



# OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

## Automated Vehicle Utilization System Mileage Use – Pacific Area

### Audit Report

Report Number  
DR-AR-16-010

September 15, 2016





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

## Highlights

***The Pacific Area's delivery route mileage data was not always accurate.***

### Background

The U.S. Postal Service delivers almost 154.2 billion pieces of mail annually using one of the largest vehicle fleets in the country with over 214,933 Postal-owned vehicles. In fiscal year (FY) 2015, postal-owned delivery vehicles traveled over 1 billion miles nationwide, about 190 million miles more than initially estimated.

Postal Service supervisors and managers use the Delivery Operations Information System (DOIS) and the Automated Vehicle Utilization System (AVUS) to help them manage carrier operations and mileage on delivery routes.

Delivery routes are a scheduled course to be followed in performing delivery duties. The Postal Service generally establishes the route's base miles twice each year; as part of the annual route inspection for city delivery and during the National Rural Mail Count for rural delivery.

The DOIS records the authorized base miles for carrier routes and the AVUS manages day-to-day vehicle use. The AVUS allows carriers to enter vehicle mileage information into Intelligent Mail® Devices, or scanners, at appropriate points along their routes. At the end of the route, the AVUS calculates hourly vehicle use, and compares miles driven to authorized miles for the route. Delivery unit supervisors use this information

to ensure that carriers are not deviating from the line of travel for their routes.

The Pacific Area has eight districts and 18,998 delivery routes. The Pacific Area's route base miles, established in FY 2015, were 82,179,604 and its mileage variance—the difference between the base miles and actual miles -- was 25,306,687 miles (30.79 percent), the highest variance percentage in the country.

Our objective was to evaluate the accuracy of delivery route mileage data in the Pacific Area.

### What The OIG Found

The Pacific Area's delivery route mileage data was not always accurate. Route base mileage data for 37 percent (6,955) of the Pacific Area's routes had inconsistent base route mileage between the AVUS and the DOIS as of June 8, 2016. Furthermore, actual daily miles recorded in the AVUS exceeded the AVUS route base miles by over 26,000 miles with no justification for the deviations.

These conditions occurred because supervisors were not trained to maintain route base miles, or monitor and document daily mileage use and deviations.



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Accurate mileage data established at the route inspection and adjustment and managing and monitoring daily mileage are critical to manage vehicle use. We estimated inaccurate base mileage cost the area more than \$8.1 million in questioned costs in FY 2015, and eliminating mileage deviations could further reduce area costs by more than \$8.1 million annually.

### What The OIG Recommended

We recommended management train existing, newly promoted, and temporary supervisors on maintaining route base mileage, and monitoring and documenting daily mileage use and deviations.



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

September 15, 2016

**MEMORANDUM FOR:** DEAN GRANHOLM  
VICE PRESIDENT, PACIFIC AREA OPERATIONS

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 – Automated Vehicle Utilization System  
Mileage Use – Pacific Area  
(Report Number DR-AR-16-010)

This report presents the results of our audit of the Automated Vehicle Utilization System Mileage Use – Pacific Area (Project Number 16XG020DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita F. Oliver, director, Delivery, or me at 703-248-2100.

Attachment

cc: Vice President, Delivery Operations  
Corporate Audit Response Management

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# Findings

**6,955 (37 percent) of the Pacific Area's routes were inconsistent between the AVUS and the DOIS. Also, over 26,000 miles or about 28 percent of the actual daily miles recorded in the AVUS exceeded the AVUS route base miles and deviations were unsupported.**

## Introduction

This report presents the results of our self-initiated audit of the Automated Vehicle Utilization System Mileage Use – Pacific Area (Project Number 16XG020DR000). Our objective was to evaluate the accuracy of delivery route mileage data in the Pacific Area. See [Appendix A](#) for additional information about this audit.

U.S. Postal Service supervisors and managers use the Delivery Operations Information System (DOIS)<sup>1</sup> and the Automated Vehicle Utilization System (AVUS) to help them manage daily carrier operations. The DOIS contains base<sup>2</sup> mileage data and route adjustment information as well as mail volume and projected office and street hours for each route.

