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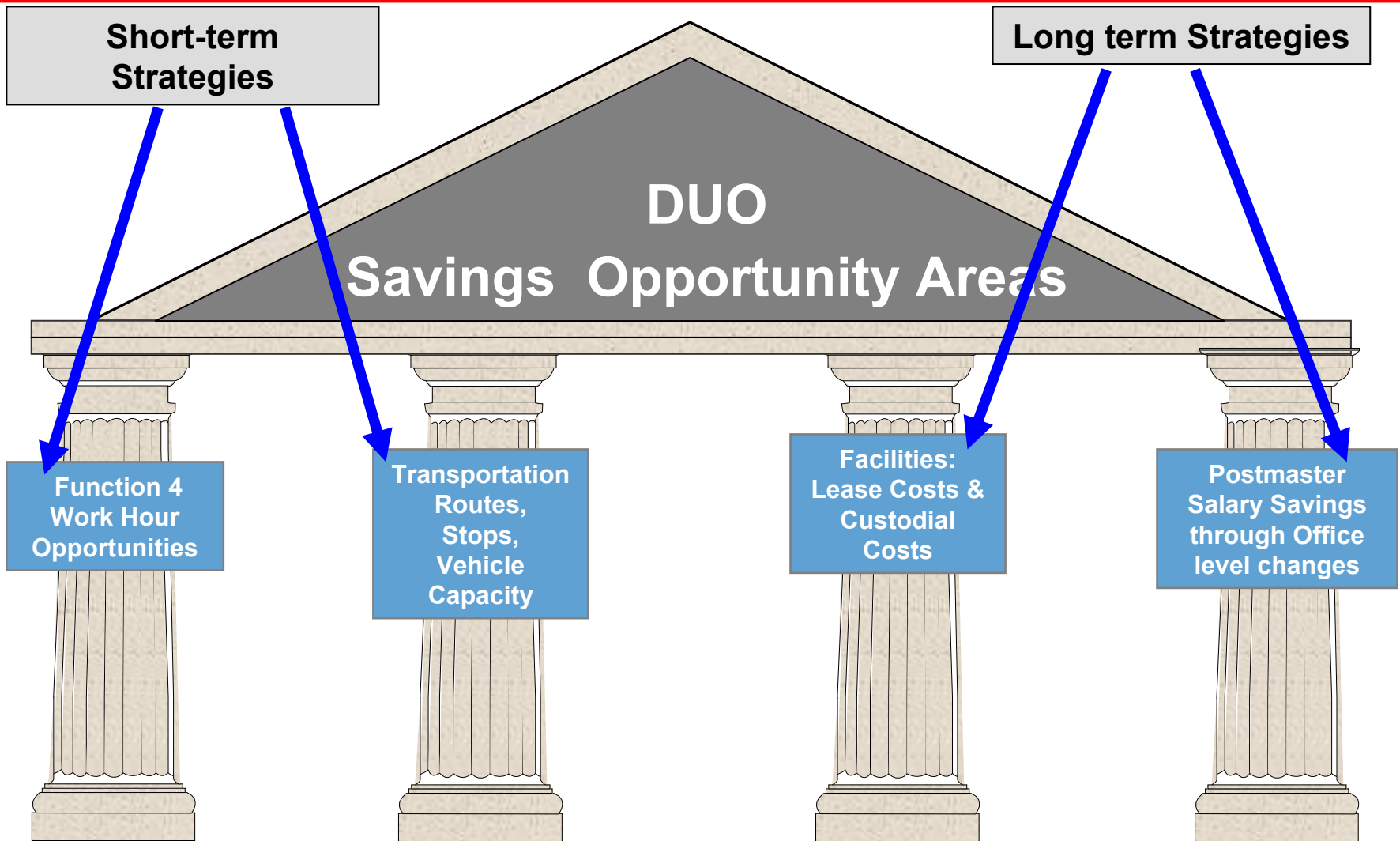
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Delivery Unit Optimization

Management Association Briefing
June 22, 2010

Delivery Unit Optimization (DUO) is a cross functional effort to streamline Delivery and Post Office Operations.

By identifying savings opportunities in operations we better position our offices for current success and future change.



Savings Opportunity Areas:

- ❑ **Function 4 Operations**
 - Complement
- ❑ **Office Level (Postmaster/EAS)**
- ❑ **Facilities**
 - Lease
 - Custodial
- ❑ **Transportation**
 - Trips/Frequency

Potential Costs:

- ❑ Function 2 Operations
 - Travel Time
- ❑ Office Level (Postmaster/EAS)
- ❑ Facilities
 - Additional Parking
 - Minor Building Modifications
- ❑ Transportation
 - Re-negotiated Contracts/Vehicle Capacity



DUO

Choosing Candidate Offices

Post Offices
Within 10 to 15
Mile Radius of
the Hub Office

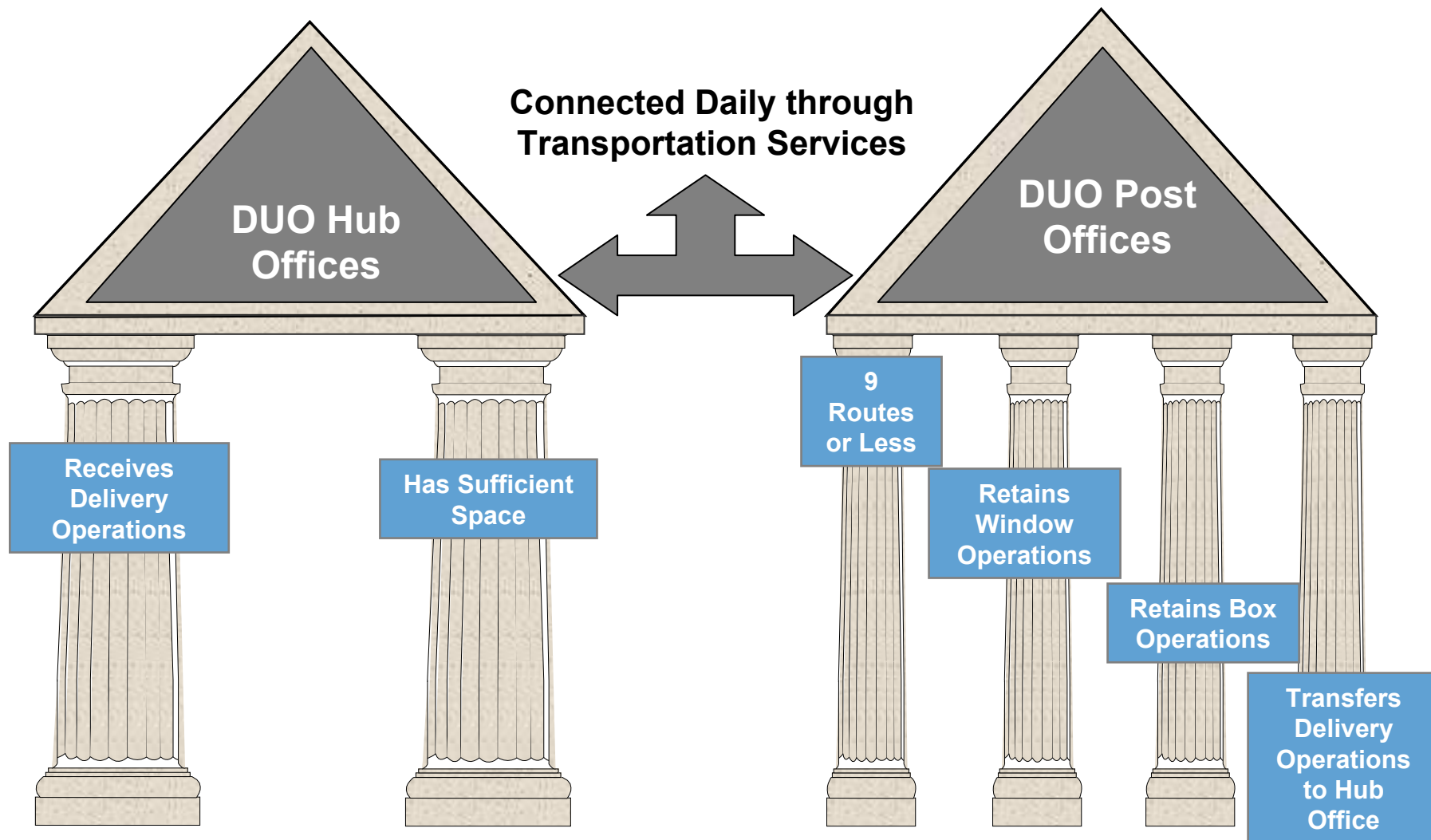
Serviced by
the same
Processing
Facility

Sufficient
Excess
Workspace in
Hub Office

Current Staffing
EAS/Craft

Candidate Offices:

- ❑ Grouping of post offices within 10-15 mile radius
- ❑ Serviced by the same processing facility
- ❑ Facility Capacities
 - Excess workspace in at least 1 office
 - Sufficient parking
- ❑ Current Staffing
 - EAS/Craft



Candidate Offices (cont'd):

□ “Hub”

