



September 13, 2007

WILLIAM P. GALLIGAN, JR.
SENIOR VICE PRESIDENT, OPERATIONS

SUBJECT: Management Advisory – St. Louis Equipment Maintenance and
Waste Disposal (Report Number DA-MA-07-002)

This report presents the results of our review of St. Louis Processing and Distribution Center (P&DC) equipment maintenance and waste disposal (Project Number 07YG064DA000). We conducted the review at the request of the Deputy Postmaster General [REDACTED].

Background

[REDACTED] the St. Louis P&DC was not completing preventive maintenance on mail processing equipment and plant personnel were inappropriately disposing of hazardous waste. Postal Service maintenance and environmental teams investigated these allegations, made observations, and recommended corrective actions. The maintenance team followed up on equipment maintenance conditions they had identified in January 2006 and investigated environmental conditions. The environmental team conducted a compliance review and followed up on outstanding recommendations.

Objective, Scope, and Methodology

Our objective was to evaluate the validity of the preventive maintenance and waste disposal allegations and assess corrective actions taken and planned by St. Louis P&DC management. We made a site visit, interviewed plant and area personnel, analyzed the completion rate of St. Louis P&DC equipment maintenance, and reviewed area environmental reports. We conducted the review from July through September 2007 according to the President's Council on Integrity and Efficiency, *Quality Standards for Inspections*. 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.

Prior Audit Coverage

We did not identify any prior audits or reviews related to our objective.

Audit Results

Our data corroborated the allegation that the St. Louis P&DC was not completing preventive maintenance routines. The St. Louis P&DC was not performing preventive maintenance of mail processing equipment at the recommended intervals. Specifically, the St. Louis P&DC was below the national goal of 95% for completion of preventive maintenance and their maintenance completion rates¹ were below the national average. Postal Service personnel attributed the low completion rates to a lack of trained employees and noted improvements since the last internal review. Training is important to adequately maintaining mail processing equipment, but appropriately scheduling maintenance time and personnel is also vital. To improve preventive maintenance, St. Louis P&DC management had established new maintenance leadership, initiatives, and discipline for tracking the completion of maintenance routines.

Concerning hazardous waste disposal, our review of environmental reports did not corroborate significant violations of environmental standards. Great Lakes Area environmental personnel were working with plant managers to correct minor violations previously identified. At the time of our unannounced visit, management had not updated the environmental management tracking system to show corrective actions and timeframes. In addition, plant management was working to permanently fill environmental leadership positions and increase the knowledge base of employees handling hazardous materials. However, plant management had not set specific timeframes for these initiatives.

Maintenance

Table 1 shows the St. Louis P&DC completed preventive maintenance routines with varied success. As detailed in Appendix A, in only one of the eight pay periods (PP) reviewed was Optical Character Reader (OCR) preventive maintenance greater than the national average. Preventive maintenance for the Automated Flats Sorting Machine (AFSM) 100 was greater than the national average in only two of the eight pay periods. Preventive maintenance for both the Delivery Bar Code Sorter (DBCS) and Automated Facer Cancellor System (AFCS) was below national averages for all eight pay periods.

¹ The Postal Service has developed preventive maintenance routines and recommended intervals for each piece of equipment to ensure machine operating plans are met. They have also established completion rate goals of 95% for the preventive maintenance routines.

Table 1. Comparison of St. Louis' Maintenance Completion Rates to National Averages

	AFCS Range PP01 – PP08 FY 2007	AFSM Range PP01 - PP08 FY 2007	DBCS Range PP01 – PP08 FY 2007	OCR Range PP01 – PP08 FY 2007
Nationwide	92-95%	83-88%	92-95%	89-91%
St. Louis	65-89%	58-99%	83-91%	83-94%

Maintenance trends for building services were better than equipment trends for the same period. National building services preventive maintenance completion rates ranged from 85 to 90 percent. The St. Louis P&DC completed preventive maintenance for building equipment 81 to 97 percent of the time. Completion rates were greater than the national average in six out of the eight pay periods reviewed.

