



United States Postal Service®

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

Audit Compliance Response
FY2020 Quarter 2

May 26, 2020

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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 2 (Q2) of fiscal year 2020 (FY20).

II. Mitigation Plan

USPS has evaluated the results of the Independent Validation of the USPS Internal Service Performance Measurement (SPM) for Quarter 2 (Q2) of fiscal year 2020 (FY20) and has formulated a mitigation plan for the six measures that were partially achieved and the one measure 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 2 Result: Partially Achieved.

Mitigation Plan: USPS continues to measure and report on weekly First Mile compliance rates for each district throughout the quarter. Compliance reports that are provided show compliance at a finer granularity, down to the MPOO, Facility, and Employee ID levels for field use. HQ Delivery Operations has added information on sampling that covers the standard operating procedures and work instructions to their website; these are also made available to field management, through the Informed Visibility websites. These include instructional videos on performing First Mile sampling, service talks, posters, and instructions on how to access training materials and compliance reports.

If three more districts had achieved 80% sampling compliance weekly during the quarter, this audit measure would have been achieved. The following districts missed the target by one week: Atlanta missed the week of 3/7/2020 with a compliance rate of 79.29%, Central Illinois missed the week of 1/18/2020 with a compliance rate of 79.65%, and Northern New Jersey missed the week of 1/4/2020 with a compliance rate of 79.72%.

In FY20 Q3, the HQ Service Performance team will reestablish bi-weekly touchpoints with Delivery and Retail Operations to review Districts that are negatively impacting our ability

to achieve this audit measure. Actions will be assigned and tracked for the top opportunity Districts.

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

Quarter 2 Result: Not Achieved.

Mitigation Plan:

In reviewing the Audit, Alaska and the Caribbean districts continue to have the highest imputation rates due to the limited First-Class flats volume to these destinations. Due to low volume for these two locations quarter over quarter, this measure is difficult to achieve. If one more district was below the imputation threshold of 10%, this audit measure would have been partially achieved. Greater Michigan District was within less than 1% of meeting the imputation rate which would have moved this measure to partially achieved.

Due to limited First-Class flats volume in the network, obtaining sufficient volume to avoid imputation is difficult, if not impossible. Therefore this audit measure remains difficult to achieve.

Measure 19: First Mile---Most response rates should exceed 80% at a district level

Quarter 2 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 that are provided show compliance at a finer granularity, down to the MPOO, Facility, and Employee ID for field use. HQ Delivery Operations has added information on sampling that covers the standard operating procedures and work instructions to their website; these are also made available to field management, through the Informed Visibility websites. These include instructional videos on performing First Mile sampling, service talks, posters, and instructions on how to access training materials and compliance reports.

If four more districts had achieved 80% sampling compliance during the quarter, this audit measure would have been achieved. The following districts missed the target by a small margin: Long Island had a compliance rate of 79.95%, Los Angeles had a compliance rate of 79.05%, Gateway had a compliance rate of 79.00% and New York had a compliance rate of 78.59%.

In FY20 Q3, the HQ Service Performance team will reestablish bi-weekly touchpoints with Delivery and Retail Operations to review Districts that are negatively impacting our ability to achieve this audit measure. Actions will be assigned and tracked for the top opportunity Districts.

Measure 20: First Mile---Coverage ratios should meet acceptable thresholds at the 3-digit ZIP Code levels for districts with poor coverage.

Quarter 2 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 that are provided show compliance at a finer granularity, beyond the ZIP 3 level down to the MPOO, Facility, and Employee ID levels for field use. HQ Delivery Operations has added information on sampling that covers the standard operating procedures and work instructions to their website; these are also made available to field management, through the Informed Visibility websites. These include instructional videos on performing First Mile sampling, service talks, posters, and instructions on how to access training materials and compliance reports.

In FY20 Q3, the HQ Service Performance team will reestablish bi-weekly touchpoints with Delivery and Retail Operations to review Districts that are negatively impacting our ability to achieve this audit measure. Actions will be assigned and tracked for the top opportunity Districts.

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

Quarter 2 Result: Partially Achieved.

Mitigation Plan:

USPS continues to work towards increasing the volume of mail in measurement for each mail product. USPS has 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.

- 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.
- Ongoing utilization of the automated service performance measurement exclusions dashboard in IV is assisting the Area and District field operations to identify opportunities.
- HQ Service Performance group has opened a new MTAC workgroup (194) to work with the industry to reduce volume excluded from service performance measurement.

The characteristics and make-up of High Density and Saturation Flats Destination Entry Two-Day product continue to present a challenge to measure the service performance due to this product being non Full-Service. A different methodology is employed to measure service performance because this is a non-Full-Service product. USPS only measures one major mailer for High Density and Saturation Flats Destination Entry Two-Day through this process, which is the reason for less than 70% of volume in measurement.

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

Measure 25: Last Mile---Most response rates should exceed 80% at a district level

Quarter 2 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 that are provided show compliance at a finer granularity down to the MPOO, Facility, and Employee ID levels for field use. HQ Delivery Operations has added information on sampling that covers the standard operating procedures and work instructions to their website; these are also made available to field management, through the Informed Visibility websites. These include instructional videos on performing First Mile sampling, service talks, posters, and instructions on how to access training materials and compliance reports.

If one more district had achieved 80% sampling compliance during the quarter, this audit measure would have been achieved. The following district missed the target by a small margin: Chicago had a compliance rate of 78.99%.

In FY20 Q3, the HQ Service Performance team will reestablish bi-weekly touchpoints with Delivery and Retail Operations to review Districts that are negatively impacting our ability to achieve this audit measure. Actions will be assigned and tracked for the top opportunity Districts.

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

Quarter 2 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 that are provided show compliance at a finer granularity, beyond the ZIP 3 level down to the MPOO, Facility, and Employee ID levels for field use.

If one more district had achieved 80% sampling compliance during the quarter, this audit measure would have been achieved. The following district missed the target by a small margin: Chicago had a compliance rate of 78.99% and had only one 3-digit ZIP that was below the 80% threshold.

In FY20 Q3, the HQ Service Performance team will reestablish bi-weekly touchpoints with Delivery and Retail Operations to review Districts that are negatively impacting our ability to achieve this audit measure. Actions will be assigned and tracked for the top opportunity Districts.