Number 23-049-R23)

This report presents the results of our audit of the Efficiency of Operations at the Miami Processing and Distribution Center.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monica Brym, Operations Manager, at 703-248-2100.

Attachment

cc: Postmaster General  
Chief Processing and Distribution Officer and Executive Vice President  
Chief Logistics Officer and Executive Vice President  
Processing and Maintenance Operations Vice President  
Logistics Vice President  
Eastern Regional Processing Operations Vice President  
Regional Director Southern, Logistics  
Corporate Audit Response Management

# Results

## Background

This report presents the results of our self-initiated audit of the efficiency of operations at the Miami Processing and Distribution Center (P&DC) in Miami, FL (Project Number 23-049). We conducted this audit to provide U.S. Postal Service management with timely information on operational risks at this P&DC. We judgmentally selected the Miami P&DC based on a review of first and last mile failures;<sup>1</sup> clearance times; work hours; mail volume and productivity; overall scanning performance; and late, canceled, and extra trips. The Miami P&DC is in the Gulf Atlantic Division and processes letters and return parcels for retailers. The Miami P&DC services multiple 3-digit ZIP Codes in urban and rural communities<sup>2</sup> (see Table 1).

Table 1. Population Demographics

3-Digit ZIP Codes	Urban Population	Rural Population	Total Population
330-333	4,246,069	16,716	4,262,785

Source: Postal Service National Distribution Labeling List and Esri.

## Objective, Scope, and Methodology

Our objective was to evaluate the efficiency of operations at the Miami P&DC. To accomplish our objective, we focused on four areas: mail clearance times,<sup>3</sup> delayed mail, late, extra, and canceled outbound trips, and load scans. Specifically, we analyzed Enterprise Data Warehouse (EDW)<sup>4</sup> data for workhours, overtime, and penalty overtime from October 2021 through September 2022. Additionally, we reviewed Surface Visibility Web (SVWeb)<sup>5</sup> data for late, canceled, and extra trips, as well as load scans for fiscal year (FY) 2022. Further, we identified mail clearance times through interviews with Miami P&DC

management and compared them with operations shown in the Run Plan Generator report.<sup>6</sup> During our site visit from January 30 to February 2, 2023, we interviewed P&DC management and observed mail processing and dock operations.

During the week of January 30, 2023, the U.S. Postal Service Office of Inspector General (OIG) also audited four delivery units<sup>7</sup> serviced by the Miami P&DC. We will provide the results of those audits to Florida 3 District management in separate reports. See [Appendix A](#) for additional information about our scope and methodology.

## Results Summary

We identified deficiencies for three of the four areas we reviewed that affected the efficiency of operations at the Miami P&DC. We also identified an issue related to truck/trailer security and safety procedures (see Table 2).

Table 2. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Clearance Times		X
Delayed Mail	X	
Late, Canceled, and Extra Outbound Trips	X	
Load Scans	X	
Other Issues	X	

Source: Results of OIG review conducted from January 30 to February 2, 2023.

Regarding clearance times, we analyzed mail processing schedules and data to verify the plant was meeting the scheduled clearance times.

1 First mile failures occur when a mail piece is collected and does not receive a processing scan at the P&DC on the day that it was intended. Last mile failures occur after the mailpiece has been processed at the P&DC on a final processing operation and is not delivered to the customer on the day it was intended.  
2 We obtained ZIP Code information related to population and urban/rural classification from Esri, which is based on 2010 Census Bureau information.  
3 The latest time committed mail can clear an operation for proper dispatch or delivery.  
4 The central source for information on retail, financial, and operational performance. Mission-critical information comes to EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.  
5 A website dedicated to the Surface Visibility program, which provides real-time transportation updates and reports on the movement of trailers in the surface network. The data captured to identify early, on-time, late, or canceled trips is also used to evaluate and improve transportation schedules.  
6 An application mail processing facilities use to plan machine utilization based on volume, clearance times, and other criteria.  
7 The four delivery units were Allapattah Station, Miami, FL (project number 23-050-1), Doral Branch, Doral, FL (project number 23-050-2); Flagler Station, Miami, FL (project number 23-050-3); and Princeton Branch, Homestead, FL (project number 23-050-4).