Although the DOIS is important in recording the authorized miles for carrier routes, the AVUS is the primary system for managing day-to-day vehicle use. AVUS was designed to allow carriers to enter vehicle mileage information into Intelligent Mail<sup>®</sup> Devices (IMD), or scanners, at appropriate points along their routes. At the end of the route, AVUS calculates hourly vehicle use and compares miles driven to authorized miles for the route. Delivery unit supervisors use this information to ensure that carriers are not deviating from the line of travel for their routes. The Pacific Area's route base miles, established in fiscal year (FY) 2015, were 82,179,604 and its mileage variance was 25,306,687 (30.79 percent), the highest variance percentage in the country.

## Summary

The Pacific Area's delivery route mileage data was not always accurate. Our review of route base mileage data determined 6,955 (37 percent) of the Pacific Area's routes were inconsistent between the AVUS and the DOIS. Also, over 26,000 miles (or about 28 percent) of the actual daily miles recorded in the AVUS exceeded the AVUS route base miles and deviations were unsupported. These conditions occurred because supervisors were not trained to maintain route base miles or monitor and document daily mileage use and deviations. Accurate mileage data established at the route inspection and adjustment and managing and monitoring daily mileage are critical to manage vehicle use. We estimated the Pacific Area incurred costs of \$8.1 million annually for unsupported route base miles and could avoid future costs of \$8.1 million annually.

## Inaccurate Mileage Data

The Pacific Area's delivery route mileage data was not always accurate. Route base mileage data for 6,995 (37 percent) of the Pacific Area's routes was inconsistent between the AVUS and the DOIS. Furthermore, the U.S. Postal Service Office of Inspector General's (OIG) comparative analysis of the AVUS Base Mileage Report and the DOIS Route Base Information Report<sup>3</sup> showed the AVUS had base mileage information for only 18,831 of the 20,614 routes listed in the DOIS (see [Table 1](#)).

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- <sup>1</sup> DOIS is intended to be used by delivery unit supervisors to support the management of delivery unit office activities, planning of street activities from the office, and the management of route inspection and adjustment activities.
  - <sup>2</sup> The mileage established from the implementation date of an inspection or adjustment.
  - <sup>3</sup> Our comparison of DOIS and AVUS only included city routes because rural routes are not in DOIS.

**Table 1. OIG Comparison of Route Base Miles in AVUS and DOIS**

| District       | DOIS Routes   | DOIS Routes Listed in AVUS | Number of Routes with Different Route Base Mileage in DOIS and AVUS | Percentage Change |
|----------------|---------------|----------------------------|---|-------------------|
| Bay Valley     | 3,255         | 2,985                      | 1,612   | 54.0%             |
| Honolulu       | 657           | 614                        | 280   | 45.6%             |
| Los Angeles    | 2,367         | 2,202                      | 904   | 41.1%             |
| Sacramento     | 2,147         | 1,922                      | 127   | 6.6%              |
| San Diego      | 2,961         | 2,863                      | 1,229   | 42.9%             |
| San Francisco  | 2,240         | 1,684                      | 687   | 40.8%             |
| Santa Ana      | 4,186         | 4,022                      | 818   | 20.3%             |
| Sierra Coastal | 2,801         | 2,539                      | 1,298   | 51.1%             |
| <b>Totals</b>  | <b>20,614</b> | <b>18,831</b>              | <b>6,955</b>  | <b>36.9%</b>      |

Source: OIG analysis of AVUS data as of June 8, 2016.

Second, the AVUS actual daily route miles exceeded the base miles recorded in the AVUS by over 26,000 miles or 27.86 percent. Furthermore, our analysis of seven districts, showed these excessive mileage deviations were unsupported by management (see Table 2).

**Table 2. OIG Analysis of Unsupported Variance Miles in AVUS**

| District       | Total Variance Miles <sup>4</sup> | Total Variance Miles Reviewed <sup>5</sup> | Total Unsupported Variance Miles | Percentage of Variance Miles Unsupported |
|----------------|-----------------------------------|--|----------------------------------|--|
| Bay Valley     | 5,515                             | 4,438                                      | 844                              | 19.02%                                   |
| Los Angeles    | 12,312                            | 9,697                                      | 2,088                            | 21.53%                                   |
| Sacramento     | 9,714                             | 8,171                                      | 3,808                            | 46.61%                                   |
| San Diego      | 36,886                            | 33,781                                     | 6,785                            | 20.09%                                   |
| San Francisco  | 28,878                            | 24,528                                     | 8,652                            | 35.27%                                   |
| Santa Ana      | 6,126                             | 5,290                                      | 1,282                            | 24.24%                                   |
| Sierra Coastal | 9,462                             | 8,119                                      | 2,739                            | 33.74%                                   |
| <b>Total</b>   | <b>108,893</b>                    | <b>94,024</b>                              | <b>26,199</b>                    | <b>27.86%</b>                            |

Source: OIG analysis of AVUS Enterprise Data Warehouse/Delivery Data Mart Report.