The Postal Service's internal review of maintenance and the St. Louis maintenance manager confirmed that a lack of trained employees was the primary reason for lower than expected maintenance completion rates. We agree that training is important for increased effectiveness of the St. Louis P&DC equipment maintenance program and we note that the new maintenance manager has:

- Renegotiated preventive maintenance times with operations managers to fully utilize available maintenance staff.
- Minimized unnecessary leave to better schedule work orders.
- Instilled discipline for the timely input of work orders.
- Tracked completion of maintenance in the Electronic Maintenance Activity Reporting and Scheduling system.

As noted in Table 2, St. Louis P&DC personnel were taking corrective actions on all observations of the Postal Service's internal review team. However, management should formalize training initiatives and establish specific timeframes for completing them.

Table 2. St. Louis Management Actions Ending July 12, 2007

Date of Postal Service Internal Review	Postal Service Internal Review Team	Observations	Corrective Action Planned or Taken by St. Louis	Timeframe for Completion
May 2007	Maintenance	Lack of trained maintenance employees. This area has improved significantly since January 2006. The increase in the number of trained employees performing preventive maintenance is evident in the generally improved equipment condition.	Maintenance manager has a training initiative under way, with support from the senior plant manager.	In progress
May 2007	Maintenance	Several management work orders were not implemented – the oldest was dated 2004. The maintenance department needs a tracking process to ensure all work orders are completed in 30 days.	A tracking process is in place.	Action completed
May 2007	Maintenance	Building maintenance was also reviewed; one issue is the misuse of building equipment mechanics (BEMs). Using BEMs for major construction explains the need for penalty overtime and less than normal equipment preventive maintenance completion.	Decision made to stop the practice of using BEMs on construction projects.	At the end of active projects

Waste Disposal

Our review of waste disposal did not confirm significant violations of environmental standards. However, we did note some minor issues. As shown below, an employee anonymously left a computer monitor at the St. Louis Maintenance Manager’s door, with a note stating the monitor was found in the trash.