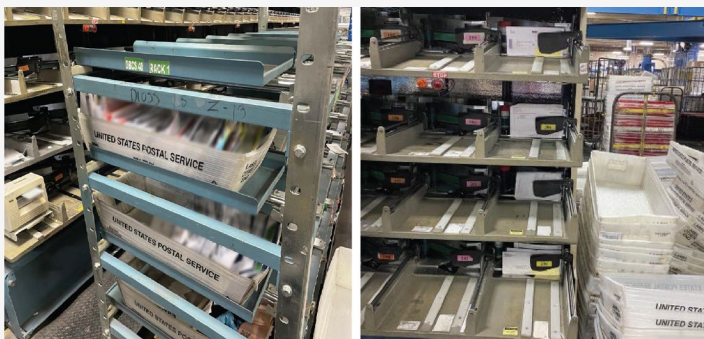


# Finding #1: Delayed Mail

## What We Found

We found delayed mail on processing machines and in the manual unit each day of our observations. For example, on Wednesday, February 1, 2023, we identified about 3,440<sup>8</sup> delayed mailpieces on a machine belt and in the sort bins and sort trays of several machines after mail sortation was completed. This mail should have been moved to the next operation for final processing and dispatch. As a result, the mail was not dispatched until the following day (see Figure 1).

**Figure 1. Mail Remaining at a Delivery Barcode Sorter Machine**



OIG photos taken February 1 at 5:45am and February 2, 2023, at 6:00 a.m., respectively.

On Wednesday, February 1, 2023, the team also identified multiple trays of delayed mail in the manual mail unit after 6:30 a.m. At the Miami P&DC, the critical time for dispatch of mail to delivery units is 5:45 a.m. Management reported 22,422 delayed mailpieces in the manual unit that day. As a result, mail in the manual unit destined for local delivery was not dispatched to the delivery units until the following day (see Figure 2).

In addition, we found late arriving collection mail<sup>9</sup> each day of our observations. For example, on Monday, January 30 at 3:15 p.m., we identified unprocessed collection mail next to the Advanced Facer Canceller System<sup>10</sup> machine that arrived in the facility at 12:44 a.m. on January 28, 2023 (see Figure 3). This mail should have been processed and dispatched for delivery on the morning of January 30, 2023.

**Figure 2. Delayed Mail in Manual Unit**



OIG photos taken February 1, 2023 at 6:30 a.m.

**Figure 3. Delayed Collection Mail by the Advanced Facer Canceller System**



OIG photos taken January 30, 2023 at 3:15pm.

<sup>8</sup> OIG estimate based on Postal Service conversion factors in Management Instruction PO-610-2007-1, Piece Count Recording System.

<sup>9</sup> Mail received by the Postal Service from a customer or business for processing and delivery.

<sup>10</sup> A high-speed machine used to cancel letter collection mail.

## Why Did it Occur

The delayed mail was largely due to employees not following operational procedures to move sorted special handling mail<sup>11</sup> to other operations or sweep machines of all mail after the completion of an operational run. According to facility management, many clerks and supervisors are new to their positions and need training on the operational procedures to properly flow mail.

Additionally, the Miami P&DC received late arriving collection mail (after the critical entry time for processing) from delivery units and the Royal Palm P&DC. According to facility management, the Royal Palm P&DC often receives collection mail improperly sent from delivery units. Management also stated that this collection mail is often identified and transferred to their facility too late for timely processing. For example, on February 2, 2023, the Miami P&DC received collection mail from the Royal Palm P&DC at 2:45 a.m. (see Figure 4). However, management did not communicate this ongoing issue to the delivery units through the Mail Arrival Quality/Plant Arrival Quality (MAP/PAQ) system.<sup>12</sup>

**Figure 4. Late Arriving Collection Mail from Royal Palm P&DC**



Source: OIG photos taken February 2, 2023 at 6:00 a.m.

## What Should Have Happened

Postal Service policy<sup>13</sup> states that management should continually gauge how well they are managing the flow of mail and have managerial control over the workload, personnel, and equipment needed for a well-run operation. In addition, the flow of mail from the dispatching unit to the platform should be smooth and timely.<sup>14</sup> According to Postal Service mail processing guidelines, mail that gets sorted into specific special handling bins

on processing machines is intended to be moved to additional processing operations based on the specific operation run at the time.<sup>15</sup> In addition, management should have used the MAP/PAQ system to communicate and resolve issues with late arriving mail from the Royal Palm P&DC and delivery units.