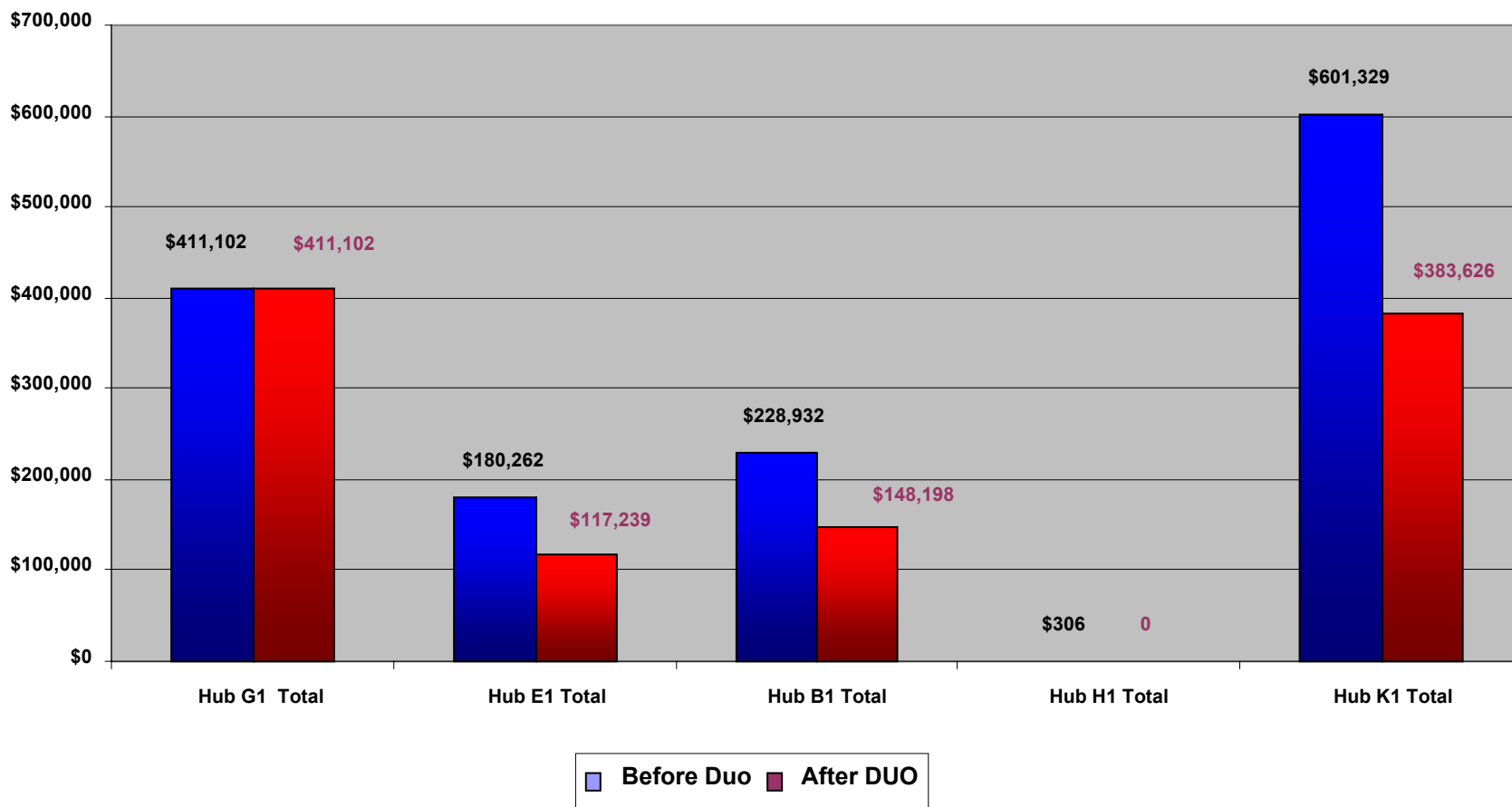
- Receives delivery operations

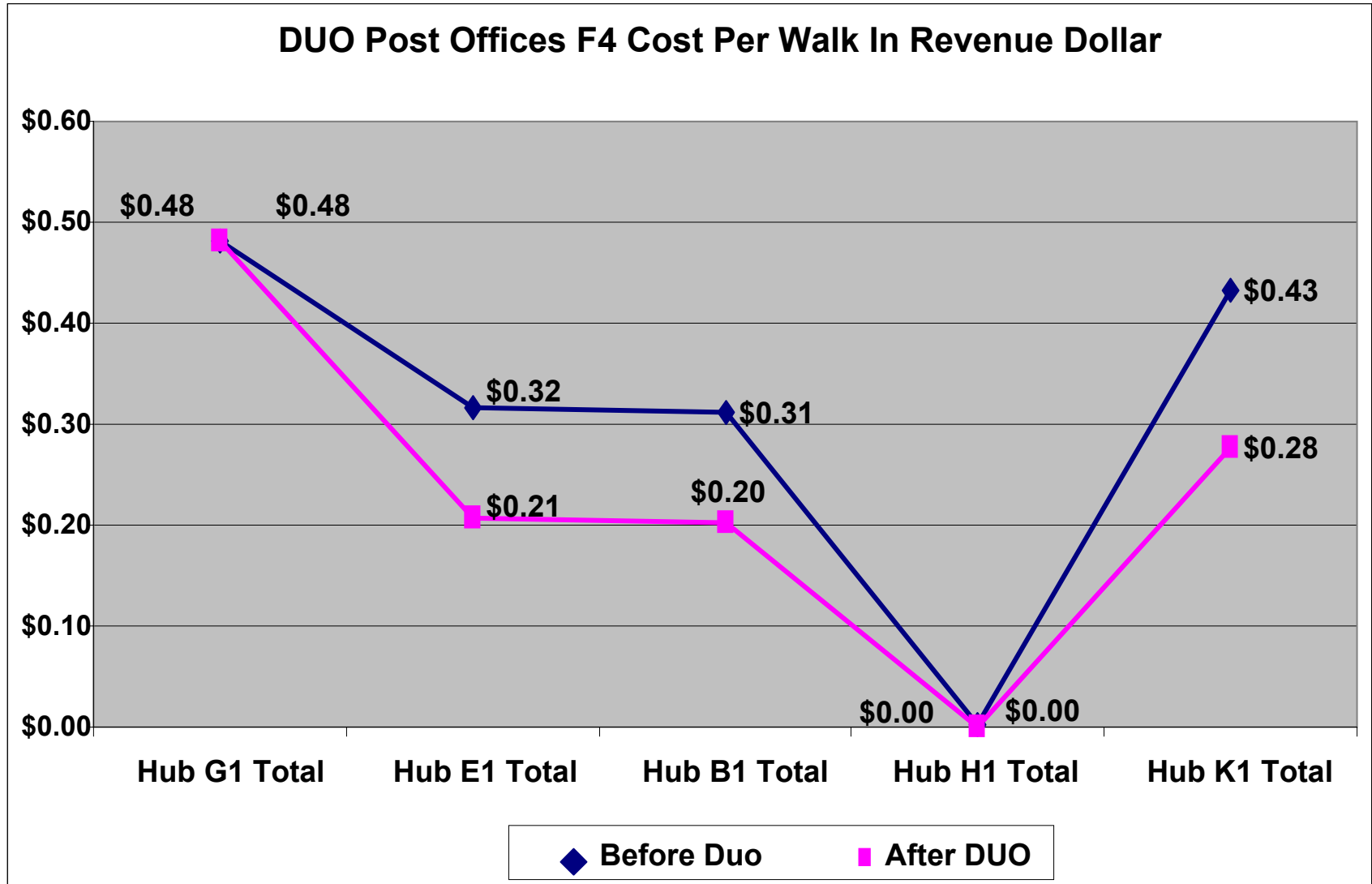
□ “Post Offices”

- 9 routes or less
- Transfers delivery operations to parent office
- Retains retail window operations
- Retains post office box operations

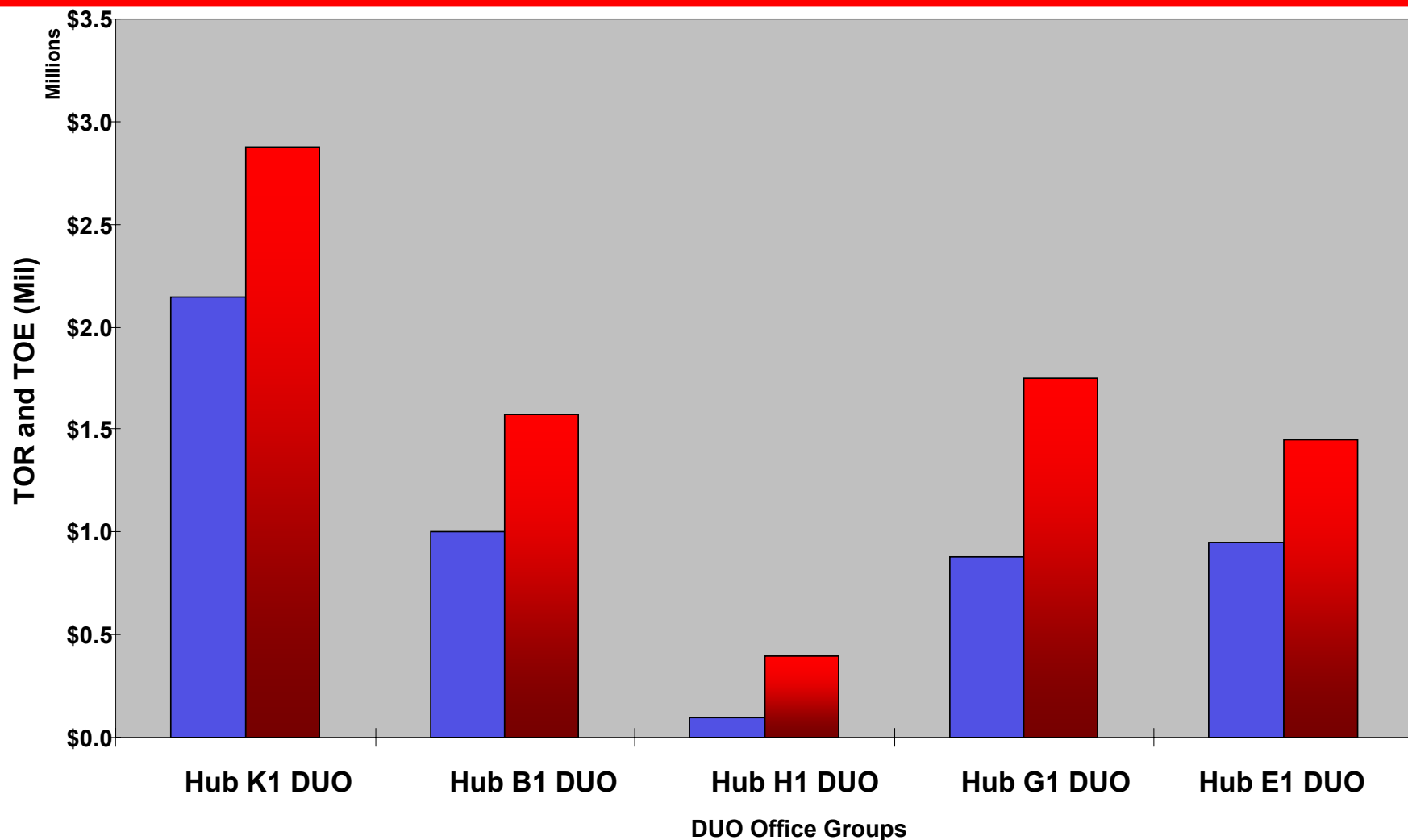
| DUO | Capital | N New England | Alabama | Fort Worth | Central Plains |
|------------------------------|--|--|---------------------------------|----------------------|-------------------------------------|
| Hub | Hub K1 | Hub B1 | Hub H1 | Hub G1 | Hub E1 |
| Post Office | Post Offices – K1A, K1B, K1C, K1D & K1E | Post Offices – B1A, B1B, B1C & B1D | Post Offices – H1A & H1B, | Post Office – G1A | Post Offices – E1A, E1B & E1C |
| Number of Routes | 66 | 32 | 28 | 50 | 49 |
| Function 2 Costs | \$107,539 | \$9,272 | \$22,620 | \$53,948 | \$149,000 |
| Function 4 Savings | (\$203,391) | (\$87,600) | \$5,663 | (\$41,480) | (\$68,811) |
| Transportation Savings | (\$12,575) | (\$2,680) | \$0 | \$0 | \$0 |
| Short Term Savings | (\$108,427) | (\$81,008) | \$28,283 | \$12,468 | \$80,189 |
| Potential Postmaster Savings | (\$56,590) | (\$57,433) | (\$9,816) | (\$11,869) | (\$39,124) |
| Long Term Savings | (\$165,017) | (\$138,441) | \$18,467 | \$599 | \$41,065 |
| Potential Lease Savings | (\$97,270) | (\$131,707) | (\$5,640) | \$0 | (\$19,503) |