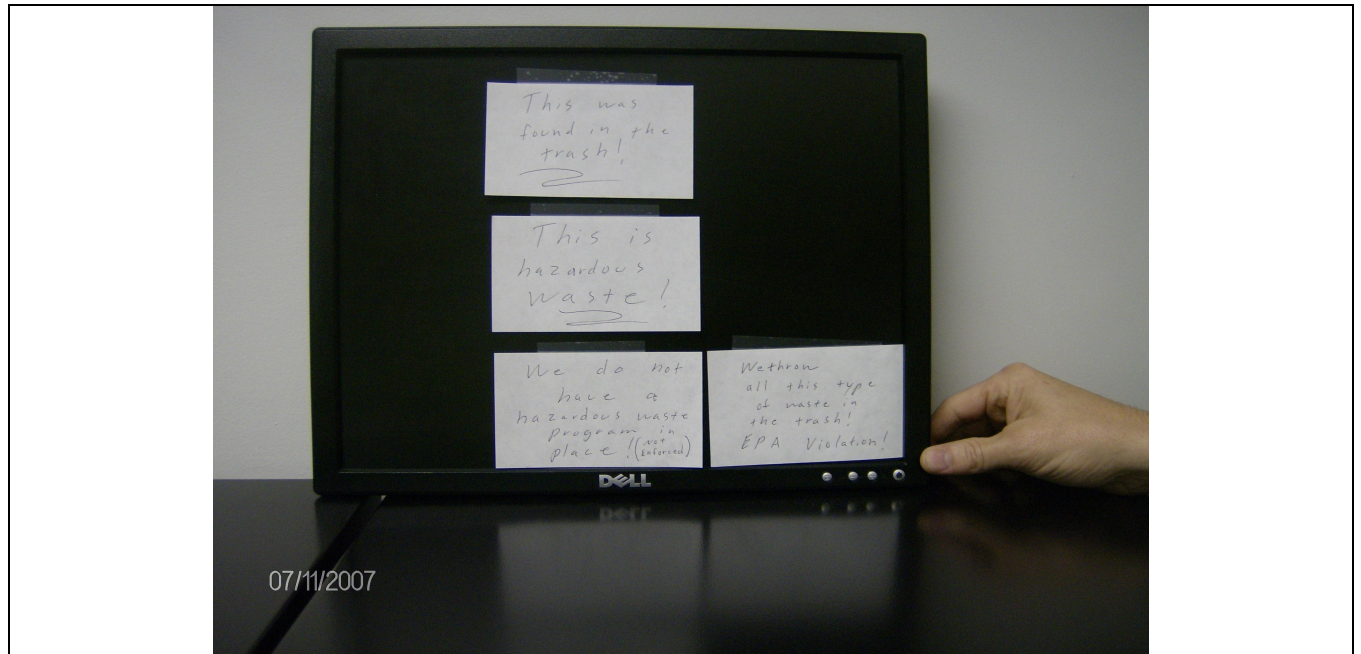


Illustration 1. Monitor anonymously left at the St. Louis Manager’s office door.

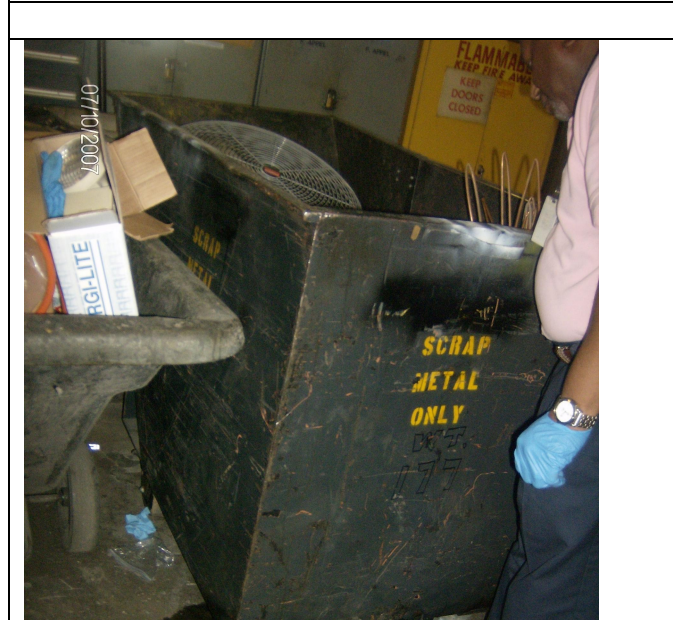


Illustration 2. OIG’s unannounced observation of a dumpster. Hazardous materials were appropriately separated.



Illustration 3. OIG’s unannounced observation of oil disposal. Logbooks were up to date, and we found no signs of leakage.

Environmental policies require adequate separation and disposal of hazardous materials. Our limited, unannounced observation showed adequate separation of waste

and also showed clean work areas, as pictured above. In addition, reviews of environmental compliance reports did not reveal significant violations of environmental standards for waste disposal. For minor violations (such as container labeling and recordkeeping) the area environmental specialist was working with St. Louis P&DC management to address the open recommendations.

As noted in Table 3, management had not updated the environmental management tracking system for the minor violations identified. In addition, plant management had not permanently filled environmental leadership positions and was working to increase the knowledge base of employees handling hazardous materials. However, plant management had not set specific timeframes for completing these initiatives.

Table 3. Waste Disposal Observations, Recommendations, and Actions Ending July 12, 2007

Date of Postal Service Internal Review	Postal Service Internal Review Team	Observations and Recommendations	Corrective Action Planned or Taken by St. Louis	Timeframe for Completion
May 2007	Maintenance	Create and communicate standard operating procedures that address safety and environmental requirements.	Program Evaluation Guide audits performed along with stand-up talks.	Continuous
May 2007	Maintenance	Environmental training for coordinators.	Maintenance manager has a training initiative under way, with support from the senior plant manager.	In progress
May 2007	Maintenance	Maintenance management staff is acting in their positions and are not familiar with the safety and environmental requirements necessary in their acting positions.	Maintenance manager has a training initiative under way, with support from the senior plant manager. Acting leadership positions indefinite.	In progress
June 2007	Environmental	10 recommendations made for minor environmental violations. Areas of recommended improvement relate to training, procedures, recordkeeping, waste handling, and leadership.	Action plans were not recorded in the Web Environmental Management Information System.	Unknown