## Effect on the Postal Service and its Customer

When mail is not processed in accordance with proper procedures, there is an increased likelihood that mail will not be taken to the dock in time for dispatch to delivery units, which can result in delays and service failures.

### Recommendation #1

We recommend the **Gulf Coast Division Director, Processing** implement a plan to train clerks and supervisors at the Miami Processing and Distribution Center on proper mail flow procedures in processing operations and verify these procedures are followed.

### Recommendation #2

We recommend the **Gulf Coast Division Director, Processing**, verify that issues with late arriving mail to the Miami Processing and Distribution Center are entered into the MAP/PAQ system and steps are taken to resolve these issues.

<sup>11</sup> Mail identified by the sort program requiring additional processing on another machine or operation.

<sup>12</sup> The MAP/PAQ system facilitates communication and resolution of issues with the movement of mail, including collection mail, between Postal facilities.

<sup>13</sup> Handbook PO-413, Platform Operations, Section 2-1.1, dated December 2013.

<sup>14</sup> Handbook PO-413, Platform Operations, Section 2-4.4.

<sup>15</sup> Automated Mailflow Special Bin and Reject Flow Handling Guidelines.



# Finding #2: Late, Canceled, and Extra Trips

## What We Found

From January 1, 2022 through December 31, 2022, there were 33,630 outbound late trips, 16,730 outbound canceled trips, and 1,454 outbound extra trips at the Miami P&DC, which represents approximately 30 percent of all trips (see Table 3).

**Table 3. Late, Canceled, and Extra Trips**

Transportation Metric	Outbound Trips	Total Number of Trips	Percentage of Late, Canceled/ Extra Trips
Late Trips	33,630	164,805	20.41%
Canceled Trips	16,730	164,805	10.15%
Extra Trips	1,454	164,805	0.88%

Source: SVWeb.

## Why Did it Occur

These late and canceled trips were the result, in part, of vacant Postal Vehicle Service (PVS) driver positions at the Miami P&DC. According to Postal Service records, the facility had 19 vacant driver positions from January 2022 through January 2023. Management said they have had challenges with hiring tractor trailer drivers with Class A licenses and that they do not have control over the hiring process for drivers. According to Postal Service management, there is an ongoing initiative to help increase PVS drivers, which includes streamlining the PVS driver hiring process. On November 30, 2022, the Postal Service also started a six-month pilot program in Oklahoma City for a new Postal Vehicle Operator position to transport mail in vehicles that do not require commercial driver's licenses. Due to these ongoing initiatives, we are not making a recommendation for the driver shortage issue.

Further, management at the Miami P&DC stated that many of the canceled trips were the result of unused trips still listed on the transportation schedule. The majority of these canceled trips are needed in December during peak season for plant-to-plant trips, but are routinely canceled when they are not needed the rest of the year.

## What Should Have Happened

Management must anticipate recruitment needs in time to ensure qualified persons are available for appointment. When using competitive recruitment strategies, management determines whether they need additional recruitment efforts to yield a diverse pool of qualified applicants for employment.<sup>16</sup>

Transportation management at P&DCs are required to complete annual Zero Base reviews to optimize PVS operations. The intent of a Zero Base review is to examine and identify recommendations regarding staffing, scheduling, and vehicle usage. The result of these reviews typically includes eliminating stand-by time (when drivers are not needed for a specific trip or related action but are required to be paid) and aligning schedules and staffing across all tours of operation.

## Effect on the Postal Service and its Customer

When there are late, canceled, and extra trips, there is an increased risk the mail will not be delivered on time, which can adversely affect Postal Service customers, harm the brand, send mailers to competitors, increase operating costs, and cause the Postal Service to lose revenue.

### Recommendation #3

We recommend the **Gulf Coast Division Director, Logistics Operations**, verify that a Zero Base review is completed and related actions are implemented at the Miami Processing and Distribution Center.

<sup>16</sup> Employee and Labor Relations Manual, Section 3211.

## Finding #3: Load Scanning

### What We Found

The Miami P&DC did not consistently meet load scan goals.<sup>17</sup> From January 1, 2022 through December 31, 2022, the average compliance for load scans<sup>18</sup> at the Miami P&DC was 92.09 percent (see Figure 5). While the average load scan score at the facility was above the Logistics goal of 92 percent, it fell below the goal in seven of the 12 months.