Function 4 - LDCS 44, 45, 47 & 48 Work Hour Costs Short Term Savings





DUO Post Offices TOR vs. TOE

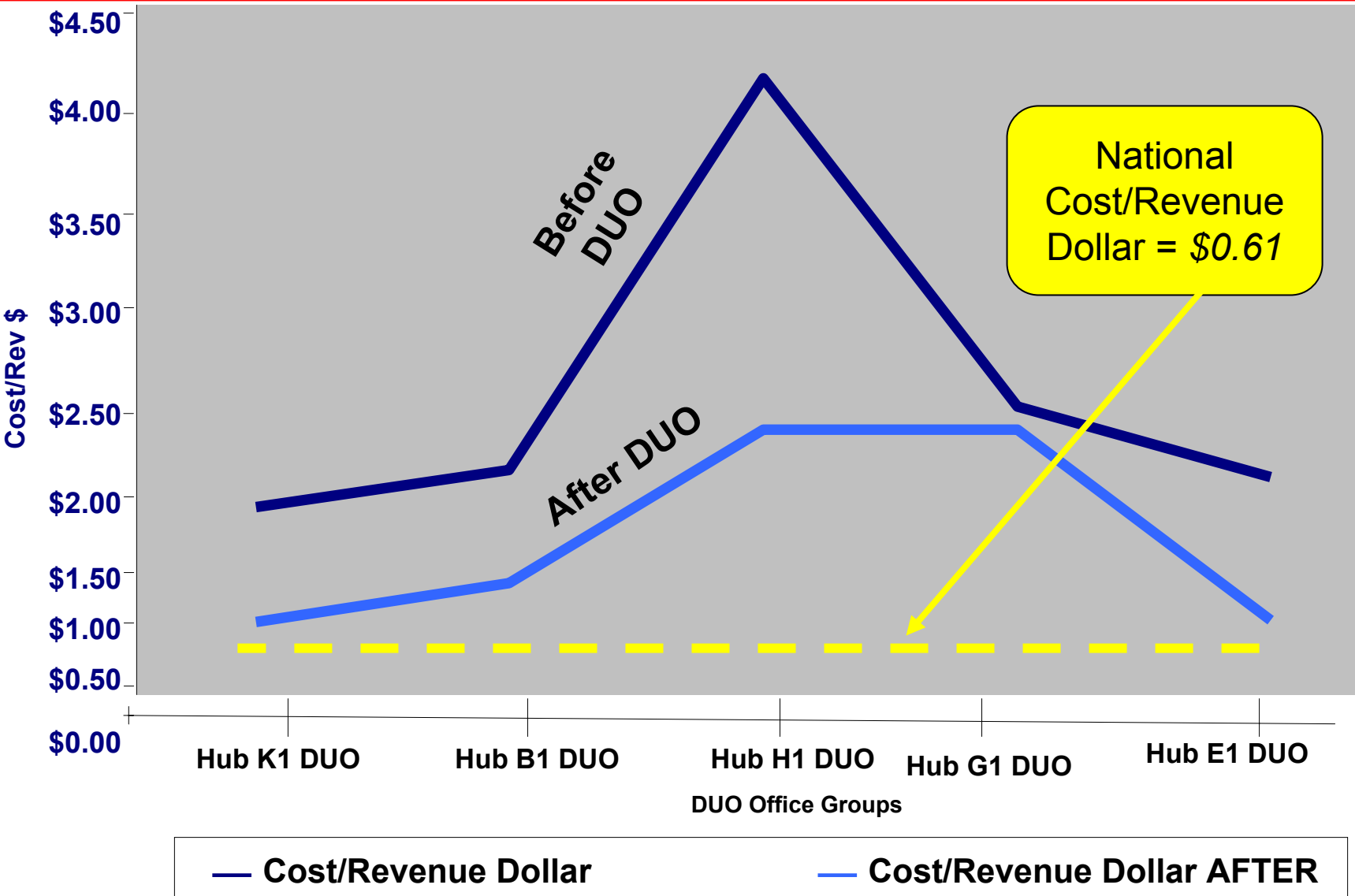


 **Total Operating Revenue**

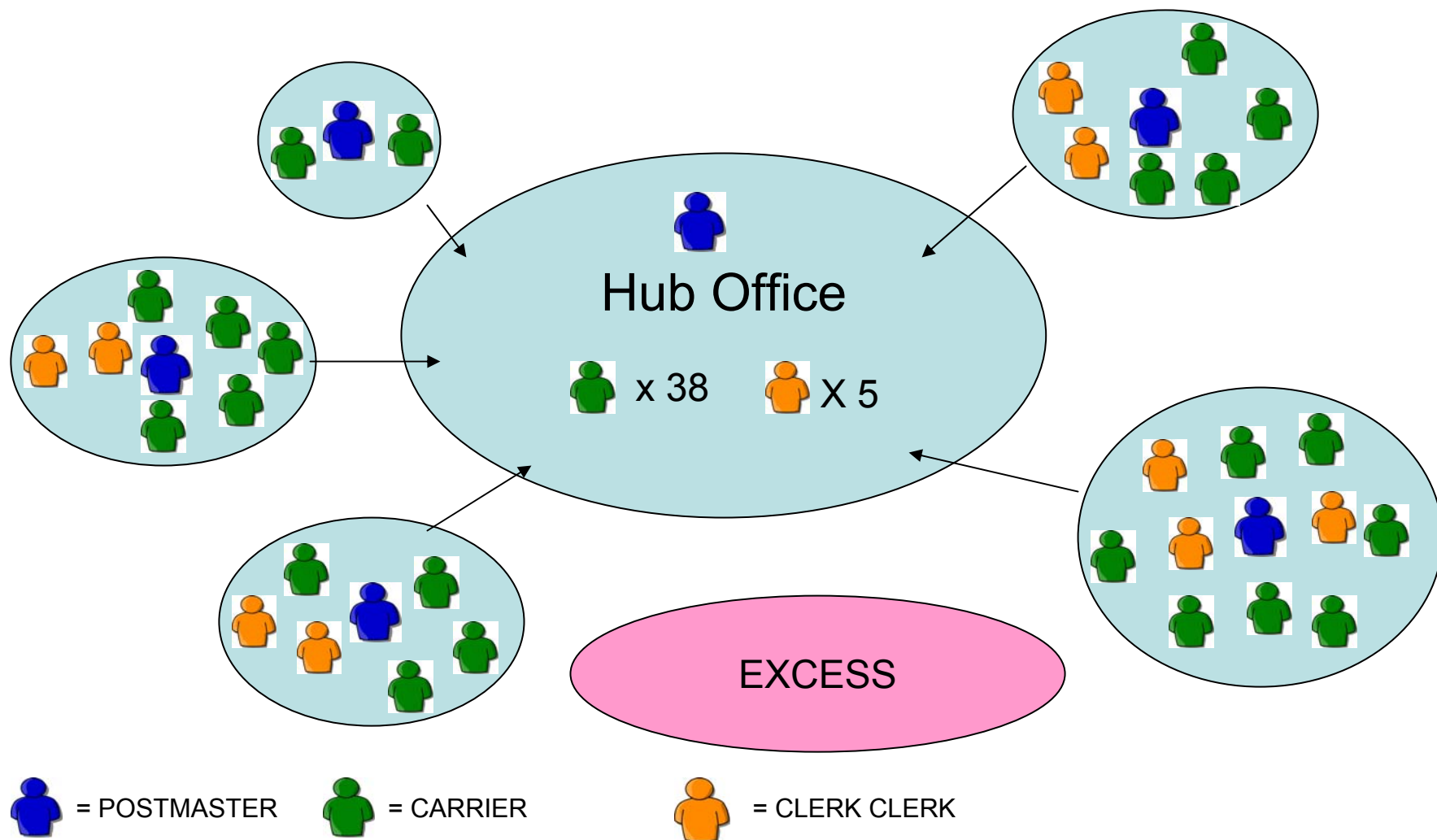
 **Total Operating Expenses**



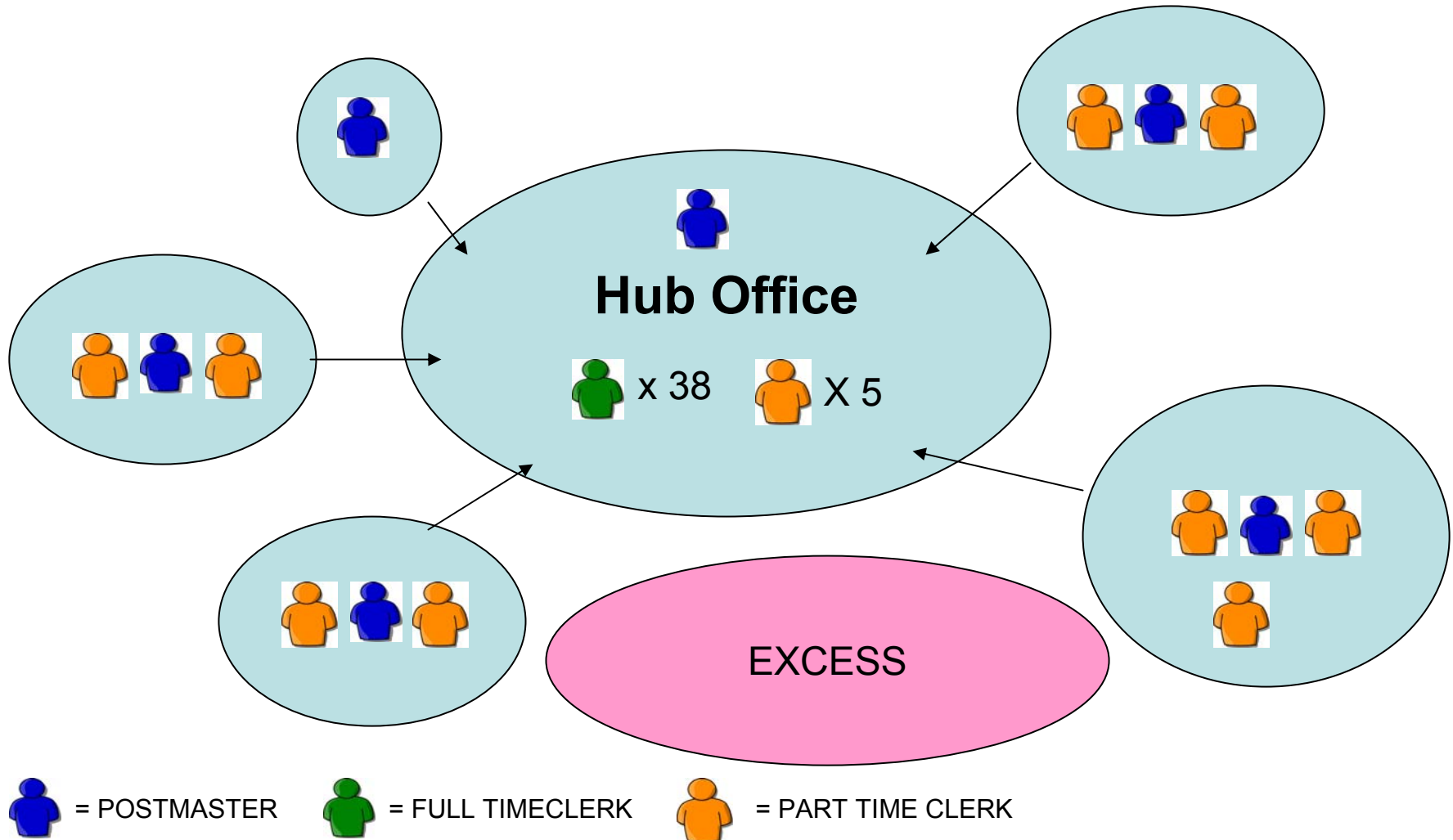
DUO Post Offices Cost per Revenue Dollar



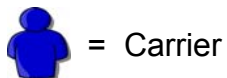
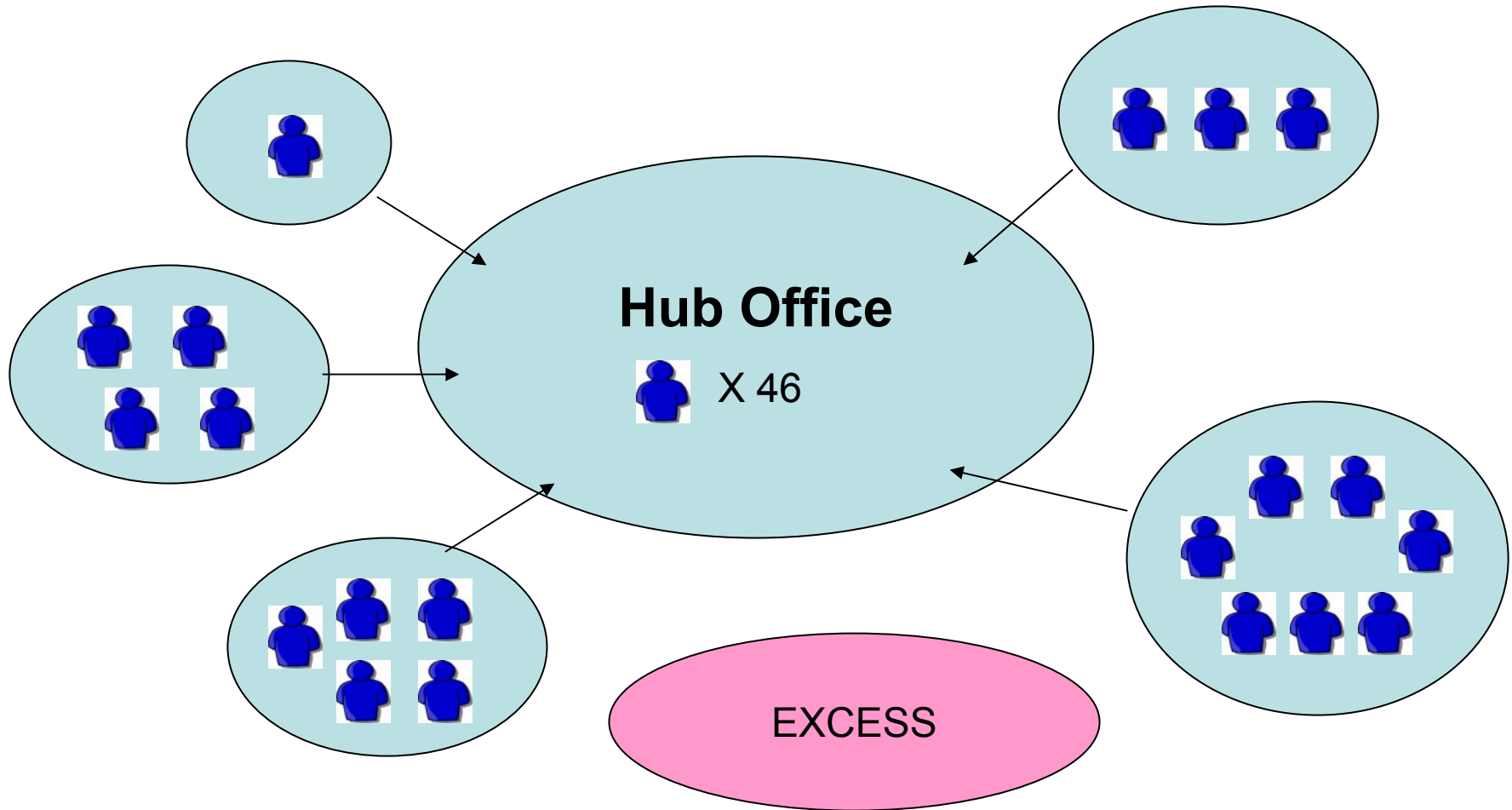
Complement Impacts – Hub Office/Post office