Recommendations

We recommend the Senior Vice President, Operations, direct the St. Louis Plant Manager to:

1. Continue to support initiatives for an effective maintenance program and formalize the training initiatives, including specific timeframes for completion.
2. Establish a plan, with specific timeframes, for permanently filling environmental leadership positions.

Management's Comments

Management agreed with both recommendations. For recommendation 1, management stated that Headquarters Maintenance and the Great Lakes Area Maintenance Management Office will monitor the St. Louis P&DC's completion dates of preventive maintenance, conduct on-site reviews at least quarterly, and have additional training plans in place. For recommendation 2, management stated there currently is not an available environmental leadership position; however, they are using a temporary position to correct all but one issue identified. Management plans to abate the outstanding environmental issue by September 30, 2007. We have included management's comments, in their entirety, in Appendix B.

Evaluation of Management's Comments

We consider management's actions, taken or planned, responsive to the issues identified in this report and to our recommendations.

The OIG considers recommendation 1 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. This recommendation should not be closed in the follow-up tracking system until the OIG provides written confirmation the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff during our review. If you have any questions, or need additional information, please contact Miguel A. Castillo, Director, Engineering, or me at (703) 248-2100.

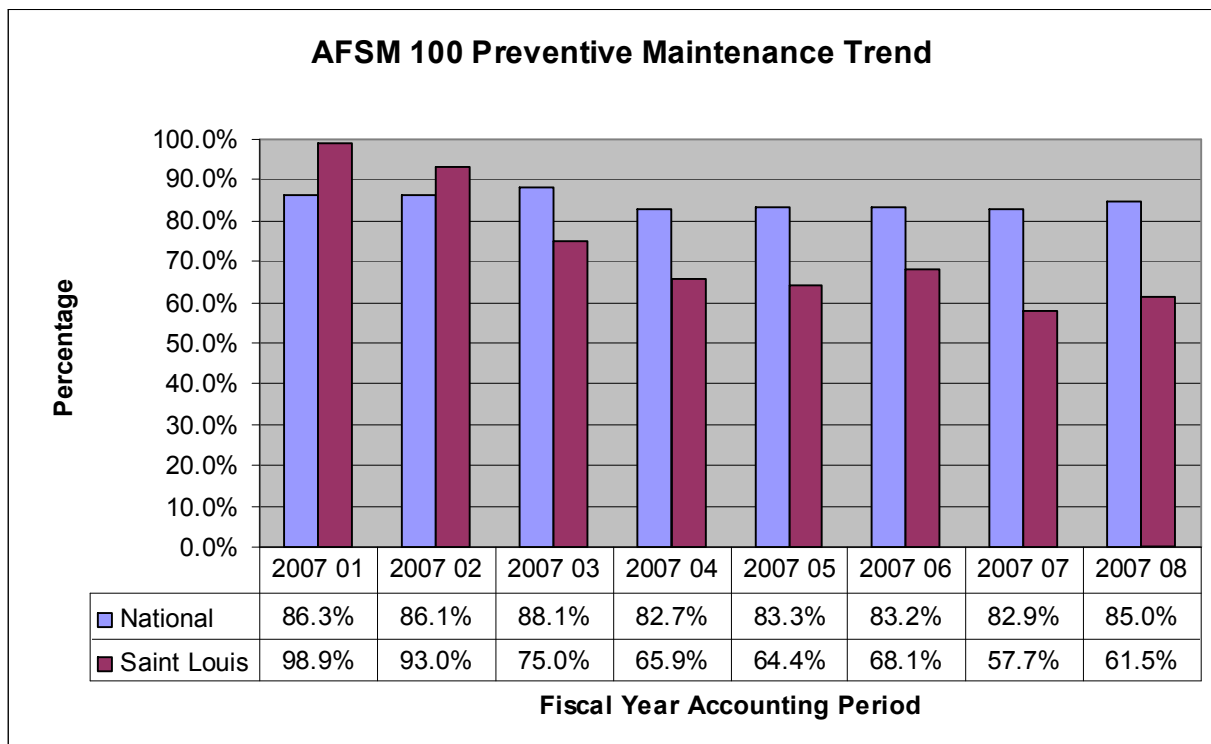
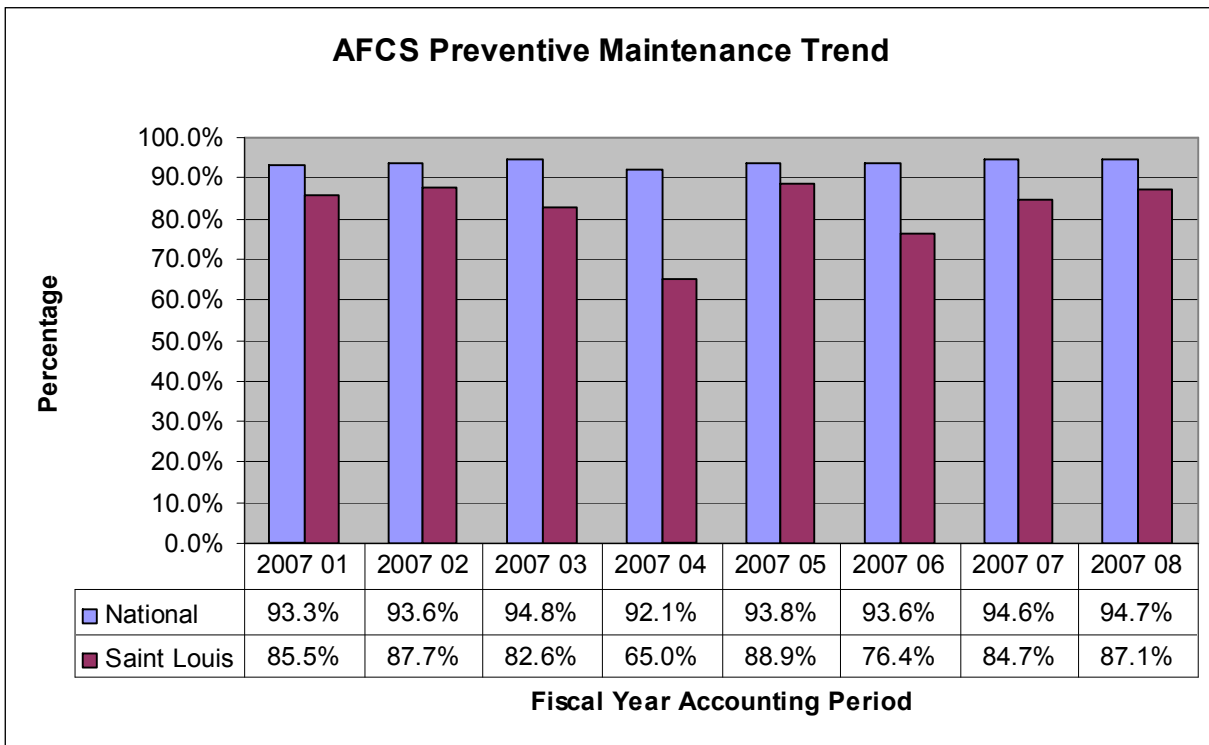
E-Signed by Darrell E. Benjamin, 
VERIFY authenticity with ApproveIt

