



November 16, 2007

KATHLEEN AINSWORTH
VICE PRESIDENT, DELIVERY AND RETAIL

SUBJECT: Audit Report – Function 4 Business Plan Process
(Report Number MS-AR-08-002)

This report presents the results of our review of the Function 4 Business Plan Process (Project Number 06XG050DR000). Our objectives were to determine whether U.S. Postal Service management completed all the scheduled Function 4 on-site reviews, implemented the review recommendations at units where the reviews were completed, and updated the Automated Workforce Projection System (AWPS) with workload information from the on-site and administrative reviews. This audit follows up on our review of the implementation of the Delivery and Retail Standard Operating Procedures (SOP), conducted in fiscal year 2006.

Postal Service management did not complete all the scheduled Function 4 on-site reviews, did not always implement the review recommendations at units where the reviews were completed, and did not always update AWPS with workload information. We estimate the annual value of recommended budget reductions in units that did not implement the on-site review recommendations at approximately \$2.7 million. In addition, the information in AWPS, which management uses for operational planning, may not be accurate because officials did not always update the system with workload information.

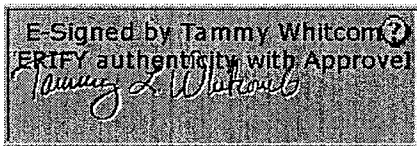
We recommended the Vice President, Delivery and Retail, coordinate with the Vice Presidents, Area Operations to instruct the cluster Function 4 Project Managers to adhere to the Function 4 on-site review schedule and ensure that qualified teams are available to conduct the targeted reviews, as scheduled. In addition, we recommended the vice presidents instruct area officials to monitor performance and track the clusters' adherence to the approved Function 4 Business Plans. We also recommended the Vice President, Delivery and Retail, coordinate with the Vice Presidents, Area Operations to instruct area managers to provide AWPS training to field officials so that they are aware of the requirement to update the system, and to ensure the field offices update the AWPS workload annually.

Management did not indicate agreement or disagreement with our findings and recommendations. However, their planned initiatives are responsive to the

recommendations and should correct the findings. Management's comments and our evaluation of these comments are included in the report.

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

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions or need additional information, please contact Robert Mitchell, Director, Sales and Service, or me at (703) 248-2100.



Tammy Whitcomb
Deputy Assistant Inspector General
for Revenue and Systems

Attachments

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FUNCTION 4 BUSINESS PLAN – FAQs

PROGRAM

What is the purpose of the business plan model? To establish a continuous standardized 18 month process cycle that begins prior to the start of each fiscal year that will identify expected savings opportunity. The process will drive the completion and validation of a standardized earned work hour and complement methodology using the AWPS model.

Will the Area VP's be involved in the exit process? It is not intended that Area Vice President's would be involved in the exit process personally except under rare circumstances where they felt it was necessary. However, each Area should monitor the results of reviews through the Function 4 Business Track and provide data to Area Vice Presidents for discussion with District Managers during business reviews.

When can we expect to see budgets that are based on earned work hours? This is being reviewed at the HQ level. No decision on the FY 2008 budget has been determined Is there a flow chart of events for implementing this process at the District level? Yes, documented in the business plan work instructions. Input web address here.

Under the standardized process the budget should be adjusted following the Function Four Review and AWPS validation. Are the hours also taken out of the District's budget? Each Area will make this decision.

Can craft employees be used as part of the on-site review team? It is recommended all team members are EAS employees. Team members must have subject matter expertise; this includes a variety of backgrounds and experience levels and must be performing at an acceptable level in their current position. This differs from AWPS FAQ's

It is required that each District have a Project Manager, AWPS, WEBCOINS, and IOP Coordinator? The key to success of the process is the establishment of a cross functional, core management team. The responsibilities of each of these roles are clearly explained in the Business Plan Work Instruction. In some locations, it may be possible these duties can be combined and carried out by one or two people. In other locations, with many large offices to be reviewed it may be necessary to have an individual assigned to each role. Each District will have to look at the specifics of their location and make a decision concerning the appropriate administrative staffing for the Function Four Team, however the success of the Business Plan is incumbent on the role the Project Manager plays, clusters who have dedicated a full time resource to this position have shown tremendous success since it's inception in 2004.

What are the days of the week when a Function 4 on-site review should be performed? The two day on-site reviews can be scheduled and conducted on any regular work day. Additionally, a Window Operation Survey (WOS) must be conducted in conjunction with the review.

