



**United States Postal Service®**

**Response to Independent Validation of  
Service Performance Measurement  
Audit Design**

Audit Compliance Response

FY2017 Quarter 4

January 24, 2018

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## I. Summary

This report presents the USPS response to the Independent Validation of the USPS Internal Service Performance Measurement (SPM) for Quarter 4 (Q4) of fiscal year 2017 (FY17).

## II. Mitigation Plan

USPS has evaluated the results of the Independent Validation of the USPS Internal Service Performance Measurement (SPM) for Quarter 4 (Q4) of fiscal year 2017 (FY17) and has formulated a mitigation plan for the seven measures that were partially achieved. All other measures were achieved.

The subsequent sections describe, in further detail, the mitigation plan for measures 2, 6, 19, 20, 23, 25, and 26.

### **Measure 2: First Mile—Carrier sampling weekly compliance rates should consistently exceed 80 percent for most districts**

**Quarter 4 Result: Partially Achieved.**

#### **Mitigation Plan:**

USPS will continue to measure and report on weekly First Mile compliance rates for each district throughout the quarter. For districts that fall below the 80% compliance rate, a certification process will be implemented to assess whether First Mile sampling procedures are being correctly performed by carriers and to identify opportunities for operational improvements. Results of the certification process and progress toward achieving the 80% compliance target will be tracked and reported on a weekly basis.

### **Measure 6: Reporting—Reporting requirements should be documented and aligned with regulatory reporting requirements**

**Quarter 4 Result: Partially Achieved.**

**Mitigation Plan:**

USPS will implement an action plan to address the recommendations outlined for this measure. This includes documentation enhancements to more clearly state assumptions, approximations, and deviations (if any) from the sampling methodology. USPS will also update the requirements document to incorporate a glossary of terms to ensure clarity for readers unfamiliar with USPS terminology and the SPM system.

**Measure 19: First Mile—Most response rates should exceed 80% at a district level****Quarter 4 Result: Partially Achieved.****Mitigation Plan:**

USPS will continue to measure and report on quarter-to-date First Mile compliance rates for each district and ZIP3 throughout the quarter. For districts that fall below the 80% compliance rate, a certification process will be implemented to assess whether First Mile sampling procedures are being correctly performed by carriers and to identify opportunities for operational improvements. Results of the certification process and progress toward achieving the 80% compliance target will be tracked and reported on a weekly basis.

**Measure 20: First Mile—Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for districts with poor coverage****Quarter 4 Result: Partially Achieved.****Mitigation Plan:**

USPS will achieve this measure by implementing the mitigation plan for measure 19.

**Measure 23: Processing Duration—At least 70% of the volume is measured for each product****Quarter 4 Result: Partially Achieved.****Mitigation Plan:**

USPS continues to work towards increasing the volume of mail in measurement for each mail product. Starting in FY17 and continuing in FY18, USPS has launched a comprehensive effort across Headquarters (HQ), Field Operations (Areas and Districts), and Mail Entry to develop a mitigation plan for each exclusion reason. The following steps have been taken:

- Appointment of Area and District coordinators from both Mail Entry and Network Operations to work with HQ
- Biweekly/monthly meetings between HQ, Area coordinators and their Districts to develop action plans for mailers with high exclusion rates
- Work with the field to improve scanning compliance to reduce the amount of mail that falls out of measurement due to lack of Start-the-Clock
- Implementation of bundle visibility initiatives to measure more flats mail
- Review of each exclusion reason business rule; Identify opportunities to refine business rules and reduce the percentage of mail being excluded

It is to be noted that the characteristics and make-up of Bound Printed Matter (BPM) flats mail often makes it ineligible to run on the flats sorter machines. When this happens, the mail is manually processed directly to the 5 digit without any scanning taking place. On average more than 50% of BPM flats do not receive a scan, and therefore cannot be measured.

Therefore, the measure 23 threshold of 70% for BPM flats is unlikely to be achieved and should be re-assessed.

## **Measure 25: Last Mile—Most response rates should exceed 80% at the District level**

**Quarter 4 Result: Partially Achieved.**

### **Mitigation Plan:**

USPS will continue to measure and report on quarter-to-date Last Mile compliance rates for each district and ZIP3 throughout the quarter. For districts that fall below the 80% compliance rate, a certification process will be implemented to assess whether Last Mile sampling procedures are being correctly performed by carriers and to identify opportunities for operational improvements. Results of the certification process and progress toward achieving the 80% compliance target will be tracked and reported on a weekly basis.

**Measure 26: Last Mile—Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for districts with poor coverage**

**Quarter 4 Result: Partially Achieved.**

**Mitigation Plan:**

USPS will achieve this measure by implementing the mitigation plan for measure 25.