<sup>4</sup> Total variance miles as of March 2016.

<sup>5</sup> We reviewed routes with variances greater than five miles.

Supervisors did not always maintain route base miles in the AVUS and the DOIS because they were not trained to and some were not aware of requirements to establish or update mileage data or monitor and document daily mileage use and deviations. New or reassigned supervisors had not included inputting and updating mileage data into their daily routine and relied on district management to update route base mileage after they performed route inspections.<sup>6</sup> Our review disclosed that at 12 of 30 units, supervisors did not discuss mileage variances with carriers, and at 13 of 30 units, supervisors did not perform daily reviews of the actual miles in the AVUS or document reasons for variances.

Postal Service policy<sup>7</sup> requires unit management to establish base miles for a city delivery route using PS Form 3999. Postal Service policies<sup>8</sup> also require management to update route base miles in the AVUS and the DOIS. In addition, supervisors should maintain carrier route information for all carrier routes for a facility and add or edit base miles for each route in the AVUS daily. Furthermore, AVUS guidelines<sup>9</sup> require supervisors to use the AVUS application daily to conduct supervisory reviews and provide feedback to the employees when necessary. It also requires supervisors to use the vehicle utilization daily report and document the reason for deviations of greater or less than one or more miles per route.

During discussions with area management, officials stated that AVUS and DOIS should be integrated to share mileage data information along with the mileage data contained in the Fuel Asset Management System. In addition, they stated the DOIS mileage data field is limited to 100,000 miles, which requires supervisors to enter accurate mileage every day for each vehicle. The OIG recognizes integration would be an optimal choice, but until this is done, it is important to update route changes timely. Accurate mileage data established at the route inspection/adjustment and managing and monitoring daily mileage are critical to manage vehicle use. We estimated the Pacific Area incurred questioned costs of \$11.5 million for unsupported route base miles, and could avoid future costs of \$11.5 million by eliminating mileage deviations.

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6 Postal Service (PS) Form 3999, Inspection of Letter Carrier Route, is used for city delivery routes and PS Form 4003, Rural Route Description Web Application Delivery, is used for rural delivery routes.  
7 Handbook M-39, Management of Delivery Services, March 18, 2004.  
8 Delivery, Standard Operating Procedures, March 2009.  
9 AVUS, Supervisor Users Guide, September 2005.

# Recommendations

***We recommend management review and conduct base mileage and variance analyses, and provide training to supervisors on maintaining route base mileage and monitoring and documenting daily mileage use and deviations.***

We recommend the vice president, Pacific Area, direct district managers to:

1. Review and conduct route base mileage and variance analyses and make the necessary corrections in AVUS and DOIS.
2. Provide training to existing, newly promoted, and temporary supervisors on maintaining route base mileage, and monitoring and documenting daily mileage use and deviations.

## Management's Comments

Management agreed in part with the findings and agreed with both recommendations. Management disagreed with the total monetary impact.

Management disagreed that the actual daily base miles in the AVUS exceeded the route base mile by 26,000 without justification. Management stated there will always be a difference between the DOIS base and the AVUS mileage because of collection and parcel routes, and the Amazon Fresh and Customized Delivery, Sunday Same Day programs.

Management questioned how the audit team determined funds put to better use and stated that the OIG added the \$11,500,540 in questioned costs funds a second time and did not explain how it would double the savings.

Management also questioned the criteria supporting the statement that "The Postal Service generally establishes the route's base miles twice each year as part of the annual route inspection."

In response to recommendation 1, management agreed with the need to review base miles. Management stated that mileage data was not always accurate and that route base mileage data had inconsistent base route mileage between AVUS and DOIS as of June 8, 2016. Management stated that they will require all districts to review their base miles in the DOIS and update the AVUS accordingly. Management's target implementation date is September 15, 2016.

In response to recommendation 2, management agreed to train existing, newly promoted, and temporary supervisors on maintaining route base mileage and monitoring and documenting daily mileage use and deviations. Management stated they will require all Customer Service supervisors and temporary supervisors to complete a prescribed AVUS training course. Management also stated that this prescribed course is also a part of the training program required for new supervisors. Management plans to implement training on October 1, 2016.