What time frame should we be looking at when we are using historical volume data to develop earned hours? This is complicated in our existing environment of declining volume. The objective is to determine an average daily volume that will appropriately fund the office with work hours for the entire year. If an operational change has occurred, such as additional processing by the plant, a shorter time frame should be used so that the period prior to the operational change is not included. The aim is to determine an average volume that will best represent the average volume for the unit for the coming year. Analysis of the volume recording procedures of the unit being reviewed is critical in determination of a fair workload for the unit. This must be tracked when performing an on-site review and respective adjustments in historical workload analysis made.

FUNCTION 4 BUSINESS PLAN – FAQs

PLANNING PHASE

When will this phase begin? It is recommended for planning purposes, this phase begins at the cluster level, six months prior to the start of each fiscal year. The planning should begin in the month of April each year; in conjunction with the release of preliminary budget expectations (PBUD).

Will the function for project manager be a permanent position? It is strongly recommended at this time, that each cluster create a developmental detail assignment for this position.

How do I determine the opportunity savings? After the release of preliminary budget expectations, each district will have a target goal that identifies the contribution expectation. The task of determining how the cluster will achieve the target will be the responsibility of the cross-functional core management team, which consists of the following individuals: Manager, Operations Programs Support, Manager In-Plant Support, Lead Manager, Post Office Operations, Manager, Human Resources, Manager, Finance, and PCES Postmasters, if applicable.

ORGANIZE PHASE

Is a Window Operation Survey (WOS) required when a Function 4 review is conducted?

Yes, a two day observation/ recommendation and a six data collection via the RDM WOS Report for WOS must be conducted in conjunction with a Function 4 on-site review.

Will we be required to complete on-site reviews in all units? No, however all units will be required to complete an administrative review.

What will the administrative review requirements? The administrative review is nothing more than updating the ROVER file within AWPS, using updated data sets where available. However, if an operational change has a significant impact on the unit, an on-site review should be scheduled.

The defaults don't seem to be valid anymore, for example, in an automated environment, where there is very little distribution it seems excessive to allow the default of three minutes per separation for Pulling Cases. The defaults are a beginning point, if the review team determines that the defaults do not meet the needs of the unit, they are required to document and establish reasonable time baseline work hours to accomplish the task. Variance from the AWPS F4 defaults are to be documented for input to the database, using negative "Other time"

EXECUTE PHASE

AWPS F4 LDC 43 allied factors – why aren't these locked? These can be manipulated to give an office more hours. Not all facilities have the same capacity or limitations associated with allied factors in LDC 43 such as staging, spreading and pull down. There are units that must distribute mail in a workroom or on a floor other than the carrier section. Other units are challenged for space that certain types of equipment for the purpose of spreading and staging mail. The responsibility of the review team is to determine unit specific work methods that reduce costs associated with these activities and document through the validation of AWPS F4 database.

There is too much opportunity for manipulation in AWPS F4. Actual time entries are allowed and allied times can be changed. How will this be controlled? While there is opportunity to change any entries, the Areas and Headquarters will establish a monitoring and tracking system, which will look at unit level performance. The goal will be to establish reports,

FUNCTION 4 BUSINESS PLAN – FAQs

which identify those offices with performance, which is not similar to similar offices; these offices will be identified with the idea that there may be a "Best Practice" which can be replicated. Outlying performers will be monitored for compliance.

What is the proper volume recording procedure for SPRs? Should they be included with parcels? As flats? SPRs are to be handled in accordance with the Management Instruction for Volume Recording. "Credit as one piece per SPR (no conversions) if received in a container separate from parcel post and record as a flat." If the SPR is received in a container with parcel post, the current parcel post conversion by container type is the accepted recording method. Every effort should be made to eliminate any double handling during distribution.

Is all volume recording to the nearest ¼ foot or should we record by inches throughout the day and then round up to the nearest quarter foot when we total it up? The Management Instruction for Function 4 Volume Recording references ¼ foot for linear measurements as a minimum requirement. However, mail may be recorded in inches throughout the day and rounded to the nearest quarter foot when it is totaled, as this will provide the most accurate assessment of daily workload.

Why didn't you cover all of the LDC 48 functions in the Guidelines book? For example travel time. It is impractical to cover every "Other" LDC 48 function that may be encountered during the course of conducting an on-site review. The expectation is that team members will be assigned to review all activities and establish baseline work hours to accomplish tasks. If a task is identified as ongoing and can not be reduced or eliminated it should be explained and clearly documenting in AWPS using the "Other Time" entry.

Is there any factor in the AWPS annual work hours to allow for additional hours needed for seasonal workloads? AWPS baselines work hours in LDC's 41-44 by using an "average daily volume". Using a rolling 12 months for determining an average daily volume the unit should be funded with the proper amount of hours for the entire year. The WOS methodology uses weighted factors based on the type of transaction. The RDM/WOS scheduler can be used in determining historical transaction data to assist in future scheduling cycles to allow for higher revenue times of the year.