Complement Impacts (F4) – Hub Office/Post Office



Complement Impacts (F2) – Hub Office/Post Office



- ❑ Resources used in DUO Process
 - eFMS: Identify Office Groupings and Facility Information
 - PS Form 150: Office Level Impacts
 - CSV/SOV: Function 4 Impact
 - WebBATS: PO Box Information
 - RDM: Retail Hours
 - Transportation Contract Support System (TCSS)
 - Local Knowledge of Operations

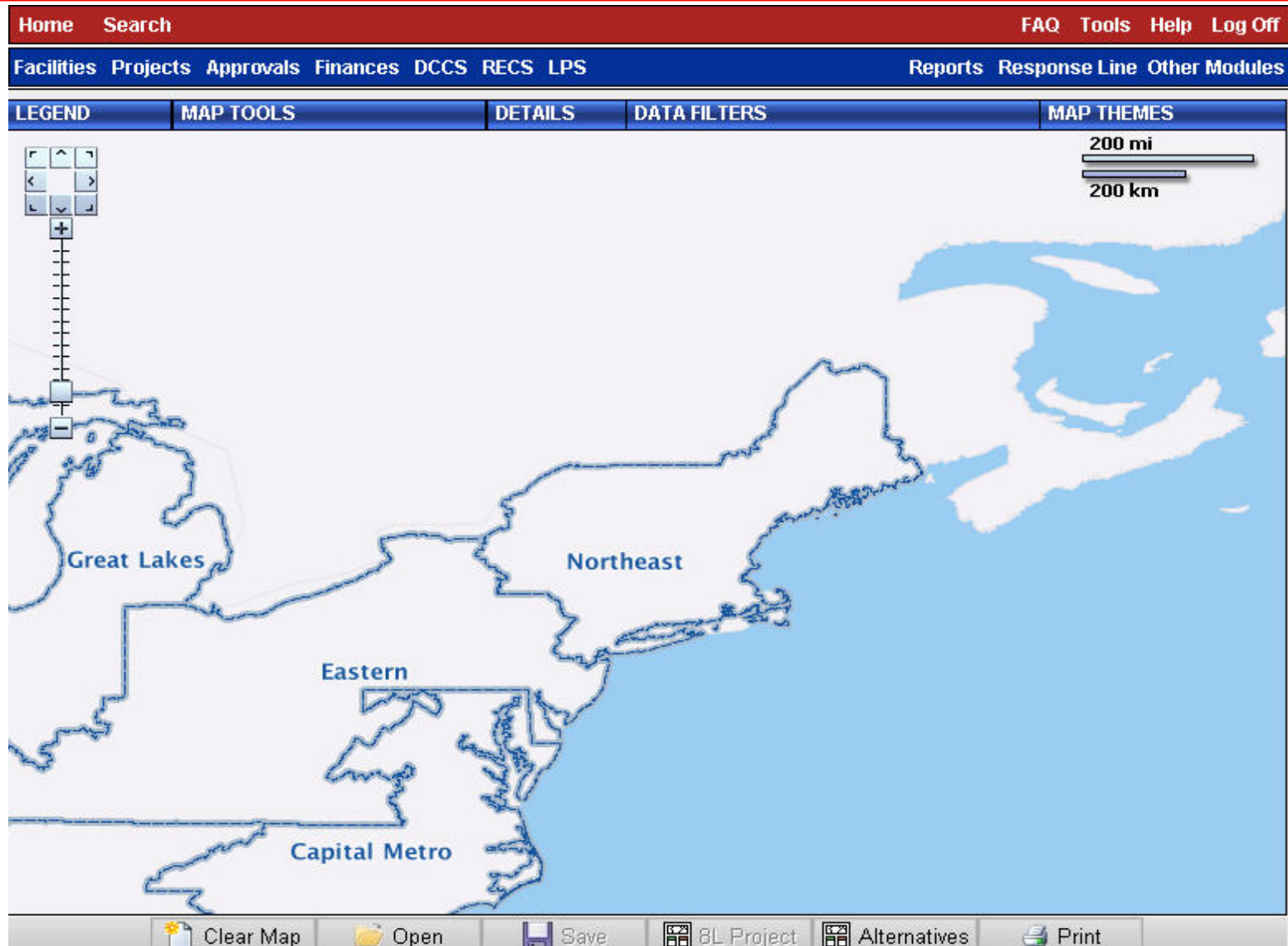
- ❑ Cost/benefit analysis tool

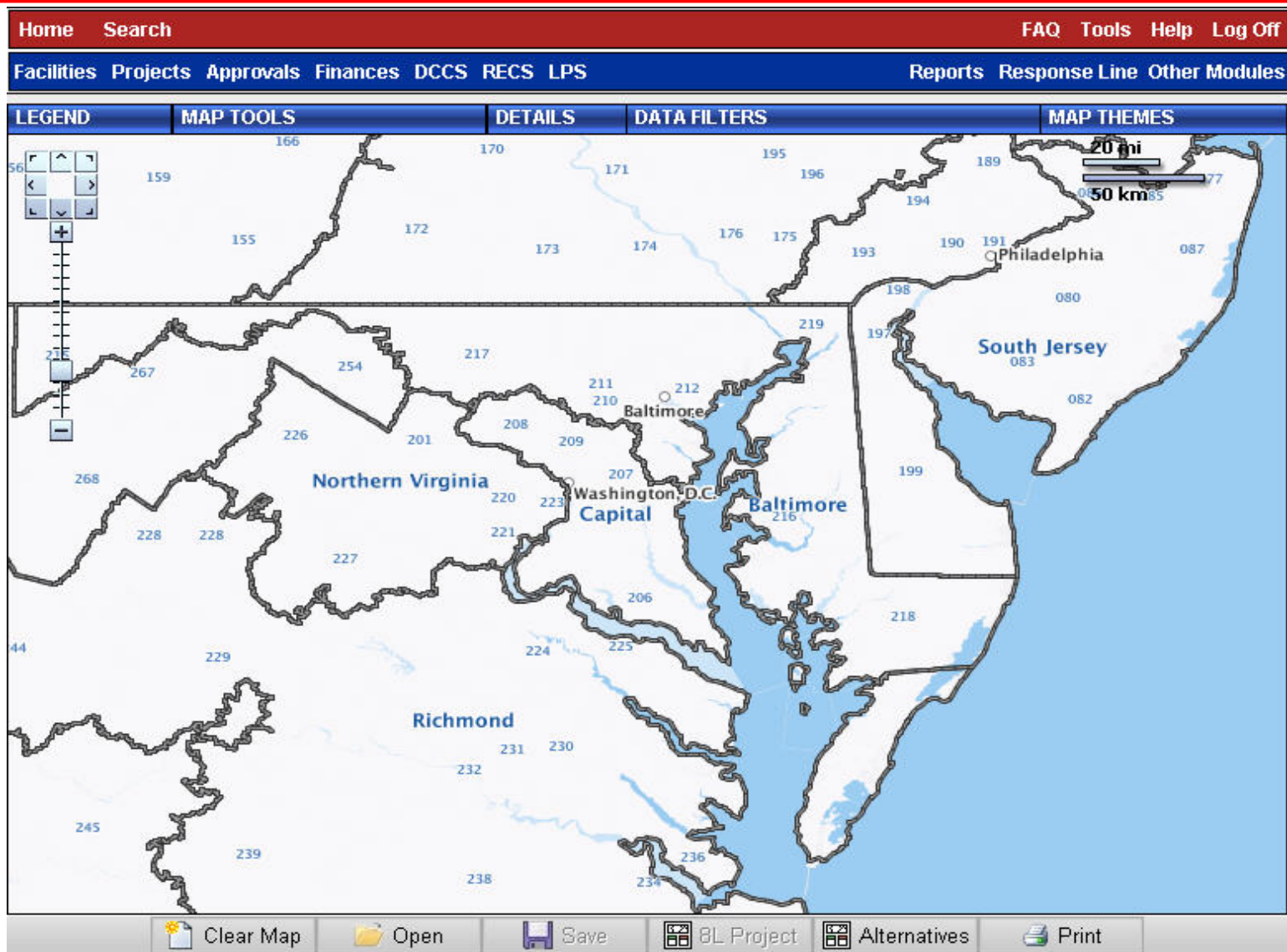
- ❑ Operations based, locally driven process
- ❑ Compliments Facilities Optimization Initiative
- ❑ eFMS Enhancements in progress
- ❑ Identify District Teams
- ❑ Field Training