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

## Evaluation of Management's Comments

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

Regarding management's disagreement that the difference between the DOIS base and the AVUS mileage was the result of collection and parcel routes, and the Amazon Fresh and Customized Delivery, Sunday Same Day program, our analysis excluded any miles for routes used to deliver parcel post, collections, Amazon Fresh and Customized Delivery, Sunday Same Day programs.

With regard to the monetary impact, the OIG calculated questioned costs of \$11,500,540 based on a 17-month period of October 2015 through February 2016. The OIG calculated funds put to better use by projecting future costs to be incurred for the 17-month period from March 2016 through July 2017. Our monetary impact analysis and calculation was based on mileage data for regular 6-day delivery routes, and did not include any miles for routes used to deliver parcel post, collections, Amazon Fresh and Customized Delivery, Sunday Same Day programs. These programs are not regular delivery routes with established base mileage, but are either parcel or auxiliary routes. These routes either deliver only larger parcels (of all mail classes and products) as a supplement to the city delivery service provided by the carriers on several routes within the parcel route, or scheduled for completion in less than 8 hours.

To clarify the criteria regarding route inspections for city and rural delivery, we added footnotes 10, 11, and 12 in [Appendix A](#).

Recommendations 1 and 2 require OIG concurrence before closure. Consequently, the OIG request 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 recommendations can be closed.

# Appendices

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## Appendix A: Additional Information

### Background

The Postal Service delivers almost 154.2 billion pieces of mail annually using one of the largest vehicle fleets in the country, which includes over 214,933 postal-owned vehicles used primarily to deliver and collect mail. In FY 2015, postal-owned delivery vehicles traveled over 1 billion miles nationwide, approximately 190 million miles over the estimated yearly mileage.

The Postal Service generally establishes city route base mileage<sup>10</sup> during the annual route inspection<sup>11</sup> and during the National Rural Mail Count for rural delivery<sup>12</sup>. On motorized routes, city carriers are required to follow their authorized lines of travel. This includes travel to and from authorized routes; lunch, break, and refueling locations; and collection boxes. Postal Service supervisors and managers use the DOIS and the AVUS to assist them in managing daily carrier operations.

District or unit managers enter the base route mileage in the DOIS and the AVUS from PS Form 3999, PS Form 4003. The DOIS data includes mail volume, mail arrival and dispatch times, and projected office and street hours for each route. Although the DOIS is important in recording the authorized miles for carrier routes, the AVUS is the primary system for managing day-to-day vehicle use.

The AVUS was originally a part of Managed Service Point, but became a separate system in 2002. It is web-based and costs about \$434,000 annually to maintain. The Postal Service designed the AVUS to allow carriers to enter vehicle mileage information into IMDs, or scanners, at appropriate points along their routes. At the end of the route, the AVUS calculates hourly vehicle use, and compares miles driven to authorized miles for the route. Delivery unit supervisors use this information to ensure that carriers are not deviating from the line of travel for their routes.

The AVUS information is also of primary importance to Vehicle Maintenance Facility officials. Each month, the AVUS downloads vehicle mileage data into the Solution for Enterprise Asset Management (SEAM). Vehicle maintenance officials use this information to schedule vehicle maintenance service based on mileage.

### Objective, Scope, and Methodology

Our objective was to evaluate the accuracy of delivery route mileage information in the Pacific Area. To accomplish our objective we:

- Reviewed documentation and applicable policies and procedures for vehicle operations relevant to the DOIS, AVUS, and SEAM.
- Obtained, reviewed, and analyzed delivery unit data from the DOIS, AVUS, and SEAM for all delivery unit miles, variances, and fuel costs.

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<sup>10</sup> Handbook M39 Section 234.12, Management of Delivery Services, dated March 1998.

<sup>11</sup> Handbook M-39, Section 211.1, Mail Counts and Route Inspections, dated March 1998 - In order to achieve and maintain an appropriate daily workload for delivery units and routes, management will make at least annual route and unit reviews, which should include analysis of workhours, volumes, and possible deliveries.

<sup>12</sup> Rural Route Inspection Guide (Supplement to Course #44Q0105) Updated – February 2016 - All routes must be inspected at least once each calendar year. An inspection must be conducted either during or immediately preceding the annual count of mail and all special counts of mail. Additional inspections may be made at other times of the year. If a route is not counted within a calendar year, it must still be inspected per Handbook PO-603, Section 523, Rural Carrier Duties and Responsibilities, dated September 2013.