What is the time factor for passports? The current time factor in the Window Operation Survey is 8.45 minutes per transaction. If unit provides picture service, 3.62 additional minutes allowed. All passport functions must all be credited in LDC 45.

What LDC should be used if a Lobby Director is used to help improve transaction time at the window and alleviate WTIL issues? Lobby Director Duties are included in the 15 minutes soft time allowance for WOS credit. All workhours associated with the use of a Lobby Director must be credited to LDC 45.

The PO-102 states that when one vending unit is serviced all vending units at the location should be serviced at the same time, why and what time should be allowed for those machines which have insufficient revenue to warrant servicing on a greater frequency? The rationale is to get the money out of the machine and into the bank. The servicing technician should also check for empty product slots. This should only result in minimal additional time. AS part of the on-site review process a review team member should accompany the vending technician through the servicing routine. The team member should document the time required to take the money out of the machine and include this as part of their report.

We have been told that we should adjust an office's historical data if we observe inflation in volume reporting during the On-Site Review Process. Are there written instructions for how this should be done? If not, what is the correct method to make these adjustments? As indicated in the Standardized Function Four Review Guidelines Handbook, the review team

FUNCTION 4 BUSINESS PLAN – FAQs

must measure all mail volume independent from that of the local unit. The result is then compared to that reported by the local unit to determine the accuracy of the reporting. The historical volume used to baseline AWPS must be adjusted by the percentage of inaccuracy observed. The team should also make note of what caused the inaccuracy i.e., counting all equipment as though it were full, using incorrect conversions, etc. An analysis tool is included in the Standardized On-Site Review Package. (OSRP)

What is the policy on standby time? In a properly staffed Customer Service unit standby should be an extremely rare occurrence. Unfortunately, mail volume declines over the past several years have resulted in numerous units where there are more Regular employees than are justified by workload. Through the Function Four On-Site Review Process these locations are being identified and plans are being made to reassign the excess employees. In the meantime, local management must document this downtime by using Stand-by Time. Basically, when there is no productive work available for an employee and all other means of reducing work hours have been exhausted (sending PTF's/ casuals home, liberal leave) the employee must be placed on Stand-by Time. This is the responsibility of local management whether or not the unit has had a Function Four Review.

How is time for cash audits credited in WOS? In the WOS Calculations, one hour is credited for every 45 minutes of time earned based on transactions. This additional 15 minutes built into every hour provides time for all non-transaction workload such as ordering stock, auditing credits and other non-revenue transactions that are not credited individually. The program also adds 30 minutes per day for opening and closing for the maximum amount of clerks earned per day.

How do VOMA (LDC 33) and BMEU (LDC 79) clerks tie in to the Function Four Review process? There are separate processes for reviewing these functions. If the employee works part of the time in Function Four, that part of their workday must be reviewed.

Can there be a required, standardized assignment of pay locations in multi-unit cities? There is a problem in utilizing historical data in some cities due to the way they have assigned the pay locations. This is being tested in several large Post Offices throughout the country to determine the feasibility of application to other offices.

How is time for break down in LDC 43 credited in this process? See Attachment #1 to this document "AWPS time factors".

What offices are permitted to weigh mail? This is outlined in the Management Instruction on Volume Recording, it is the recommendation of Headquarters that all Function 4 operations record mail as outlined in the Management Instruction for Volume Recording and eliminate weighing of mail in Function 4 operations.

How is volume recorded for saturation mailings in the box section? Full coverage mailings for the box section should be converted into a linear measurement by taking the number of pieces (Rented Boxes) and using the applicable conversion rate for either letters or flats.

IMPLEMENT PHASE

Will all units be required to complete an administrative review? Yes, all First-Class units not targeted for an on-site review will have an administrative review as an annual requirement.

What will the steps of the administrative review be? An update to the current or baseline workload in AWPS. This updates reflects current year assumptions, trends and impacts.