### Why Did it Occur

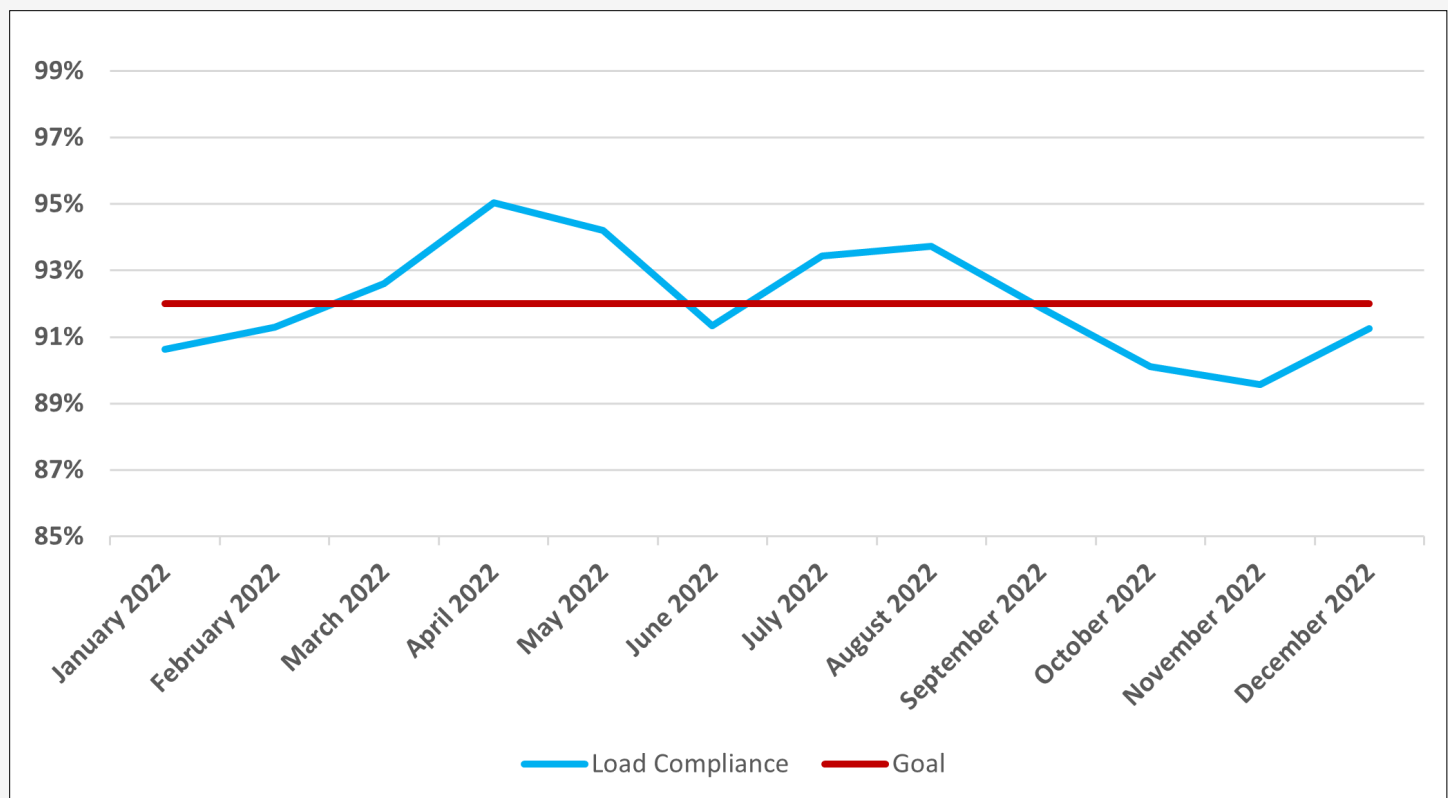
Load scans were not being performed consistently due to a lack of management oversight. Facility management stated that scanning by the drivers improved when management provided better supervision on the docks, such as performing audits of truck loads. Local processing operations management, who recently gained additional

responsibility for scanning performance, stated that they were aware of the low load scan performance. Plant management stated they are working to address scanning compliance and have assigned someone to verify all required scans are performed.

### What Should Have Happened

Postal Service policy<sup>19</sup> states that management should ensure employees are scanning containers before loading them onto a trailer. At the Miami P&DC approximately 97 percent of trips are conducted by PVS drivers. For these trips, it is the responsibility of the driver to do the load scans. PVS drivers are under the authority of Logistics, while supervision for the scanning at the dock area is under the responsibility of Operations.