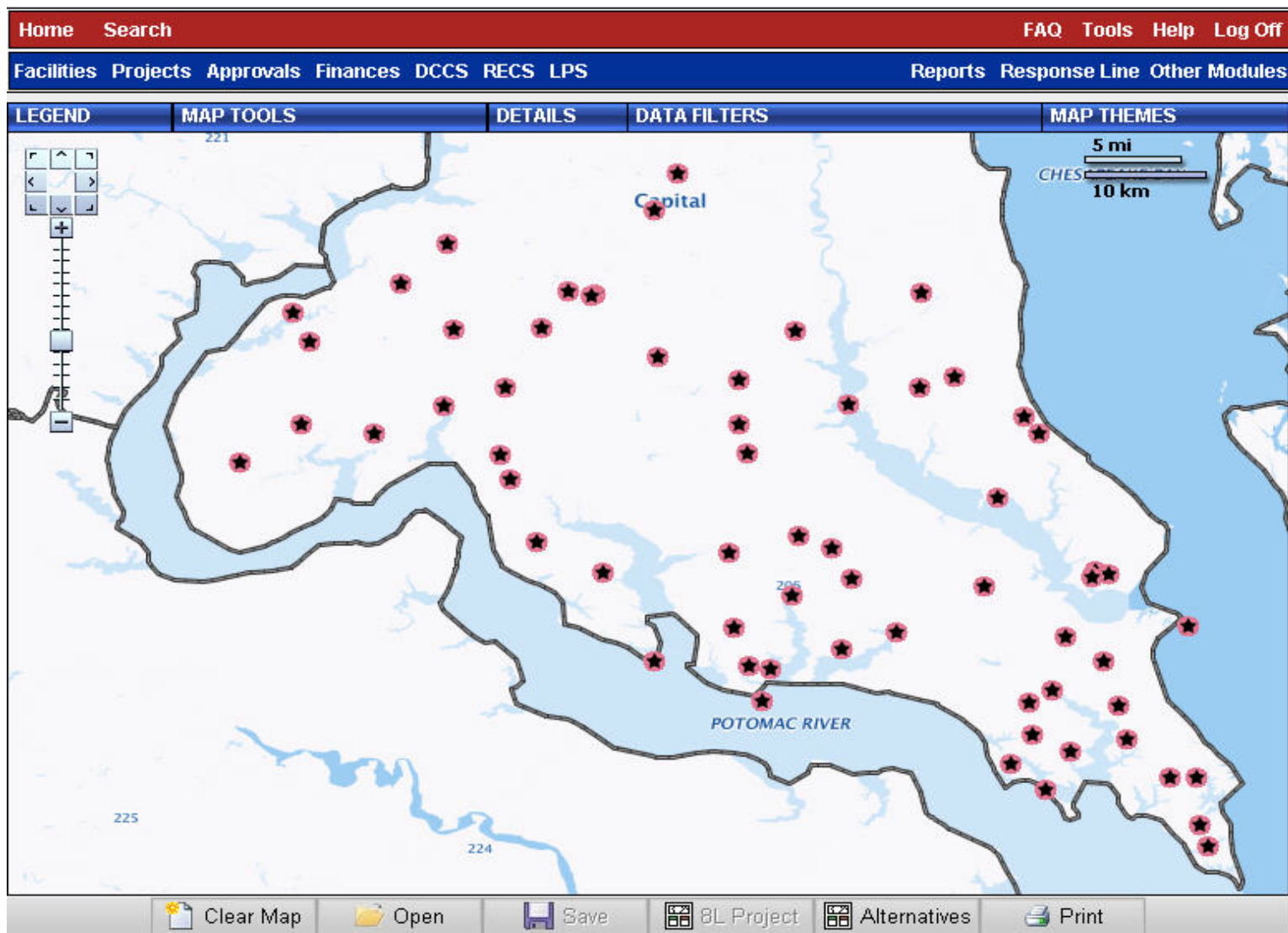
Capital District

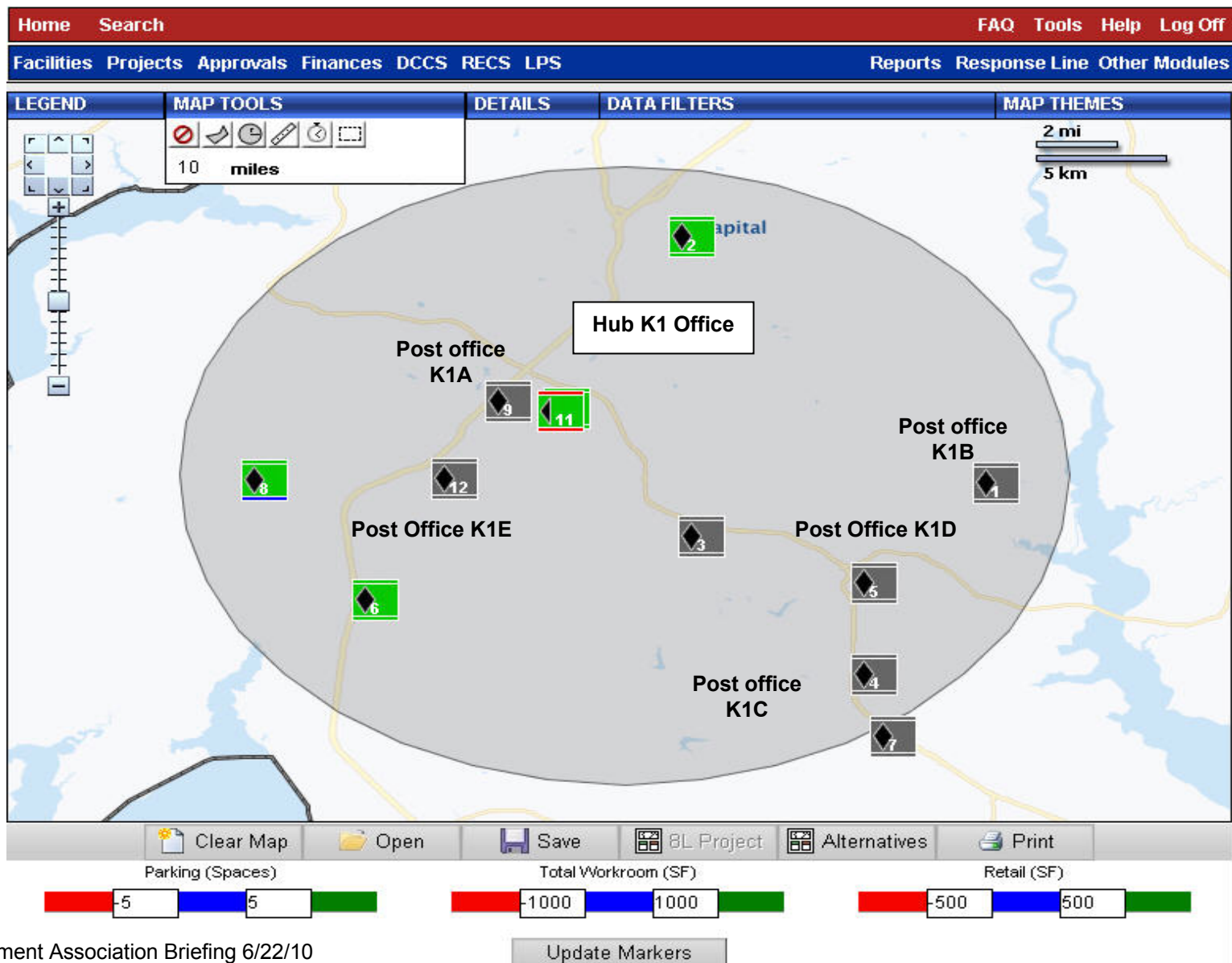
Hub K1

DUO Project









- ❑ eFMS calculated cost to move 5 carrier operations into Hub K1

| <div> <div>5</div> <div>239324-G03</div> <div>Hub K1</div> <div>+</div> </div> | | | | | | | | | | |
|--|----------|-------------------------|-----|---------------|-------|---------|-------|--------------------|----------|----------|
| | | Excess/Deficient | | Notes: | | | | | | |
| | | Parking(spaces): | | -345 | | | | | | |
| | | Total Workroom(SF): | | 24,275 | | | | | | |
| | | Retail(SF): | | -1,162 | | | | | | |
| Zone | # Routes | Daily Drive Time | | | | Mileage | | Annual \$ Variance | | |
| | | Now | New | Delta | Δ/Rt | Delta | Δ/Rt | Labor | Vehicle | Total |
| 5 | 13 | 182 | 0 | 0 | 0 | 0 | 0 | \$0 | \$0 | \$0 |
| 5 | 17 | 356 | 0 | 0 | 0 | 0 | 0 | \$0 | \$0 | \$0 |
| 5 | 16 | 405 | 0 | 0 | 0 | 0 | 0 | \$0 | \$0 | \$0 |
| 1 | 7 | 46 | 336 | 290 | 41.43 | 111.4 | 15.91 | \$65,204 | \$33,968 | \$99,172 |
| 2 | 1 | 2 | 61 | 59 | 59 | 23.3 | 23.3 | \$13,266 | \$7,105 | \$20,370 |
| 3 | 3 | 24 | 213 | 189 | 63 | 73 | 24.33 | \$42,495 | \$22,259 | \$64,754 |
| 4 | 4 | 15 | 231 | 217 | 54.25 | 85.3 | 21.33 | \$48,790 | \$26,010 | \$74,800 |
| 6 | 5 | 71 | 153 | 83 | 16.6 | 26 | 5.2 | \$18,662 | \$7,928 | \$26,590 |

**Carrier
Costs per
Site**

□ Savings estimates based on:

- Office Level Impacts
- Facility Leases
- Transportation Impacts

| DUO affected Offices | DUO Type | Level Before | Level After | Potential PM Salary Savings (A) | Potential Lease Savings (B) | Estimated Transportation Savings |
|----------------------|----------|--------------|-------------|---------------------------------------|--------------------------------|--|
| K1A | CSV | 18 | 13 | (\$19,621) | (\$33,968) | (\$2,196) |
| K1C | CSV | 18 | 16 | (\$6,220) | (\$22,259) | (\$6,528) |
| K1D | CSV | 18 | 13 | (\$19,621) | (\$26,010) | \$0 |
| K1E | CSV | 18 | 16 | (\$6,220) | (\$7,928) | (\$3,851) |
| K1B | SOV | 13 | 11 | (\$4,908) | (\$7,105) | \$0 |
| Hub K1 | CSV | 22 | 22 | 0 | | \$0 |

A. Non-add, potential based on highest pay at old level -highest pay at new level. Savings will be greater at a vacant office.

B. Non-add, potential based current annual lease cost.

□ Clerk Complement Impact

| DUO affected Offices | Total Earned F4 FTE Clerks Before | Total Earned F4 FTE Clerks After | FTE F4 Variance | Total F4 Active on roll clerks Before | Total F4 Active on roll clerks After | Excess F4 clerks in office grouping |
|----------------------|-----------------------------------|----------------------------------|-----------------|---------------------------------------|--------------------------------------|-------------------------------------|
| K1A | 2.00 | 1.02 | -0.98 | 2 | 1 | |
| K1C | 2.00 | 1.64 | -0.36 | 3 | 2 | |
| K1D | 2.00 | 1.34 | -0.66 | 2 | 1 | |
| K1E | 2.00 | 1.60 | -0.40 | 2 | 2 | |
| K1B | 0.00 | 0.00 | 0.00 | 0 | 0 | |
| K1 Hub | 50.00 | 52.53 | 2.53 | 43 | 46 | |
| | | | | 52 | 52 | 0 |

□ Office Statistics

| DUO affected Offices | Distance from DUO Offices to Hub (roundtrip) | Routes Before | Routes After | Excess Office SQ Feet Before | Excess Office SQ Feet After | Total PO Boxes | PO Boxes Free | PO Boxes Rented | PO Box Vacancy Rate |
|----------------------|--|---------------|--------------|------------------------------|-----------------------------|----------------|---------------|-----------------|---------------------|
| K1A | 7 | 7 | 0 | 904 | 1,765 | 636 | 0 | 368 | 42% |
| K1C | 10 | 3 | 0 | 399 | 768 | 668 | 0 | 542 | 19% |
| K1D | 8 | 4 | 0 | 668 | 1,160 | 576 | 0 | 378 | 34% |
| K1E | 8 | 5 | 0 | 1,065 | 1,680 | 0 | 0 | 0 | 0% |
| K1B | 10 | 1 | 0 | -24 | 99 | 100 | 0 | 85 | 15% |
| Hub K1 | | 46 | 66 | 26,735 | 24,275 | 2,383 | 52 | 1,934 | 19% |

Hub K1 DUO Savings Opportunity

| DUO Affected Offices | F4 Hours Saved from PM change in Office level | Clerk Salary & Benefits Savings | Clerk Fixed Benefits Savings | Transportation Savings | Carrier Costs (Mileage) | Carrier Costs (Hours) | Short Term Savings Annualized | Long Term Savings Annualized |
|----------------------|---|---------------------------------|------------------------------|------------------------|-------------------------|-----------------------|-------------------------------|------------------------------|
| PO - K1A | 1,462 | (\$60,624) | (\$5,663) | (\$2,196) | \$32,700 | \$6,230 | (\$29,553) | (\$49,173) |
| PO - K1C | 1,012 | (\$41,967) | (\$5,663) | (\$6,528) | \$24,720 | \$3,591 | (\$25,847) | (\$32,067) |
| PO - K1D | 1,253 | (\$51,962) | (\$5,663) | \$0 | \$24,000 | \$4,216 | (\$29,409) | (\$49,029) |
| PO - K1e | 1,113 | (\$46,161) | \$0 | (\$3,851) | \$0 | \$4,879 | (\$45,133) | (\$51,353) |
| PO - K1B | 0 | \$0 | \$0 | \$0 | \$6,000 | \$1,202 | \$7,202 | \$2,294 |
| Hub K1 | | | \$14,312 | | | | \$14,312 | \$14,312 |
| | | | | | | | (\$108,428) | (\$165,016) |