FUNCTION 4 BUSINESS PLAN – FAQs

ATTACHMENT #1

AWPS TIME FACTORS – DEFAULT RATES

LDC 43

Separations	Letter (ft/hr)	Production Rates Pieces
00-20	9.50	2156.50
21-35	9.00	2043.00
36-49	8.50	1929.50
50-63	7.75	1759.25
64-77	7.00	1589.00
78-84	6.25	1418.75
85-91	5.50	1248.50
92-98	5.50	1248.50
99-104	5.50	1248.50
105	5.50	1248.50

Separations	Flat (ft/hr)	Production Rates Pieces
00-20	11.75	1351.25
21-35	11.25	1293.75
36-49	10.50	1207.50
50-63	9.50	1092.50
64-77	8.75	1006.25
78-84	7.75	891.25
85-91	6.75	776.25
92-98	6.75	776.25
99-104	6.75	776.25
105	6.75	776.25

Conversion from feet to pieces: 227 pcs/ft on letters, 115 pcs/ft on flats

Parcels/SPRs = 325 pieces per hour

Spread time = number of separations at 3.75 minutes per day

Set up time = number of separations at 5.00 minutes per day

Pull Down time = number of separations at 3.00 minutes per day

LDC 44

Letters – 5 ft/hr

DPS Letters – 10 ft/hr

Flats – 7 ft/hr

Parcels – 225 pcs/hr

Only times based on these constants will be allowed

Type	Constant	Calculation	LDC
iSpread Minutes	3.75	* # of separations/60	43
iSetup Time Minutes	5	* # of separations/60	43
iPullDown Time Minutes	3	* # of separations/60	43
cBox Notice Time	1.6	*(boxes rented/150)/60	44
ap_wrk_days	20	use Mon-Friday for calculating avg Time	46
Telephone Time	0.003	* # of possible deliveries	48
Dispatch of Mail	0.006	*(possible deliveries + rented boxes)	48
CFS Time	0.6	*(deliveries/500)	48
Nixies UBBM	5	*(deliveries/500)	48
Prep 2 Notice	2	*(deliveries/1000)	48
Claims	3	*(deliveries/5000)	48
RCU Duties	4.35	not used - no irt's in CAG A-G	48
Verify Deposit A_G	30	if yes 30 minutes is given	48
Trust Accts Post	2.11	*number of accounts	48
Box Maint	2	*boxes rented/303	48
Mailings	2.1	(# mailings*12)/303)*2.1)*60	48
Opening Closing Mins	10	5 minutes open, 5 minutes close per day	48
Express Scan up to 200	0.14	*number of scans	48
Express Scan Over 200	0.0626	*number of scans	48
Callers Service/Firm Holdouts	1.25	*number of firm holdouts	48
Carrier In - Out	6	*number of routes	48
Validate 1412s	6	*number of 1412	48
BRM Pieces per Minute	8.45	number of pieces/8.45	48
PO BOX Accountables	6	*(rented boxes/500)	48

Productivity – Unit Distribution

LDC 43

- **Although management does not have Contractual Standards for clerks, they (management) do have expectations.**
- **On Average, Distribution Clerks sort:**
- **(50-63 Separations)**
- **7.75' of letters per hour (prior AWPS 5.90ft +31.4%)**
- **9.5' of flats per hour (prior AWPS 9.14ft +4%)**
- *****Parcels/sprs – 325 pieces per hour (- 32%)**

Working Letters

Piece count = 227 or 1foot	Pieces	Feet
Letter Separation 0-20	2,156.50	9.50
Letter Separation 21-35	2,043.00	9.00
Letter Separation 36-49	1,929.50	8.50
Letter Separation 50-63	1,759.25	7.75
Letter Separation 64-77	1,589.00	7.00
Letter Separation 78-84	1,418.75	6.25
Letter Separation 85-999	1,248.50	5.50

Manual Flats/Parcel Count

Piece count = 115 or 1 foot	Pieces	Feet
Flat Separation 0-20	1,351.00	11.75
Flat Separation 21-35	1,293.75	11.25
Flat Separation 36-49	1,207.50	10.50
Flat Separation 50-63	1,092.50	9.50
Flat Separation 64-77	1,006.25	8.75
Flat Separation 78-84	891.25	7.75
Flat Separation 85-999	776.25	6.75
Parcel Post	325	

Productivity P O BOX

Distribution LDC 44

- 5' of letters per hour (prior AWPS 4.17ft +19.9%)
- 7' of flats per hour (prior AWPS 5.81ft +20.5%)
- 10' of DPS Letters per hour (prior AWPS 5.67ft +76%)
- 7' of DPS Flats per hour (prior AWPS 5.81ft +20.5%)
- 225 parcels/sprs per hour (prior AWPS 146 +53.7%)

WOS/LDC 45

- **Clerks must enter transaction – correctly and always OR**
- **You won't get the time!!!!**
- **Reports to run in EDW for review or scheduling**
 - **RDM WOS VARIANCE**
 - **RDM WOS DETAIL & SUMMARY**
 - **RDM WOS SSA TRANS & VISIT COUNT**
 - **RDM WOS EARNED – ACTUAL STAFFING GRAPH**
 - **NATIONAL ACTUAL STAFFING GRAPH**
 - **Northland District Staffing Graph**