Figure 5. Miami P&DC Average Monthly Load Scan Performance From January 2022 - December 2022



Source: SVWeb

<sup>17</sup> The National Performance Assessment goal for all required scans is 93.25 percent for Mail Processing Operations and 92 percent for Logistics.

<sup>18</sup> Performed when the container is loaded onto the trailer for dispatch.

<sup>19</sup> Surface Visibility Program User booklet.

### Effect on the Postal Service and its Customer

When containers do not receive a load scan, management is unable to determine trailer utilization and mail visibility for customers is hindered. Due to the data integrity issues caused by missing load scans, management could not rely on this data to accurately measure trailer utilization and make operational decisions.

#### Recommendation #4

We recommend the **Gulf Coast Division Director, Processing Operations and Gulf Coast Division Director, Logistics Operations**, coordinate to develop and implement a plan to verify load scanning at the Miami P&DC is consistently completed in accordance with policy.



## Finding #4: Safety and Security

### What We Found

We observed many of the trucks and trailers parked at the facility did not have wheel chocks placed next to the tire to prevent them from rolling away while parked at the docks (see Figure 6).

We also observed unsecured trailers leaving the Miami P&DC that contained mail. Specifically, PVS drivers were not always securing trailer doors with a padlock or using the internal trailer door lock when departing from the facility to delivery units.

**Figure 6. Trailers Without Wheel Chocks**



Source: OIG photos taken January 30, 2023 at 3:22 a.m. and on February 1, 2023 at 4:24 a.m., respectively.

### Why Did it Occur

The inconsistent use of wheel chocks and unlocked trailers were due to a lack of management oversight. While the P&DC had measures in place to facilitate the use of wheel chocks on parked trucks and trailers and locks on trailer doors, management acknowledged these measures were not monitored or enforced. In response to our observations, facility management conducted a stand-up talk with PVS drivers during the week of our visit regarding the need to use wheel chocks and secure trailers in accordance with policy. After our visit, management initiated a requirement for supervisors to conduct regular walkthroughs of the dock area and submit verification that drivers are properly chocking trailers and locking trailer doors before departing the facility. Management provided us with documentation

supporting that they were conducting these verifications. Therefore, we are not issuing a recommendation for these issues.

### What Should Have Happened

Postal Service policy<sup>20</sup> states that PVS drivers must prevent trailers from rolling away from docks by using wheel chocks. Postal Service policy<sup>21</sup> also states management must preserve the security of the mail and ensure PVS drivers comply with policies regarding the transportation of mail in trailers using cargo compartment door locks while enroute.

### Effect on the Postal Service and its Customer

When employees do not observe safe working practices and safety rules, there is an increased risk of employee accidents and injuries. In addition, when the Postal Service does not take proper security measures, there is an increased risk of lost or stolen mail.

### Management's Comments

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

Regarding recommendation 1, management stated that a service talk has been given to all responsible personnel on proper procedures to move sorted special handling mail that included hands-on training. A daily audit is performed on all tours to ensure compliance. This action was completed on March 31, 2023.

Regarding recommendation 2, management stated they now document all late arriving collection mail in the MAQ/PAQ system. The accountable office then enters the actions taken in MAQ/PAQ. This action was completed on March 31, 2023.

Regarding recommendation 3, management stated that the Headquarters Surface Planning and Performance group will conduct a Zero Base review for 2023 at the Miami P&DC. The results of the review will determine what adjustments are necessary. The target implementation date is November 30, 2023.

Regarding recommendation 4, management stated that they have implemented a plan to verify and increase load scan performance. Scanning

<sup>20</sup> Handbook EL-803, Maintenance Employee's Guide to Safety, Section 1-C.

<sup>21</sup> Postal Operations Manual Issue 9, Mail Processing Procedures, Platform Operations, Section 476.2.h.

performance is discussed during daily calls with Operations and Logistics. Additionally, weekly discussions are held at the Miami P&DC to address scanning performance on load scans. This action was completed on March 31, 2023.

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

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

Recommendation 3 requires OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. This recommendation 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.

Management provided us with training records, supervisory logs, MAQ/PAQ entries for March 2023, and a plan to improve and verify load scanning. After reviewing this documentation, we consider recommendations 1, 2, and 4 closed with the issuance of this report.