TOTAL Hub K1 DUO SAVINGS

SHORT TERM

LONG TERM

| OFFICE | Population | Median Age | Median Income | Residential PDS | Business PDS | TOTAL PDS | TOTAL WIR FY09 | FY09 TOE | WIR Revenue vs Expenses | Cost/Revenue Dollar |
|-------------------|------------|------------|---------------|-----------------|--------------|-----------|----------------|-----------|-------------------------|---------------------|
| PO – K1A | 7,551 | 37.5 | \$104,000 | 3370 | 70 | 3440 | \$245,089 | \$874,868 | (\$629,779) | \$3.57 |
| PO – K1B | 999 | 41.1 | \$73,000 | 318 | 11 | 329 | \$49,539 | \$126,021 | (\$76,482) | \$2.54 |
| PO - K1C | 1,406 | 50.3 | \$75,000 | 1369 | 108 | 1477 | \$482,926 | \$560,046 | (\$77,120) | \$1.16 |
| PO – K1D | 1,777 | 38.5 | \$127,000 | 1659 | 37 | 1696 | \$216,855 | \$674,688 | (\$457,833) | \$3.11 |
| PO – K1E | 4,830 | 34.9 | \$60,000 | 2959 | 209 | 3168 | \$444,807 | \$763,107 | (\$318,300) | \$1.72 |
| Hub – K1 | 25,803 | 32.8 | \$96,000 | 8,782 | 469 | 9251 | | | | |
| STATE OF MARYLAND | | 36 | \$71,000 | | | | | | | |

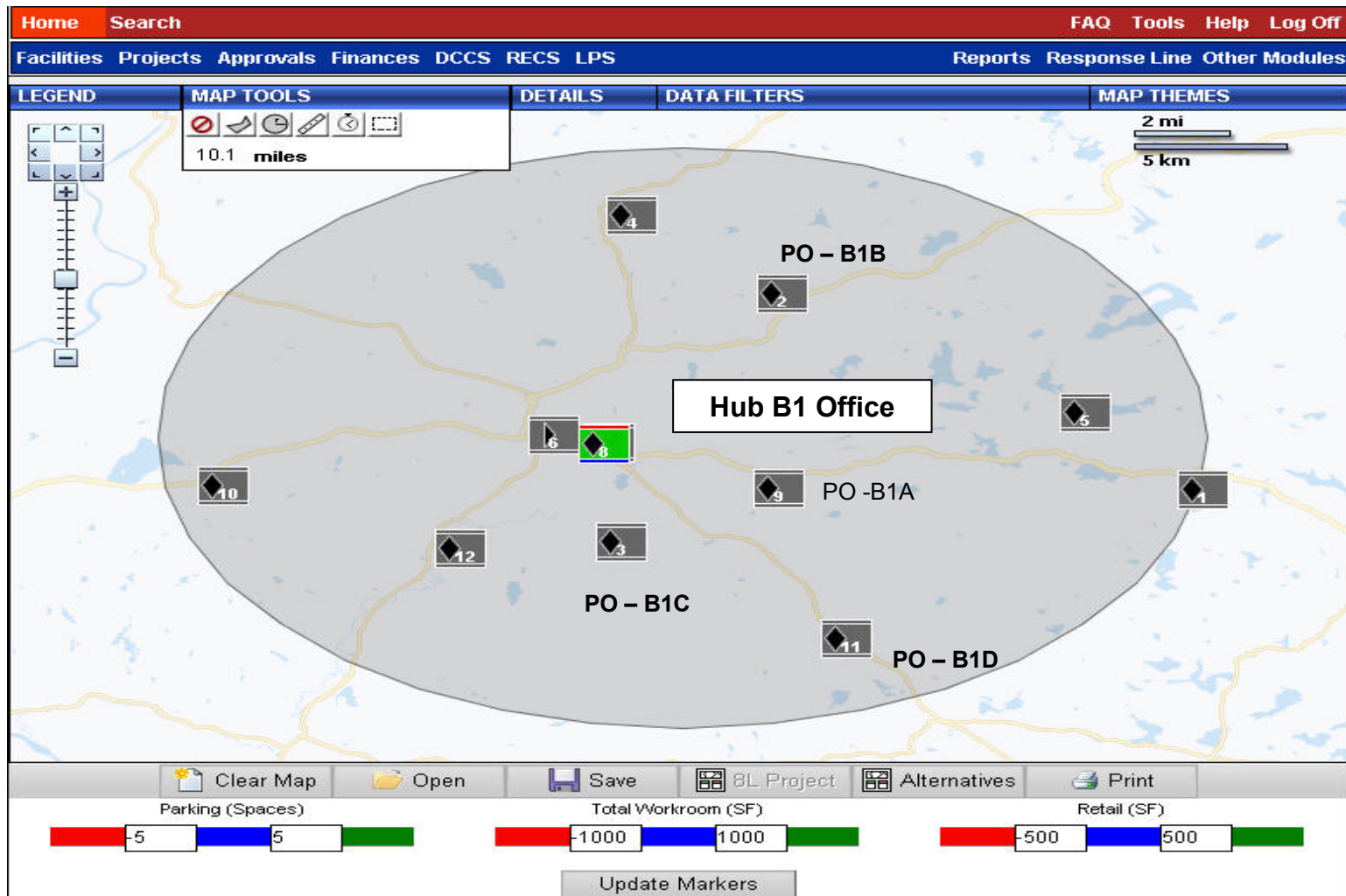
- ❑ Operations based, locally driven process
- ❑ Compliments Facilities Optimization Initiative
- ❑ eFMS Enhancements in progress
- ❑ Identify District Teams
- ❑ Field Training

New England District

Hub B1

DUO Project

❑ Offices with opportunity to move carrier operation



- eFMS calculated cost to move 5 carrier operations into Hub B1 Main Office

3

324320-G04

Disposition: Retained

+

Excess/Deficient

Notes:

Parking(spaces): -80

Total Workroom(SF): 873

Retail(SF): 485

| Zone | # Routes | Daily Drive Time | | | | Mileage | | Annual \$ Variance | | | |
|------|----------|------------------|-----|-------|------|---------|-------|--------------------|------------|------------|--|
| | | Now | New | Delta | Δ/Rt | Delta | Δ/Rt | Labor | Vehicle | Total | |
| 3 | 23 | 148 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 1 | 1 | 29 | 42 | 13 | 13 | 6.7 | 6.7 | \$2,923 | \$2,043 | \$4,966 | |
| 1 | 1 | 149 | 33 | -117 | -117 | -58.3 | -58.3 | (\$26,306) | (\$17,777) | (\$44,083) | |
| 2 | 4 | 23 | 80 | 58 | 14.5 | 28.8 | 7.2 | \$13,041 | \$8,782 | \$21,822 | |
| 4 | 2 | 4 | 38 | 34 | 17 | 17.2 | 8.6 | \$7,645 | \$5,245 | \$12,889 | |
| 5 | 1 | 5 | 39 | 34 | 34 | 16.9 | 16.9 | \$7,645 | \$5,153 | \$12,798 | |

**Carrier
Costs per
Site**

□ Savings estimates based on:

- Office Level Impacts
- Facility Leases
- Transportation Impacts

| DUO affected Offices | DUO Type | Level Before | Level After | Potential ^{PM} Salary Savings (A) | Potential ^{Lease} Savings (B) | Transportation Savings |
|----------------------|----------|--------------|-------------|--|---|---------------------------|
| B1C | CSV | 18 | 13 | (\$19,621) | (\$70,000) | (\$1,416) |
| B1B | SOV | 15 | 11 | (\$11,010) | (\$10,200) | (\$1,264) |
| B1A | SOV | 16 | 13 | (\$13,401) | (\$31,347) | \$0 |
| B1D | SOV | 16 | 13 | (\$13,401) | (\$20,160) | \$0 |
| Hub B1 | CSV | 21 | 21 | \$0 | | \$0 |

A. Non-add, potential based on highest pay at old level -highest pay at new level. Savings will be greater at a vacant office.

B. Non-add, potential based current annual lease cost.

□ Clerk Complement Impact

| DUO affected Offices | Total Earned F4 FTE Clerks Before | Total Earned F4 FTE Clerks After | FTE F4 Variance | Total F4 Active on roll clerks Before | Total F4 Active on roll clerks After | Excess F4 clerks in office grouping |
|----------------------|-----------------------------------|----------------------------------|-----------------|---------------------------------------|--------------------------------------|-------------------------------------|
| B1C | 2.00 | 1.36 | -0.64 | 2 | 1 | |
| B1B | 0.00 | 0.00 | 0.00 | 0 | 0 | |
| B1A | 0.89 | 0.36 | -0.53 | 1 | 1 | |
| B1D | 0.63 | 0.14 | -0.49 | 1 | 0 | |
| Hub B1 | 11.00 | 13.14 | 2.14 | 12 | 14 | |
| | | | | 16 | 16 | 0 |

□ Office Statistics

| DUO affected Offices | Distance from Post Offices to HUB (roundtrip) | Routes Before | Routes After | Excess Office SQ Feet Before | Excess Office SQ Feet After | Total PO Boxes | PO Boxes Free | PO Boxes Rented | PO Box Vacancy Rate |
|----------------------|---|---------------|--------------|------------------------------|-----------------------------|----------------|---------------|-----------------|---------------------|
| B1C | 29 | 4 | 0 | 2,383 | 2,875 | 1,278 | 0 | 264 | 79% |
| B1B | -52 | 2 | 0 | 390 | 390 | 208 | 2 | 100 | 51% |
| B1A | 17 | 2 | 0 | 993 | 1,239 | 536 | 182 | 255 | 28% |
| B1D | 17 | 1 | 0 | 579 | 702 | 805 | 144 | 305 | 54% |
| Hub B1 | | 23 | 32 | 1,980 | 873 | 1,661 | 0 | 1,016 | 39% |

❑ Overall Savings

| DUO affected Offices | F4 HRS saved from PM Change in Level | Clerk Salary & Benefits Savings | Clerk Fixed Benefits Savings | Saturday Clerk vs. PMR Savings | Carrier Costs (Mileage) | Carrier Costs * (Hours) | Short Term Savings Annualized | Long Term Savings Annualized |
|----------------------|--|--|------------------------------------|--------------------------------------|-------------------------------|-------------------------------|-------------------------------------|------------------------------------|
| B1C | 1,233 | (\$51,130) | (\$5,663) | \$0 | \$8,782 | \$14,320 | (\$35,107) | (\$54,728) |
| B1B | 0 | \$0 | \$0 | \$0 | (\$17,777) | (\$12,828) | (\$31,869) | (\$42,879) |
| B1A | 407 | (\$16,868) | \$0 | \$0 | \$5,245 | \$4,276 | (\$7,347) | (\$20,748) |
| B1D | 34 | (\$1,410) | (\$5,663) | (\$6,867) | \$5,153 | \$2,101 | (\$6,686) | (\$20,087) |
| Hub B1 | | | \$11,325 | | | | \$11,325 (\$69,683) | \$11,325 (\$127,116) |