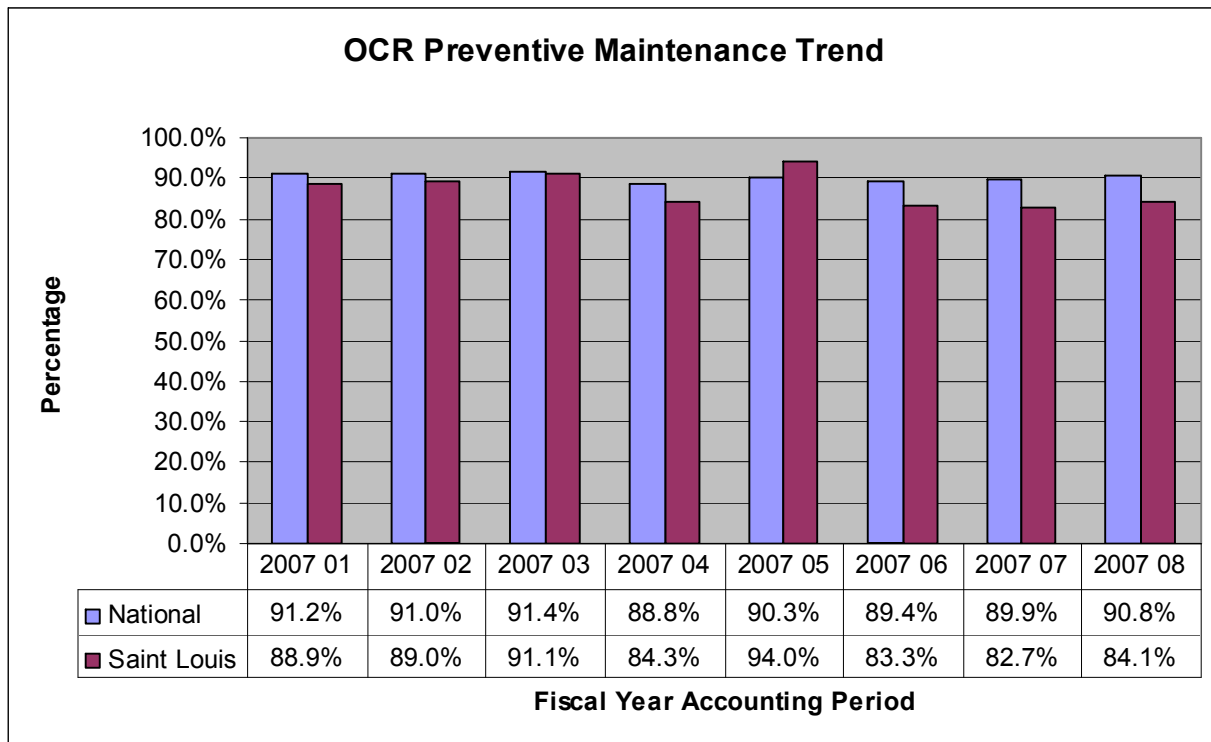
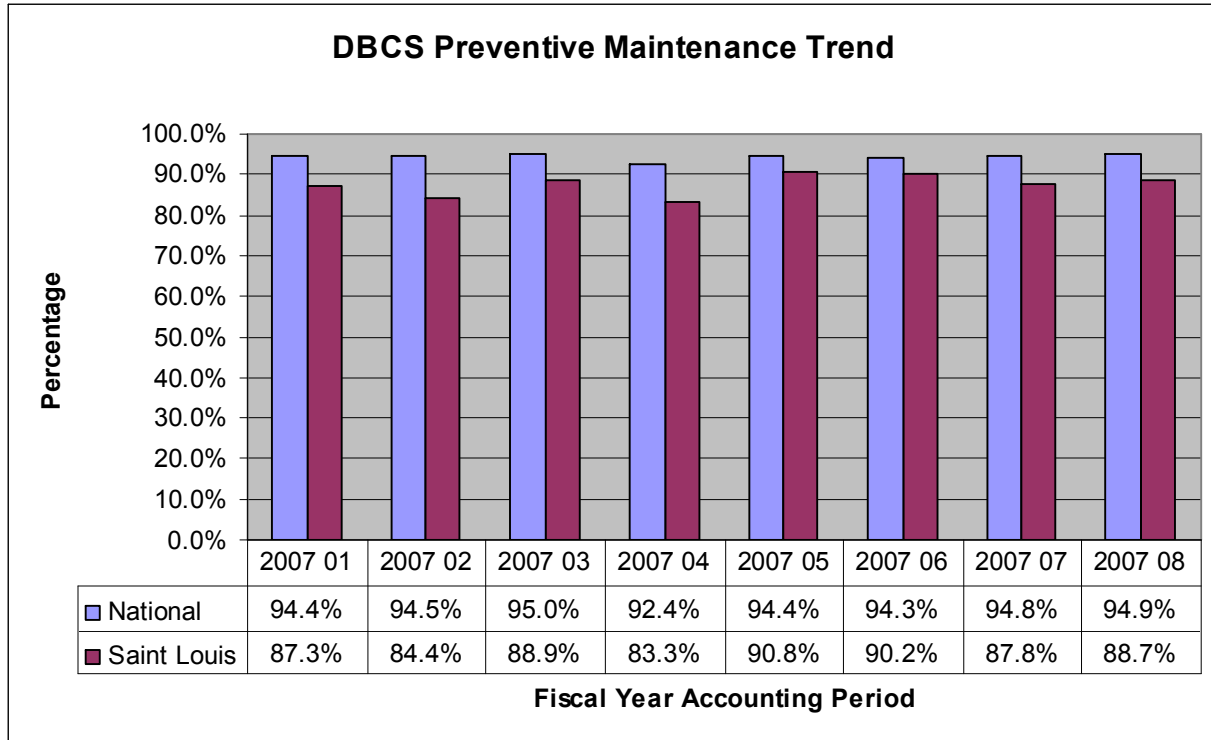
Darrell E. Benjamin, Jr.