# Appendix A. Additional Information

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We conducted this audit from January 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on March 27, 2023, and included their comments where appropriate.

We assessed the reliability of EDW, Application System Reporting,<sup>22</sup> and SVWeb data by reviewing existing information, comparing data from other sources, observing operations, and interviewing Postal Service officials knowledgeable about the data. We determined the data were sufficiently reliable for the purposes of this report.

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<sup>22</sup> A module designed to mirror the actual reporting database.

# Appendix B: Management's Comments



March 31, 2023

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Operations at the Miami Processing and Distribution Center, Miami FL (23-049-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the OIG's draft audit report, *Efficiency of Operations at the Miami Processing and Distribution Center in Miami, FL*.

Management agrees with the four findings in the report on delayed mail; late, canceled, and extra outbound trips; load scans; and other issues related to safety and security. Management took immediate action to resolve all safety and security issues observed, thereby, the report did not make any recommendations for finding number four.

Following are our comments on the four recommendations related to findings 1-3.

**Recommendation [1]:**

We recommend the Gulf Atlantic Division Director, Processing implement a plan to train clerks and supervisors at the Miami Processing and Distribution Center on proper mail flow procedures in processing operations and verify these procedures are followed.

**Management Response/Action Plan:**

Management agrees with this recommendation. A service talk has been given to all responsible personnel on proper procedures to move sorted special handling mail that included hands-on training. A daily audit is performed on all tours to ensure compliance. Management requests closure of this recommendation with issuance of the final report.

**Target Implementation Date:** 04/30/2023

**Responsible Official:** Plant Manager, Miami P&DC

**Recommendation [2]:**

We recommend the Gulf Atlantic Division Director, Processing, verify that issues with late arriving mail to the Miami Processing and Distribution Center are entered into the Mail Arrival Quality/Plant Arrival Quality system and steps are taken to resolve these issues.

**Management Response/Action Plan:**

Management agrees with this recommendation. Management will continue to document all late arriving collection mail in the MAQ/PAQ system. The accountable office then enters the actions taken in MAQ/PAQ. Management requests closure of this recommendation with issuance of the final report.

**Target Implementation Date:** 04/30/2023

**Responsible Official:** Plant Manager, Miami P&DC



**Recommendation [3]:**

We recommend the **Gulf Atlantic Division Director, Logistics Operations**, verify that a Zero Base review is completed and related actions are implemented at the Miami Processing and Distribution Center.

**Management Response/Action Plan:**

Management agrees with this recommendation. The HQ Surface Planning and Performance group will conduct a Zero Base review for 2023 at the Miami P&DC. The results of the review will determine what adjustments are necessary.

**Target Implementation Date:** 11/30/2023

**Responsible Official:** Gulf Atlantic Division Director, Logistics Operations

**Recommendation [4]:**

We recommend the **Gulf Atlantic Division Director, Processing Operations and Gulf Atlantic Division Director, Logistics Operations**, coordinate to develop and implement a plan to verify load scanning at the Miami P&DC is consistently completed in accordance with policy.

**Management Response/Action Plan:**

Management agrees with this recommendation. Management at the Miami P&DC has implemented a plan to verify and increase load scan performance. Surface Visibility (SV) performance is discussed during daily calls with Operations and Logistics. Additionally, weekly discussions are held at the Miami P&DC to address SV performance on load scans. Management requests closure of this recommendation with issuance of the final report.

**Target Implementation Date:** 05/31/2023

**Responsible Official:** Plant Manager, Miami P&DC and Gulf Atlantic Division Director, Logistics Operations

E-SIGNED by Mark.D Dahlstrom  
on 2023-03-31 16:21:40 CDT

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Mark Dahlstrom  
Gulf Atlantic Division Director, Processing

E-SIGNED by Karlett.E Gilbert  
on 2023-04-04 12:40:08 CDT

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Karlett Gilbert  
Senior Director, Regional Logistics

cc: *Vice President, Regional Processing Operations (Eastern)*  
*Corporate Audit Response Management*

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UNITED STATES POSTAL SERVICE



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1735 North Lynn Street, Arlington, VA 22209-2020

(703) 248-2100

For media inquiries, please email [press@uspsig.gov](mailto:press@uspsig.gov) or call (703) 248-2100