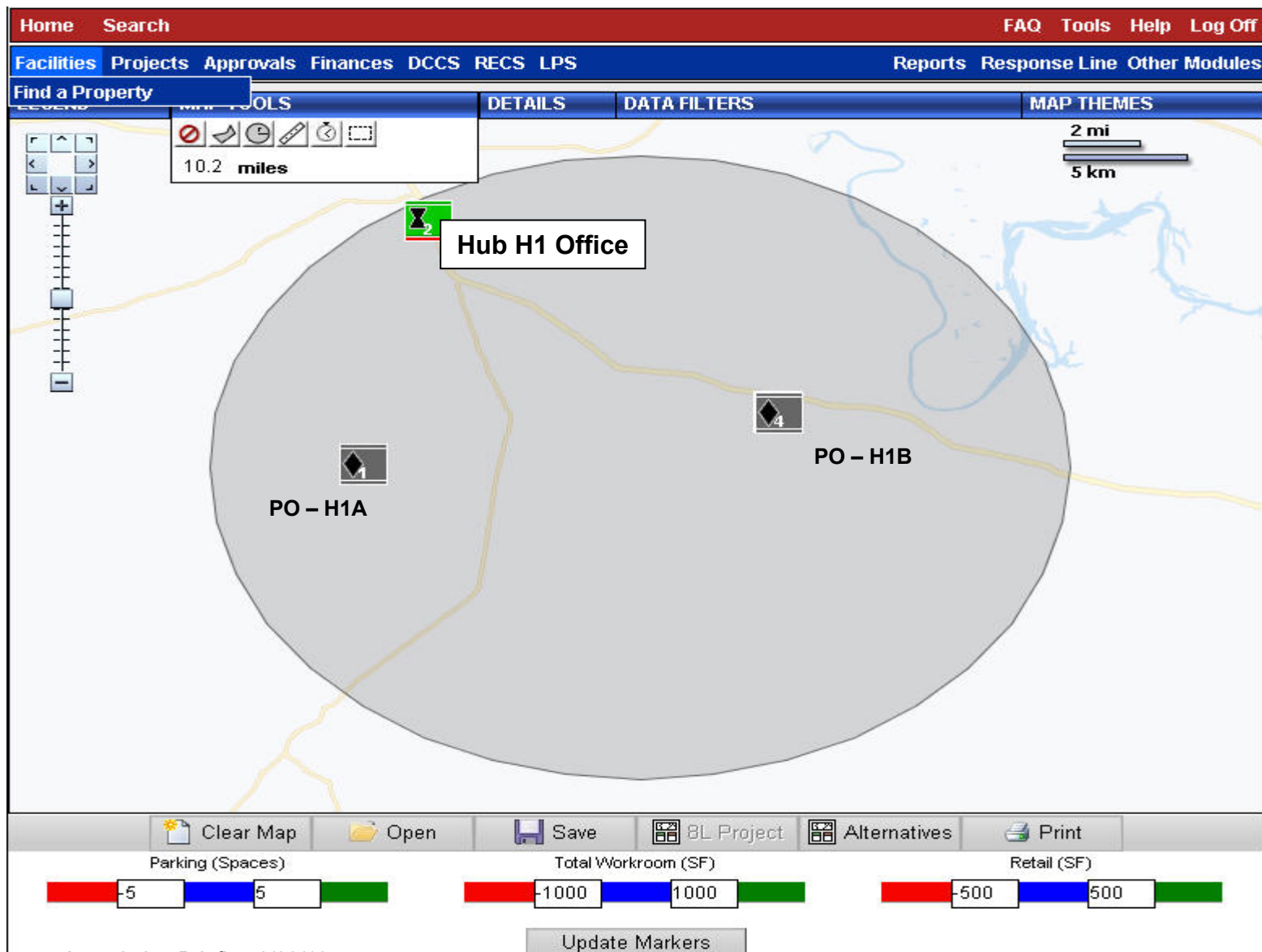
* *Carrier costs (hours) relate to Rural carriers only*

- ❑ Operations based, locally driven process
- ❑ Compliments Facilities Optimization Initiative
- ❑ eFMS Enhancements in progress
- ❑ Identify District Teams
- ❑ Field Training

Alabama District

Hub H1

DUO Project



- ❑ eFMS calculated cost to move 2 carrier operations into Hub H1 Office

2

017380-G01

Hub H1

Disposition: Retained

+

723 ALABAMA AVE

Dallas AL

36701

Excess/Deficient

Parking(spaces): 30

Total Workroom(SF): 8,395

Retail(SF): -5920

Notes:

| Zone | # Routes | Daily Drive Time | | | | Mileage | | Annual \$ Variance | | | |
|------|----------|------------------|-----|-------|------|---------|------|--------------------|---------|----------|--|
| | | Now | New | Delta | Δ/Rt | Delta | Δ/Rt | Labor | Vehicle | Total | |
| 2 | 9 | 86 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | 17 | 128 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 4 | 1 | 31 | 86 | 55 | 55 | 27.4 | 27.4 | \$12,366 | \$8,355 | \$20,721 | |
| 1 | 1 | 10 | 61 | 51 | 51 | 25.3 | 25.3 | \$11,467 | \$7,714 | \$19,181 | |

**Carrier
Costs per
Site**

□ Savings estimates based on:

- Office Level Impacts
- Facility Leases
- Transportation Impacts

| DUO affected Offices | DUO Type | Level Before | Level After | Potential PM Salary Savings (A) | Potential Lease Savings (B) | Transportation Savings |
|----------------------|----------|--------------|-------------|---------------------------------------|--------------------------------|---------------------------|
| H1A | SOV | 13 | 11 | (\$4,908) | (\$3,600) | \$0 |
| H1B | SOV | 13 | 11 | (\$4,908) | (\$2,040) | \$0 |
| Hub H1 | CSVt | 21 | 21 | 0 | | \$0 |

- A. Non-add, potential based on highest pay at old level -highest pay at new level. Savings will be greater at a vacant office.***
- B. Non-add, potential based current annual lease cost.***

□ Clerk Complement Impact

| DUO affected Offices | Total Earned F4 FTE Clerks Before | Total Earned F4 FTE Clerks After | FTE F4 Variance | Total F4 Active on roll clerks Before | Total F4 Active on roll clerks After | Excess F4 clerks in office grouping |
|----------------------|---|--|--------------------|--|---|---|
| H1A | 0.00 | 0.00 | 0.00 | 0 | 0 | |
| H1B | 0.00 | 0.00 | 0.00 | 0 | 0 | |
| Hub H1 | 12.00 | 12.34 | 0.34 | 11 | 12 | |
| | | | | 11 | 12 | -1 |

□ Office Statistics

| DUO affected Offices | Distance from Child Offices to Hub Office (roundtrip) | Routes Before | Routes After | Excess Office SQ FT Before | Excess Office SQ FT After | Total PO Boxes | PO Boxes Free | PO Boxes Rented | PO Box Vacancy Rate |
|----------------------|--|------------------|-----------------|----------------------------------|---------------------------------|-------------------|------------------|--------------------|---------------------------|
| H1A | 25 | 1 | 0 | 163 | 286 | 144 | 0 | 83 | 42% |
| H1B | 27 | 1 | 0 | 137 | 260 | 152 | 0 | 104 | 32% |
| H1 Hub | | 26 | 28 | 8,641 | 8,395 | 1,958 | 0 | 1,531 | 22% |

Overall Savings

| DUO affected Offices | F4 Hours saved from PM change in Office Level | Clerk Salary & Benefits Savings | Clerk Fixed Benefits Savings | Saturday Clerk vs PMR Savings | Carrier Costs (Mileage) | Carrier Costs * (Hours) | Short Term Savings Annualized | Long Term Savings Annualized |
|----------------------|---|---------------------------------|------------------------------|-------------------------------|-------------------------|-------------------------|-------------------------------|------------------------------|
| H1A | 0 | \$0 | \$0 | \$0 | \$7,714 | \$3,145 | \$10,859 | \$5,951 |
| H1B | 0 | \$0 | \$0 | \$0 | \$8,355 | \$3,406 | \$11,761 | \$6,853 |
| Hub H1 | | | \$5,663 | | | | \$5,663 | \$5,663 |
| | | | | | | | \$28,283 | \$18,467 |

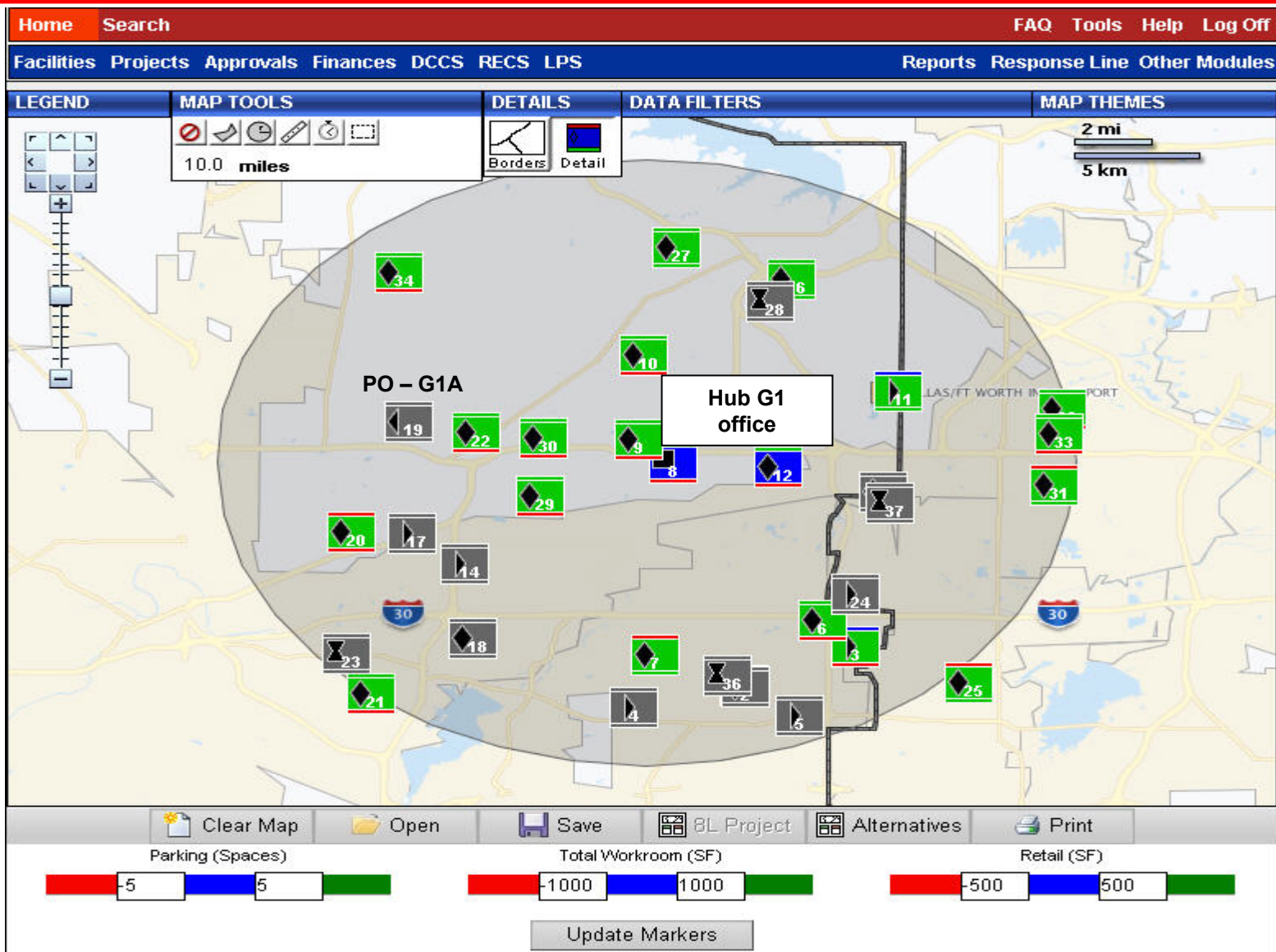
** Carrier costs (hours) relate to Rural carriers only*

- ❑ Operations based, locally driven process
- ❑ Compliments Facilities Optimization Initiative
- ❑ eFMS Enhancements in progress
- ❑ Identify District Teams
- ❑ Field Training

Fort Worth District

Hub G1

DUO Project



- **eFMS calculated cost to move 1 carrier operation into Hub G1 Main Office**

1

480625-G02

Hub G1

Disposition: Retained

+

Excess/Deficient

Notes:

Parking(spaces): 35

Total Workroom(SF): 7073

Retail(SF): -1096

| Zone | # Routes | Daily Drive Time | | | | Mileage | | Annual \$ Variance | | |
|------|----------|------------------|-----|-------|-------|---------|------|--------------------|---------|--------|
| | | Now | New | Delta | Δ/Rt | Delta | Δ/Rt | Labor | Vehicle | Total |
| 1 | 11 | 186 | 0 | 0.0 | 0.00 | 0.0 | 0.00 | \$ 0 | \$ 0 | \$ 0 |
| 1 | 27 | 327 | 0 | 0.0 | 0.00 | 0.0 | 0.00 | \$ 0 | \$ 0 | \$ 0 |
| 2 | 12 | 118 | 277 | 159 | 13.27 | 39.9 | 3.32 | \$ 159 | \$ 40 | \$ 199 |

**Carrier
Costs per
Site**

□ Savings estimates based on:

- Office Level Impacts
- Facility Leases
- Transportation Impacts

| DUO affected Offices | DUO Type | Level Before | Level After | Potential PM Salary Savings (A) | Potential Lease Savings (B) | Transportation Savings |
|----------------------|----------|--------------|-------------|---------------------------------------|--------------------------------|---------------------------|
| G1A | CSV | 21 | 18 | (\$11,869) | Owned | \$0 |
| Hub G1 | CSV | 22 | 22 | \$0 | | \$0 |

A. Non-add, potential based on highest pay at old level -highest pay at new level. Savings will be greater at a vacant office.