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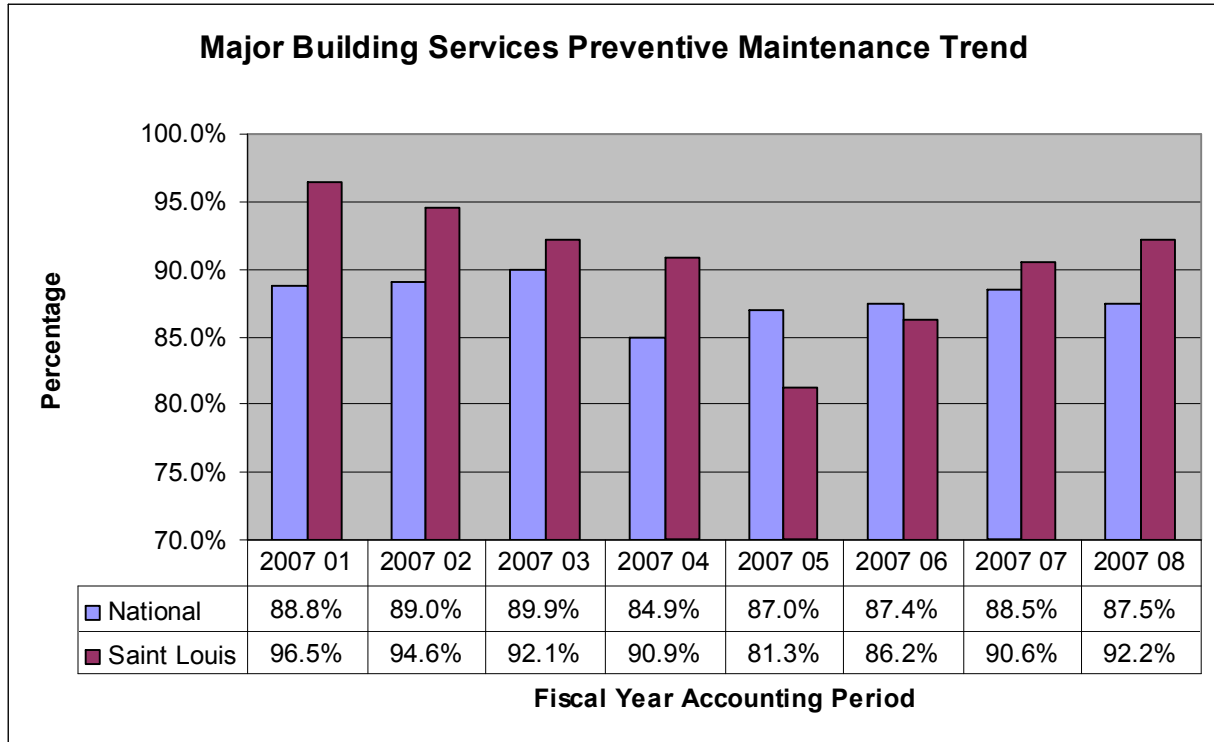
Attachment