What can we do

- Use the correct operation
- Accurate volume count
- Input the information correctly into POS
- Move in and out of window/operation when needed
- Limit the number of SSA doing one or two transactions per half hour

FUNCTION 4 CUSTOMER SERVICES MODS OPERATION NUMBERS

<u>LDC</u>	<u>MOD/ OPER</u>	<u>DESCRIPTION</u>
<u>43</u>	<u>240</u>	<u>MANUAL DISTRIBUTION STATION/BRANCH</u>
<u>44</u>	<u>769</u>	<u>STATION/BRANCH BOX SECTION</u>
<u>45</u>	<u>355</u>	<u>WINDOW SERVICE- STATION/BRANCH</u>
<u>45</u>	<u>568</u>	<u>WINDOW SERVICE-MAIN OFFICE</u>
<u>46</u>	<u>980</u>	<u>SSPC TECH STA/BR - MAINTENANCE</u>
<u>46</u>	<u>981</u>	<u>SSPC TECH STA/BR - MAINTENANCE TRAVEL</u>
<u>46</u>	<u>982</u>	<u>SSPC TECH STA/BR - SERVICE</u>
<u>46</u>	<u>983</u>	<u>SSPC TECH STA/BR - SERVICE TRAVEL</u>

	MOD/ OPER	DESCRIPTION
<u>48</u>	<u>544</u>	<u>CAGES SERVING CARRIERS/SPECIAL DELIVERY MESSENGERS</u>
<u>48</u>	<u>558</u>	<u>OFFICE WORK & RECORDKEEPING-CUSTOMER SERVICES</u>
<u>48</u>	<u>583</u>	<u>EXPRESS MAIL-CUSTOMER SERVICE</u>
<u>48</u>	<u>608</u>	<u>STEWARDS - CLERKS - CUSTOMER SERVICES</u>
<u>48</u>	<u>621</u>	<u>TRAVEL - CUSTOMER SERVICES</u>
<u>48</u>	<u>631</u>	<u>MEETING TIME - CUSTOMER SERVICES</u>
<u>48</u>	<u>742</u>	<u>MISC ACTIVITY-CUSTOMER SERVICES</u>
<u>48</u>	<u>794</u>	<u>MISC MARKUP ACTIVITIES - STATION/BRANCH</u>

LDC 43 – MANUAL DIST. OPERATION

- **Accurate volume count** – This is first thing BPI will look at during on site inspection. If the station/branches are inflating volume, BPI will reduce the volume projection for the year by inflated percentage number during the inspection.
- BPI will count but not limited to the following equipment, BMC's, APC's, hampers, skids, letter tray, and flat bucket. The national average for the following equipment is; BMC equal to 261 pcs, APC equal to 102 pcs, and hamper is 252 pcs (sprs).

LDC 44 – BOX SECTION

OPERATION

- Accurate volume count – BPI will look at volume during on site inspection. If the station/branches are inflating volume, BPI will reduce the volume projection for the year by inflated number during the inspection. If clerks count the mail in the Box Section. Please be careful with your count!

Continuing with LDC 44

- Operation Number – This is the unit where clerks most of the times are not moving in or out of operation number 769.
- *Example:* Every day at 6:30am, one part time clerk moves is in the Box Section and is in correct operation. Two full time clerks from the distribution unit operation 240 are required to help in the box section at 8:00am. The two clerks move into the operation 769, but never moved out when the mail was finished. Thus showing that Box Section was overstaffed base on the volume. Even though the two full time clerks were working in another unit after the mail was finished. The rings will show there is opportunity to capture this time. Do not let rings be part of management excuse to get rid of full time jobs.

LDC 45 – POSTAL STORE/WINDOW OPERATION

- Clerks are seeing increase in loss work hours during a BPI/AWPS review in LDC 45. In November 2003, LDC 45 went through a major change. Every forty-five minutes earned on the window equals to additional 15 minutes of soft time. To good to be true, you are right!

The following is now in your 15 minute soft time, only if you earn
45 minutes

Prior to November 2003, We earned the following:

Audit Stamp Credits or Cash Drawers 6.79 min per week

Stock Requisition (17) or Loose Stock 11.28 min/store/day

Stocking/straightening Store Shelve 14.97 min/store/day

Intermediate Log/on/off 3.53 min/store/day

Obtain Cash Register Change 3.48 min/store/day

Official Postal Store Communication 3.79 min/store/day

POSTAL STORE/WINDOW OPERATION

- Whenever a SSA (Sales Service Associate) works the window, they must be in operation 355 or 568..
- If the window is slow, move out. This will show that clerks are moving in/out operation where they are needed.
- If you do leave the window, make sure your lockout/standby of POS.