B. Non-add, potential based current annual lease cost.

□ Clerk Complement Impact

| DUO affected Offices | Total Earned F4 FTE Clerks Before | Total Earned F4 FTE Clerks After | FTE F4 Variance | Total F4 Active on roll clerks Before | Total F4 Active on roll clerks After | Excess F4 clerks in office grouping |
|----------------------|-----------------------------------|----------------------------------|-----------------|---------------------------------------|--------------------------------------|-------------------------------------|
| G1A | 3.00 | 1.64 | -1.36 | 4 | 2 | |
| Hub G1 | 12.00 | 13.36 | 1.36 | 11 | 13 | |
| | | | | 15 | 15 | 0 |

□ Office Statistics

| DUO affected Offices | Distance from Post Offices to Hub (roundtrip) | Routes Before | Routes After | Excess Office SQ Feet Before | Excess Office SQ Feet After | Total PO Boxes | PO Boxes Free | PO Boxes Rented | PO Box Vacancy Rate |
|----------------------|---|---------------|--------------|------------------------------|-----------------------------|----------------|---------------|-----------------|---------------------|
| G1A | 12 | 12 | 0 | 4,305 | 8,549 | 1,126 | 0 | 479 | 57% |
| Hub G1 | | 38 | 50 | 7,073 | 5,781 | 2,052 | 4 | 1,647 | 20% |

❑ Overall Savings

| DUO affected Offices | F4 Hours saved from PM change in Office Level | Clerk Salary & Benefits Savings | Clerk Fixed Benefits Savings | Saturday Clerk vs. PMR Savings | Carrier Costs (Mileage) | Carrier Cost* (Hours) | Short Term Savings Annualized | Long Term Savings Annualized |
|----------------------|---|---------------------------------------|------------------------------------|--------------------------------------|-------------------------------|-----------------------------|-------------------------------------|------------------------------------|
| G1A Station | 1,000 | (\$41,480) | (\$11,325) | \$0 | \$35,750 | \$18,198 | \$1,143 | (\$10,726) |
| Hub G1 | | | \$11,325 | | | | \$11,325 | \$11,325 |
| | | | | | | | \$12,468 | \$599 |

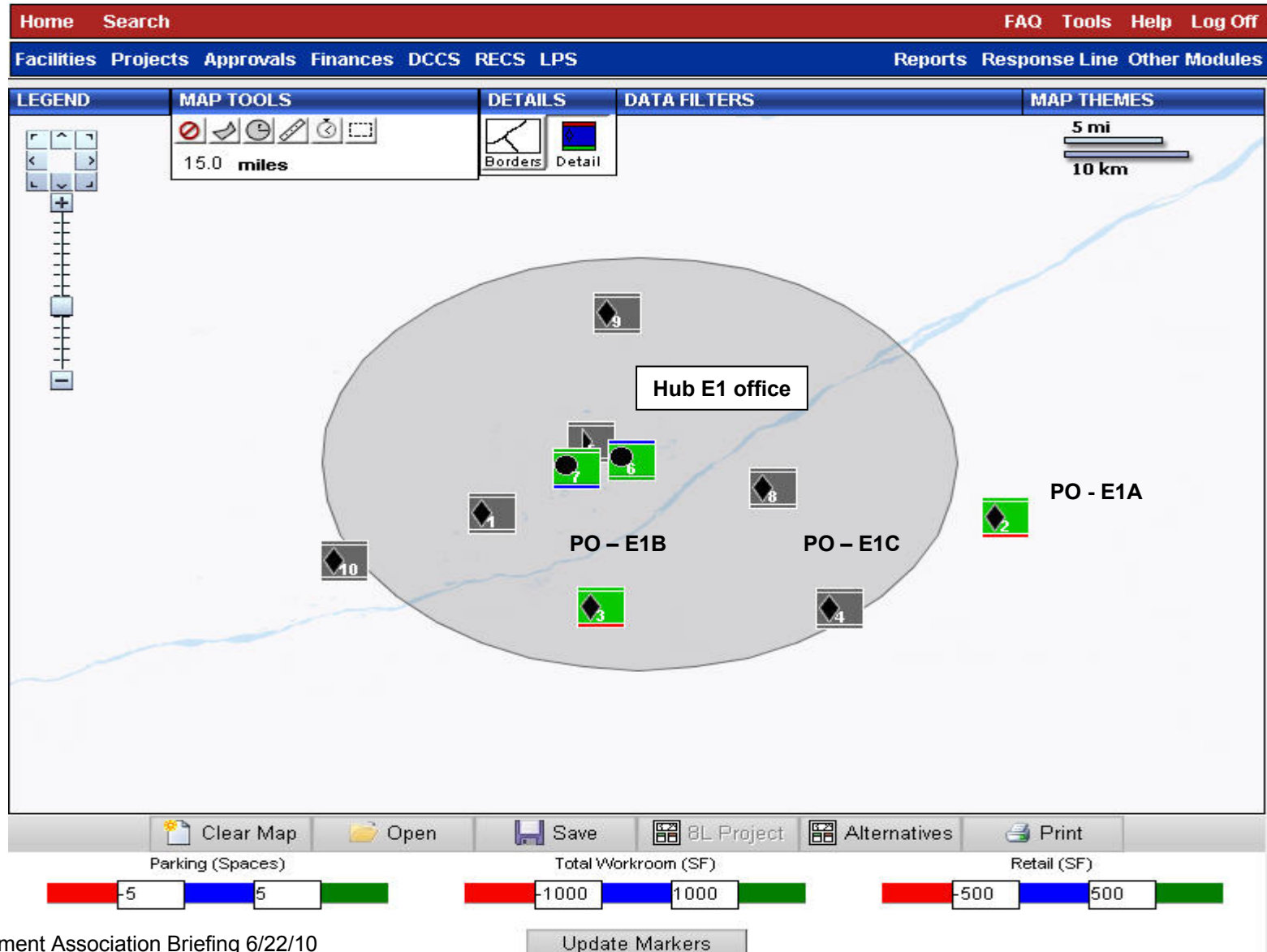
* *Carrier costs (hours) relate to Rural carriers only*

- ❑ Operations based, locally driven process
- ❑ Compliments Facilities Optimization Initiative
- ❑ eFMS Enhancements in progress
- ❑ Identify District Teams
- ❑ Field Training

Central Plains District

Hub E1

DUO Project



❑ eFMS calculated cost to move 3 carrier operations into The Hub E1 MPO

3

303741-001

Hub E1

Disposition: Retained

+

Excess/Deficient

Notes:

Parking(spaces): -18

Total Workroom(SF): 10,182

Retail(SF): 2418

| Zone | # Routes | Daily Drive Time | | | | Mileage | | Annual \$ Variance | | | |
|------|----------|------------------|-----|-------|-------|---------|-------|--------------------|----------|-----------|--|
| | | Now | New | Delta | Δ/Rt | Delta | Δ/Rt | Labor | Vehicle | Total | |
| 3 | 1 | 45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3 | 18 | 179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 3 | 20 | 96 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 1 | 5 | 15 | 429 | 414 | 82.8 | 207 | 41.4 | \$93,084 | \$63,118 | \$156,202 | |
| 2 | 2 | 2 | 98 | 96 | 48 | 48 | 24 | \$21,585 | \$14,636 | \$36,221 | |
| 4 | 3 | 5 | 191 | 185 | 61.67 | 92.6 | 30.87 | \$41,595 | \$28,236 | \$69,831 | |

**Carrier
Costs per
Site**

□ Savings estimates based on:

- Office Level Impacts
- Facility Leases
- Transportation Impacts

| DUO affected Offices | DUO Type | Level Before | Level After | Potential PM Salary Savings (A) | Potential Lease Savings (B) | Transportation Savings |
|----------------------|----------|--------------|-------------|---------------------------------------|--------------------------------|---------------------------|
| E1A | CSV | 18 | 13 | (\$19,621) | \$0 | \$0 |
| E1B | SOV | 16 | 13 | (\$13,401) | (\$6,102) | \$0 |
| E1C | SOV | 15 | 13 | (\$6,102) | (\$13,401) | \$0 |
| Hub E1 | CSV | 22 | 22 | \$0 | | \$0 |

A. Non-add, potential based on highest pay at old level -highest pay at new level. Savings will be greater at a vacant office.

B. Non-add, potential based current annual lease cost.

Hub E1 DUO Savings Opportunity

□ Clerk Complement Impact

| DUO affected Offices | Total Earned F4 FTE Clerks Before | Total Earned F4 FTE Clerks After | FTE F4 Variance | Total F4 Active on roll clerks Before | Total F4 Active on roll clerks After | Excess F4 clerks in office grouping |
|----------------------|--|---|--------------------|--|---|---|
| E1A | 2.00 | 1.55 | -0.45 | 3 | 2 | |
| E1B | 0.00 | 0.00 | 0.00 | 0 | 0 | |
| E1C | 0.00 | 0.00 | 0.00 | 1 | 0 | |
| Hub E1 | 11.00 | 12.00 | 1.00 | 11 | 12 | |
| | | | | 15 | 14 | 1 |

□ Office Statistics

| DUO affected Offices | Distance from Post offices to Hub (Roundtrip) | Routes Before | Routes After | Excess Office SQ FT Before | Excess Office SQ FT After | Total PO Boxes | PO Boxes Free | PO Boxes Rented | PO Box Vacancy Rate |
|----------------------|--|------------------|-----------------|-------------------------------------|------------------------------------|-------------------|------------------|--------------------|---------------------------|
| E1A | 41 | 5 | 0 | 1,687 | 2,302 | 366 | 0 | 205 | 44% |
| E1B | 24 | 2 | 0 | 1,896 | 2,142 | 484 | 21 | 277 | 40% |
| E1C | 31 | 3 | 0 | 792 | 1,038 | 719 | 91 | 350 | 44% |
| Hub E1 | | 39 | 49 | 11,412 | 10,182 | 2,189 | 0 | 1,611 | 26% |

Hub E1 DUO Savings Opportunity

❑ Overall Savings

| DUO affected Offices | F4 Hours Saved from PM Change in Office Level | Clerk Salary & Benefits Savings | Clerk Fixed Benefits Savings | Saturday Clerk vs. PMR Savings | Carrier Costs (Mileage) | Carrier Costs* (Hours) | Short Term Savings Annualized | Long Term Savings Annualized |
|----------------------|--|--|------------------------------------|---|-------------------------------|------------------------------|-------------------------------------|------------------------------------|
| E1A | 1,383 | (\$57,360) | (\$5,663) | \$0 | \$63,118 | \$25,483 | \$25,578 | \$5,957 |
| E1B | 0 | \$0 | \$0 | \$0 | \$14,636 | \$5,967 | \$20,603 | \$7,202 |
| E1C | 0 | \$0 | (\$5,663) | (\$5,788) | \$28,236 | \$11,560 | \$28,345 | \$22,243 |
| Hub E1 | | | \$5,663 | | | | \$5,663 | \$5,663 |
| | | | | | | | \$80,188 | \$35,402 |

* *Carrier costs (hours) relate to Rural carriers only*

- ❑ Operations based, locally driven process
- ❑ Compliments Facilities Optimization Initiative
- ❑ eFMS Enhancements in progress
- ❑ Identify District Teams
- ❑ Field Training

In time we'll be flowing toward balancing Revenues and Expenses



The Potomac River at Little Falls