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**APPENDIX A.
ST. LOUIS MAINTENANCE COMPLETION TRENDS**







Source: National Equipment Maintenance Activity and Reporting System

APPENDIX B. MANAGEMENT'S COMMENTS

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SENIOR VICE PRESIDENT
OPERATIONS



September 7, 2007

DARRELL E. BENJAMIN, JR.
DEPUTY ASSISTANT INSPECTOR GENERAL FOR SUPPORT OPERATIONS

SUBJECT: Draft Management Advisory – Saint Louis Equipment Maintenance and Waste Disposal (Report Number DA-MA-07-DRAFT)

This report has been reviewed with management at the St. Louis Processing and Distribution Center (P&DC), the Great Lakes Area, and Headquarters. We have reviewed the findings in this report and agree with the following recommendations.

Recommendation

1. Continue to support initiatives for an effective maintenance program and formalize the training initiatives, including specific timeframes for completion.

Response

In order to ensure continuous improvement in the St. Louis maintenance program, Headquarters Maintenance and the Great Lakes Area Maintenance Management Office will monitor the following performance indicators on a continuing basis.

- Percent Preventive Maintenance Completion.
- Equipment specific parameters such as "at risk" indicators, throughput, jam rates, read rates, and down and degraded time.

In addition, Great Lakes Area maintenance staff will conduct onsite reviews in St. Louis at least quarterly during fiscal year 2008.

The St. Louis Plant Manager has been directed to support initiatives for training of maintenance personnel. The current plan includes the following.

- AFCS/OCR – classes are scheduled to begin July 2008 and will be completed September 2008 for two maintenance employees.
- CIOSS – classes are scheduled to begin September 2007 and will be completed June 2008 for four maintenance employees.
- DBCS – classes are scheduled to begin November 2007 and will be completed September 2008 for five maintenance employees.
- DIOSS – classes are scheduled to begin December 2007 and will be completed January 2008 for two maintenance employees.

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- AFSM100/Ai – classes are scheduled to begin January 2008 and will be completed February 2008 for two maintenance employees.
- AFSM100/ATHS – classes are scheduled to begin January 2008 and will be completed June 2008 for two maintenance employees.
- IES (Industrial Electrical Service) – classes are scheduled to begin August 2007 and will be completed August 2008 for six maintenance employees.

St. Louis also has requested to pick up additional seats in queue and the area office will be working with NCED to procure required training billets.

Recommendation

2. Establish a plan, with specific timeframes, for permanently filling environmental leadership positions.

Response

Currently, there is not an environmental leadership position at the St. Louis P&DC. The District office has an Adhoc position occupied by Elizabeth A. Carter, Environment Specialist. Ms. Carter works with the St. Louis Plant to abate all environmental items and completes and submits monthly updates to the St. Louis Environmental Compliance Review.

In addition, a "Safety and Health Inspection" was conducted in St. Louis from June 12-14, 2007 by Headquarters Safety and Environmental personnel with participation of the Maintenance Technical Support Center. There were 101 "findings" as a result of this inspection. All but one has been abated. The remaining item, "current egress signage is insufficient," requires a Facilities project. The statement of work will be completed by September 30. The Great Lakes Area will continue to monitor this project to completion.

We do not believe this report contains any proprietary or business information and may be disclosed pursuant to the Freedom of Information Act (FOIA).


William P. Galligan