POSTAL STORE/WINDOW OPERATION

- Every SSA that does one revenue/non-revenue transaction on POS. They are reported on the RDM towards staffing within that half hour of the transaction process.
- Remember, if SSA does not earn the 45 minutes, they will not received 15 minutes of soft time.

Time Earned for the SSA

POSTAL STORE/WINDOW OPERATION

- Postage Stock Sales – Scan each item that you sell. You earn at least 35 second per item. Example, if you sell six coils of stamps you will earn 3 minutes and 30 seconds, if you scan in one coil and manually change the quantity to six. The time earn is only 35 seconds.

POSTAL STORE/WINDOW OPERATION

- Passports – If your station/branch is passports acceptance agency. Make sure that **each** passport process into POS **separately**.
- Example: If you are doing a passport for a family of four you must enter \$30 four times, this will only way to receive the proper credit of 32 minutes. If passport is entered for \$120, you will only receive a credit for doing one passport and receive only 8 minutes. Loss earned time of 24 minutes.
- NCR and IRT system processing passport photo must enter each photo separately. If we used the example above (family of four) time earned if photo were entered separately would be 14 minutes and 28 seconds. If you entered photo amount as \$60 you will only earned 3 and 37 seconds. Loss earned time of 10 minutes and 51 seconds.
- If clerk who process the passport application is not currently working the window. Give cash or check to SSA Clerk who is working the window. **DO NOT LOG INTO POS**

Task: Prepare Operational Impact Statement to Adjust Complement.

Category: Complement

Objective: Prepare a formal impact report when new programs or equipment warrant complement adjustments.

Materials & Equipment: PC, Site Impact Report software/template, MODS software/reports, NWRS reports, and NORPS reports. [flyover for NORPS and National Workhour Reporting System]

Comments: Throughout the data collection process for Site META, discussions should be initiated with the impacted operational managers and supervisors. Use caution when identifying impacts by LDC as some units may record work hours in a non-traditional manner.

- I. Complete cover page of Site Impact Report.
 - A. Include all necessary information: impacted installation, address, area name, type of impact, anticipated date of impact, preparer's name and telephone number.
 - B. Acquire needed approval signatures after completion of the entire document.

- II. Complete Workhour Impact.
 - A. List affected zone, associate office, plant or applicable LDC.
 - B. Calculate average weekly workhours using NWRS and MODS.
 - C. Develop proposed average weekly workhours using Site META or other locally developed procedure.
 - D. Verify automatic calculations, computed in the Site Impact Report Software, weekly (II C – II B above), accounting period (Weekly x 4), and yearly (AP x 13) workhour savings completed after input of current and proposed weekly workhours.
 - E. Verify annual FTE (full-time equivalent) savings based upon prior calculations (annual savings divided by 1768).

- Note:** Full-time equivalent savings do not necessarily result in reduction of complement. Savings may also be realized in reduction of overtime hours. Separate impact statements may be required for different crafts for the same operational change. Be sure to use appropriate data based upon the craft impacted.

- III. Complete Manpower Impact Overtime Assessment.
 - A. List affected zone, associate office, plant or applicable LDC.
 - B. Calculate work hours per AP using NWRS.
 - C. Calculate current overtime rate per AP using NWRS.
 - D. Determine overtime hours per AP (III B*III C).
 - E. Develop proposed overtime rate per AP.
 - F. Calculate proposed overtime hours per AP (III B*III E).
 - G. Verify planned reduction in overtime hours per AP (III D-III F).
 - H. Verify full-time equivalents per AP (III G/136).

- IV. Complete Manpower Impact Casual Assessment.
 - A. Enter current number of casuals on the rolls from NORPS and distribute to appropriate LDC.
 - B. Enter average non-overtime hours per casual per AP.