- Selected the Pacific Area for review, based on the Pacific Area ranking first among the seven areas with the highest variance mileage percentage of 30.79 percent.
- Selected 30 units in the Pacific Area to review based on delivery units grouped by variance percentage range (for example: .01-10 percent, 11-20 percent and so forth) and using the cluster point statistical sampling methodology.
- Conducted on-site interviews and observations at selected delivery units to obtain information on vehicle operations, unit operations, office processes, vehicle procedures, etc.
- Evaluated all routes, and obtained explanations for routes with an average daily variance rounded to 5 miles or greater.
- Compared established route base mileage information in the AVUS to established route base mileage information in the DOIS, for accuracy.
- Reviewed PS Forms 3999 to determine whether supervisors were following policies and procedures for establishing or updating miles in the AVUS and DOIS.
- Used the total unsupported variance miles determined in our review, to establish a percentage of unsupported variance miles in the Pacific Area, to estimate monetary impact.
- Interviewed and discussed results of the audit with delivery unit and area management, the acting manager of delivery, and the vice president, Pacific Area Operations.
- We also compared the base mile data contained in the DOIS to the PS Forms 3999 for selected routes to determine if base miles matched.

We conducted this performance audit from March through September 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 August 11, 2016, and included their comments where appropriate.

We did not directly audit the AVUS or DOIS, but performed a limited data integrity review to support our data reliance. We assessed the reliability of the systems using reports obtained from the AVUS<sup>13</sup> to determine if base mileage in DOIS was consistent with base mileage in AVUS. We determined that the data were sufficiently reliable for the purposes of this report.

### **Prior Audit Coverage**

We did not identify any prior audits or reviews related to the objective of this audit within the last 3 years.

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<sup>13</sup> We used the AVUS Base Mileage and AVUS Vehicle Utilization reports for our analysis.

**Appendix B:  
Delivery Units Selected for  
Site Observations**

| <b>DISTRICT</b> | <b>DELIVERY UNIT</b>                       | <b>VARIANCE RANGE</b> |
|-----------------|--|-----------------------|
| Bay Valley      | Los Gatos Dell Main Post Office            | 11%-20%               |
| Bay Valley      | Pebble Beach Main Post Office              | 31%-40%               |
| Bay Valley      | Soquel Main Post Office                    | 51%-60%               |
| Bay Valley      | Watsonville/Freedom Main Post Office       | Above 91%             |
| Los Angeles     | Alameda Carrier Annex                      | Above 91%             |
| Los Angeles     | Commerce Station                           | 51%-60%               |
| Los Angeles     | Lomita Main Post Office                    | 41%-50%               |
| Los Angeles     | Preuss Station                             | Above 91%             |
| Los Angeles     | South Gate Main Post Office                | 71%-80%               |
| Los Angeles     | Washington Los Angeles Station             | 61%-70%               |
| Sacramento      | Folsom-El Dorado Hill Branch               | 21%-30%               |
| Sacramento      | Nevada City Administrative Post Office     | 11%-20%               |
| Sacramento      | Sacramento-Town and Country Station        | 71%-80%               |
| San Diego       | Encanto/George Washington Station          | 61%-70%               |
| San Diego       | La Costa Carlsbad Station                  | 11%-20%               |
| San Diego       | Navajo Station                             | 21%-30%               |
| San Diego       | Rancho Bernardo Carrier Annex              | 81%-90%               |
| San Diego       | San Bernardino Main Post Office            | 31%-40%               |
| San Diego       | San Ysidro Branch                          | 71%-80%               |
| San Francisco   | Daly City Main Post Office                 | 81%-90%               |
| San Francisco   | Menlo Park Main Post Office                | 41%-50%               |
| San Francisco   | Mill Valley Main Post Office               | 81%-90%               |
| San Francisco   | South San Francisco Bruno Main Post Office | 51%-60%               |
| Santa Ana       | Rancho Santa Margarita Branch              | 31%-40%               |
| Santa Ana       | West Garden Grove Station                  | .01% to 10%           |
| Sierra Coastal  | Corcoran Main Post Office                  | .01% to 10%           |
| Sierra Coastal  | San Roque Station                          | 61%-70%               |
| Sierra Coastal  | Santa Barbara Main Post Office             | 41%-50%               |
| Sierra Coastal  | Tarzana Main Post Office                   | .01% to 10%           |
| Sierra Coastal  | Verdugo Viejo Station                      | 21%-30%               |

Source: OIG analysis of the AVUS Vehicle Utilization Report, from October 1, 2015 through February 29, 2016.

