



United States Postal Service®

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

Audit Compliance Response

FY2018 Quarter 4

December 17, 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 2018 (FY18).

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 2018 (FY18) and has formulated a mitigation plan for the six measures that were partially achieved and one that was not achieved. All other measures were achieved.

The subsequent sections describe, in further detail, the mitigation plan for measures 2, 11, 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. Compliance reports have been enhanced to show compliance at a finer granularity, beyond the ZIP 3 level down to the MPOO, Facility, and Employee ID. For districts that fall below 80 percent compliance, the Service Performance Measurement Team has partnered with Delivery Operations to implement a certification process that assesses whether 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 percent compliance target are being tracked and reported on a weekly basis. The certification process was implemented at the end of FY18 Q3 and took effect for FY18 Q4. Additionally, USPS is utilizing the monitoring capability implemented in FY18 Q1 to proactively inform HQ personnel when a district falls below the 80 percent compliance target during the quarter. HQ personnel then alert the necessary districts to remediate the decline in compliance rate.

These efforts have improved results in FY18, as the following sampling compliance rates by Quarter and number of Districts indicate: Qtr1 – 40/66 = 61%; Qtr2 – 41/66 = 62%; Qtr3 – 44/67 = 66%; and Qtr4 – 49/67 = 73%.

Measure 11: Last Mile—Most districts should have a limited volume for which imputed results are used within the quarter

Quarter 4 Result: Partially Achieved.

Mitigation Plan:

To limit the number of imputed Districts, Standard Operating Procedures and work instructions are available to field management through the Informed Visibility and Delivery Operations websites. These include instructional videos on performing Last Mile sampling, service talks, posters, and instructions on how to access training material and compliance reports. To ensure districts train all employees with sampling responsibilities, specifically for flats, periodicals, and BPM volume, in FY18 Q4, HQ Delivery Operations closely monitored training compliance throughout the quarter and provided weekly training completion metrics to field operations.

Measure 19: First Mile—Most response rates should exceed 80 percent 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 throughout the quarter. Compliance reports have been enhanced to show compliance at a finer granularity, beyond the ZIP 3 level down to the MPOO, Facility, and Employee ID. For districts that fall below 80 percent compliance, the Service Performance Measurement Team has partnered with Delivery Operations to implement a certification process that assesses whether 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 percent compliance target are being tracked and reported on a weekly basis. The certification process was implemented at the end of FY18 Q3 and took effect for FY18 Q4. Additionally, USPS is utilizing the monitoring capability implemented in FY18 Q1 to proactively inform HQ personnel when a district falls below the 80 percent compliance target during the quarter. HQ personnel then alert the necessary districts to remediate the decline in compliance rate.

These efforts have improved results in FY18, as the following compliance rates by Quarter and number of Districts indicate: Qtr1 – 52/66 = 79%; Qtr2 – 49/66 = 74%; Qtr3 – 49/67 = 73%; and Qtr4 – 56/67 = 84%.

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 continue to measure and report on quarter-to-date First Mile compliance rates for each 3 digit ZIP code level within a district throughout the quarter. Compliance reports have been enhanced to show compliance at a finer granularity, beyond the ZIP 3 level down to the MPOO, Facility, and Employee ID. The Service Performance Measurement Team has partnered with Delivery Operations to implement a certification process that assesses whether 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 percent compliance target are being tracked and reported on a weekly basis for the 3 digit ZIP codes that fall below 80 percent compliance, in a District not meeting measure 19. The certification process was implemented at the end of FY18 Q3 and took effect for FY18 Q4. Additionally, USPS is utilizing the monitoring capability implemented in FY18 Q1 to proactively inform HQ personnel when a district falls below the 80 percent compliance target during the quarter. HQ personnel then alert the necessary districts to remediate the decline in compliance rate.

Measure 23: Processing Duration—At least 70 percent of the volume is measured for each product

Quarter 4 Result: Not 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 continue to be taken:

- Ongoing biweekly/monthly meetings between HQ, Area coordinators and their Districts to develop action plans for mailers with high exclusion rates.
- Working with field operations to reduce the amount of mail that falls out of measurement due to lack of Start-the-Clock.
- In Q4 one of our largest mailers had mail preparation issues which impacted the accuracy of service performance measurement and was removed from

measurement. Business Mailer Support group continues to work with this mailer on resolving the preparation issues to recertify this mailer and be put back in measurement. This mailer impacted the overall USPS Marketing Mail volume by ~1.5% and was a contributor for the measure to not be achieved.

- Ongoing review of business rules of each exclusion reason to reduce the percentage of mail being excluded.
- Ongoing development of resolutions for each exclusion reason to reduce the percentage of mail being excluded.

The concerted effort to increase Mail in Measurement has resulted in significant improvement over the past 24 months.

Mail in Measurement by FY: FY16 = 71.73 percent; FY17 = 74.88 percent; FY18 = 77.47 percent.

The characteristics and make-up of Bound Printed Matter (BPM) flats mail presents a processing challenge on flats sorter machines. When this happens, the mail may be manually sorted to the 5-digit level and therefore lack visibility. HQ is working with the Area coordinators to identify opportunities to gain more visibility on BPM.

The Measure 23 threshold of 70 percent for BPM flats is very difficult to achieve and is continuing to be re-assessed.

Measure 25: Last Mile—Most response rates should exceed 80 percent 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 throughout the quarter. Compliance reports have been enhanced to show compliance at a finer granularity, beyond the ZIP 3 level down to the MPOO, Facility, and Employee ID. For districts that fall below 80 percent compliance, the Service Performance Measurement Team has partnered with Delivery Operations to implement a certification process that assesses whether 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 percent compliance target are being tracked and reported on a weekly basis. The certification process was implemented at the end of FY18 Q3 and took effect for FY18 Q4. Additionally, USPS is utilizing the monitoring capability implemented in FY18 Q1 to proactively inform HQ personnel when a district falls below the 80 percent compliance target during the quarter. HQ personnel then alert the necessary districts to remediate the decline in compliance rate.

These efforts have improved results in FY18, as the following compliance rates by Quarter and number of Districts indicate: Qtr1 – 58/66 = 88%; Qtr2 – 59/66 = 89%; Qtr3 – 60/67 = 90%; and Qtr4 – 61/67 = 91%.

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 continue to measure and report on quarter-to-date Last Mile compliance rates for each district throughout the quarter. Compliance reports have been enhanced to show compliance at a finer granularity, beyond the ZIP 3 level down to the MPOO, Facility, and Employee ID. For districts that fall below 80 percent compliance, the Service Performance Measurement Team has partnered with Delivery Operations to implement a certification process that assesses whether 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 percent compliance target are being tracked and reported on a weekly basis. The certification process was implemented at the end of FY18 Q3 and took effect for FY18 Q4. Additionally, USPS is utilizing the monitoring capability implemented in FY18 Q1 to proactively inform HQ personnel when a district falls below the 80 percent compliance target during the quarter. HQ personnel then alert the necessary districts to remediate the decline in compliance rate.

Also, the Postal Service has developed an alert system using monitoring software for any of the audit measures that have changed in status. This software is an IT Operations tool that is used to monitor application and infrastructure health. In order to monitor the state of the database-driven SPM audit measures, we run a process to evaluate their current status in the Informed Visibility (IV) system. For example, the monitoring software will alert the Postal Service for the following development: “Audit Measures Requiring Attention - Status Worse than Previous Quarter”.