- C. Calculate total non-overtime hours per casual (IV A*IV B).
 - D. Enter planned reduction in non-overtime hours per AP based upon Site META or other locally developed method.
 - E. Calculate number of casuats impacted by reduced hours and positions to be eliminated by LDC.
 - F. Provide a narrative justifying the need for any remaining casuats.
- V. Complete Manpower Impact Transitional Employee (TE) Assessment.
- A. Repeat part IV steps A-D for TE employees.
 - B. Provide a narrative justifying the need for any remaining casuats.
- VI. Complete Manpower Impact for Part-Time Flexibles (PTF).
- A. Repeat part IV steps A-D for part-time employees.
- VII. Review Preliminary Summary calculations based upon prior data entry.
- A. Verify required AP work hour savings from workhour impact sections (II-D).
 - B. Verify planned reduction in over-time savings from manpower impact overtime assessment (III-G).
 - C. Verify remaining required AP workhours savings and annual man-hour savings (FTE).
- VIII. Complete Manpower Impact for Part-Time Regulars (PTR).
- A. Determine number of PTRs after impact by LDC based upon Site META or other locally developed method.
 - B. Calculate number of PTR positions to be abolished and/or reverted by LDC as a result of A above.
 - C. Determine if there will be any employee excessing.
 - D. Determine impacted LDCs by employees to be excessed out of their sections, but remaining within their installation based upon Site META or other locally developed method.
 - E. List anticipated installations and vacancies to which assignments will be made.
 - F. Provide a narrative explaining the need for excessing.
- IX. Complete Manpower Impact for Full-Time Regulars (FTR).
- A. Repeat part VIII, steps A-F for full-time employees.
 - B. Provide a narrative explaining the need for excessing.
- X. Forward completed package for Area and/or Headquarters management validation and approval.
- XI. Notify area union officials after approval by Area and/or Headquarters.
- XII. Ensure Human Resources sends notification to any impacted employee.

Check List
Prepare Operational Impact Statement to Adjust Complement

Process Indicators

- Has all historical data been collected and verified?
- If work hour savings were not fulfilled by reduction in overtime, did you continue to generate savings in non-overtime work hours?
- Did you determine if excessing is necessary?

Results Indicators

- Was the Site Impact Statement approved by Area or Headquarters managers?
- Were appropriate union officials notified?
- Were impacted employees notified?
- Were projected savings realized?

SiteMETA SOFT Impact Statement
Simplified OCR Flats Template (SOFT)

24-Apr-2001

Unprotected v

This workbook is used to prepare a Manpower Impact Statement for Union notification. The workbook is only a guide. Local Memorandum of Understanding may require additional sharing of information with your local Union.

1. Data contained in the WH_Anlyz.xls will be needed to complete the Impact Statement. Contact your Facility coordinator or Area SiteMETA Expert to obtain this workbook.
2. Complete the pages in order. Most pages depend upon the previous being completed.
3. Only the "YELLOW" cells are available for input. The other cells contain formulae.
4. Use the button below to print your Impact Statement Report as needed.

**Impact
Statement**

SiteMETA MANPOWER IMPACT REPORT

Impacted Installation: The Lori Shields PDC

Installation Address: 123 Main Street
Hometown USA 12345-6789

Area Name: North America

Type of Impact: AFSM 100

Anticipated Date of Impact: February 29, 2000

Site Impact Report

Prepared By: Oscar S. Sara

Phone: 123-456-7890

Site Review/Approval
(First name, MI Last Name)
Plant Manager _____

Date:

October 13, 1999

SiteMETA Impact Report

MANPOWER IMPACT REPORT

The Lori Shields PDC

2. CASUALS

Last AP FY used in Averaging Analysis: AP 13, FY 99

a. Average number of clerk casuals on rolls:

LDC 11 - Automation

LDC 12 - Mechanization (MPLSM and FSM)

LDC 13 - Other Mechanization

LDC 14 - Manual Operations

LDC 17 - Other Direct Labor

LDC 18 - Indirect Labor

Data Averaged Through how many APs?: 13

b. Average non-overtime hours per clerk casual per AP:

160

c. Average total non-overtime hours worked by clerk casuals per AP:

d. Planned reduction in total non-overtime clerk casual hours per AP:

e. Number of clerk casuals impacted by reduced hours:

f. Number of clerk casual positions to be eliminated:

LDC 11 - Automation

LDC 12 - Mechanization (MPLSM and FSM)

LDC 13 - Other Mechanization

LDC 14 - Manual Operations

LDC 17 - Other Direct Labor

LDC 18 - Indirect Labor

g. Number of clerk casuals remaining after impact:

h. Provide a narrative justifying the need for these remaining casuals:

Narrative:

Justify the need for remaining casuals. For example, their work may not constitute a full time position in the impacted area, they may do work unrelated to the impacted area, or simply operational flexibility.