## Appendix C: Management's Comments

LARRY J. BELAIR  
MANAGER OPERATIONS SUPPORT, PACIFIC AREA/A



August 31, 2016

SHERRY FULLWOOD  
A/DIRECTOR AUDIT OPERATIONS  
USPS-OIG

SUBJECT: Response to Draft Audit Report – Automated Vehicle Utilization System Mileage Use – Pacific Area (Report Number DR-AR-16-DRAFT)

The Pacific Area agrees with the findings and recommendation for the following items:

- Mileage data was not always accurate.
- Route base mileage data of the Pacific Area's routes had inconsistent base route mileage between the AVUS and the DOIS as of June 8, 2016.

The Pacific Area does not agree with "the actual daily miles recorded in the AVUS exceeded the AVUS route base miles by over 26,000 miles with no justification for the deviations." There will always be a difference between DOIS base mileage and AVUS mileage:

- DOIS does not have a field to record base miles for Parcel Post Routes and Collection Routes.
- In 2014, the Pacific Area started participating in the Amazon Fresh program, which requires carriers to deliver Amazon Totes during various delivery windows. Amazon Fresh deliveries are not on routes with base miles and are not part of DOIS base miles. Miles driven for Amazon Fresh are determined by volume and delivery area.
- In 2013, the Pacific Area started participating in the Customized Delivery, Sunday Same Day program. Sunday Customized Deliveries are also not in DOIS and do not have base mileage. The miles driven are determined by volume and delivery area.

In the Background portion of the report, third paragraph, ... "The Postal Service generally establishes the route's base miles twice each year; as part of the annual route inspection for city delivery and during the National Rural Mail Count for rural delivery." ... This sentence does not have a footnote and we are unable to find supporting documentation to support the requirement of establishing the route base miles twice a year.

Under the header, WHAT THE OIG FOUND, "These conditions occurred because supervisors were not trained to maintain route base, or monitor the document daily mileage use and deviations." This is not the only reason why the mileage variances occurred. As stated above, there are several instances (Parcel Post and Collection Routes) where base data is not captured in DOIS and in the Customized Delivery programs; there is no base mileage to compare the actual miles used.

Pacific Area Management does not agree with the Monetary Impact Total savings of \$23,000,080. This amount was determined based on Questioned Costs of \$11,500,540 and added the same amount a second time categorizing the funds as, "Funds Put to Better Use" (see below). If the Questioned Costs Funds (\$11,500,540) were put to better use, the report does not explain how that would double the savings.

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**Monetary Impact**

| Recommendation       | Impact Category                      | Amount              |
|----------------------|--------------------------------------|---------------------|
| 1                    | Questioned Costs <sup>1</sup>        | \$11,500,540        |
| 1                    | Funds Put to Better Use <sup>2</sup> | \$11,500,540        |
| <b>Total Savings</b> |                                      | <b>\$23,001,080</b> |

Source: U.S. Postal Service Office of Inspector General analysis.

**Recommendation #1**

We recommend management train existing, newly promoted, and temporary supervisors on route base mileage, and monitoring and documenting daily mileage use and deviations.

**Management Response/Action Plan**

Pacific Area agrees with this recommendation and will require all Customer Service Supervisors and 204b's to complete LMS Course Number: 10021149 Course Name: Automated Vehicle Utilization (AVUS). In addition, this course is also part of the New Supervisor Program (NSP), which is attended by all newly promoted supervisors.

**Target Implementation Date**

Course Start Date: October 1, 2016

**Responsible Official**

Pacific Area Manager Delivery Programs Support

**Recommendation #2**

Review and conduct route base mileage and variance analysis and make the necessary corrections in AVUS and DOIS.

**Management Response/Action Plan**

Pacific Area will require all Districts to review their base miles in DOIS and update AVUS accordingly.

**Target Implementation Date**

September 15, 2016

**Responsible Official**

Pacific Area Manager Delivery Programs Support



Larry J. Belair

**Attachment**

- cc: Dean Granholm, Vice President, Pacific Area Operations
- Jodi Nascimento, Manager, Delivery Programs Support
- Managers, Operations Program Support
- Douglas Smith
- Stevan Kemp



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