SiteMETA Impact Report

MANPOWER IMPACT REPORT

The Lori Shields PDC

3. TRANSITIONAL EMPLOYEES (TEs)

Current Period: AP 13, FY 99

a. Average number of TEs on rolls:

LDC 11 - Automation

LDC 12 - Mechanization (MPLSM and FSM)

LDC 13 - Other Mechanization

LDC 14 - Manual Operations

LDC 17 - Other Direct Labor

LDC 18 - Indirect Labor

Data Averaged Through how many APs?: 13

b. Average non-overtime hours per TE per AP:

160

c. Average total non-overtime hours worked by TEs per AP:

d. Planned reduction in total non-overtime TE hours per AP:

e. Number of TEs impacted by reduced hours:

f. Number of TE positions to be eliminated:

LDC 11 - Automation

LDC 12 - Mechanization (MPLSM and FSM)

LDC 13 - Other Mechanization

LDC 14 - Manual Operations

LDC 17 - Other Direct Labor

LDC 18 - Indirect Labor

g. Number of TEs remaining after impact:

h. Provide a narrative justifying the need for these remaining TEs:

Narrative

SiteMETA Impact Report

MANPOWER IMPACT REPORT

The Lori Shields PDC

4. PART-TIME FLEXIBLE (PTFs)

Current Period: AP 13, FY 99

a. Average number of clerk PTFs on rolls:

LDC 11 - Automation

LDC 12 - Mechanization (MPLSM and FSM)

LDC 13 - Other Mechanization

LDC 14 - Manual Operations

LDC 17 - Other Direct Labor

LDC 18 - Indirect Labor

Data Averaged Through how many APs?: 13

b. Average non-overtime hours per clerk PTF per AP:

160

c. Average total non-overtime hours worked by clerk PTFs per AP:

d. Planned reduction in total non-overtime clerk PTF hours per AP:

e. Number of PTFs impacted by reduced hours:

f. Number of PTF positions to be eliminated:

LDC 11 - Automation

LDC 12 - Mechanization (MPLSM and FSM)

LDC 13 - Other Mechanization

LDC 14 - Manual Operations

LDC 17 - Other Direct Labor

LDC 18 - Indirect Labor

g. Number of PTFs remaining after impact:

h. Provide a narrative justifying the need for these remaining PTFs:

Narrative

SiteMETA Impact Report

MANPOWER IMPACT REPORT

The Lori Shields PDC

5.a. PRELIMINARY SUMMARY

Total Required AP Workhour Savings (From Column E, Page 1)	<u>-6876</u>
Total Planned Reduction in Overtime Hours per AP (From Column G, Page 2)	<u>115</u>
Total Planned Reduction in Clerk Casual Non-Overtime Hours per AP (From part d, Page 3)	<u> </u>
Total Planned Reduction in TE Non-Overtime Hours per AP (From part d, Page 4)	<u> </u>
Total Planned Reduction in PTF Non-Overtime Hours per AP (From part d, Page 5)	<u> </u>

5. b. Remaining Required Savings

1. Remaining Required AP Workhour Savings	<u>-6761</u>
2. Remaining Required Annual Workhour Savings	<u>-87894</u>
3. Remaining Required Annual Manhour Savings (FTEs)	<u>-49.7</u>

SiteMETA Impact Report

MANPOWER IMPACT REPORT

The Lori Shields PDC

6. PART-TIME REGULARS (PTRs)

a. Proposed number of clerk PTR positions after impact:

LDC 11 - Automation	_____
LDC 12 - Mechanization (MPLSM and FSM)	_____
LDC 13 - Other Mechanization	_____
LDC 14 - Manual Operations	_____
LDC 17 - Other Direct Labor	_____
LDC 18 - Indirect Labor	_____

b. How many clerk PTR positions are to be abolished and/or reverted:

LDC 11 - Automation	_____
LDC 12 - Mechanization (MPLSM and FSM)	_____
LDC 13 - Other Mechanization	_____
LDC 14 - Manual Operations	_____
LDC 17 - Other Direct Labor	_____
LDC 18 - Indirect Labor	_____

c. Will there be any employee excessing? Enter YES or NO:

d. Of the employees to be excessed out of their sections, but remain within their installation, how many will be :

	Excessed from:	Excessed into:
LDC 11 - Automation	_____	_____
LDC 12 - Mechanization (MPLSM and FSM)	_____	_____
LDC 13 - Other Mechanization	_____	_____
LDC 14 - Manual Operations	_____	_____
LDC 17 - Other Direct Labor	_____	_____
LDC 18 - Indirect Labor	_____	_____

e. Will excessing out of the installation and/or clerk craft be required? Enter YES or NO:

f. How many positions?

g. List the anticipated installations and vacancies to which assignments will be made on the following page:

SiteMETA Impact Report

MANPOWER IMPACT REPORT

The Lori Shields PDC

7. FULL-TIME REGULARS (FTRs)

a. Proposed number of clerk FTR positions after impact:

LDC 11 - Automation	_____
LDC 12 - Mechanization (MPLSM and FSM)	_____
LDC 13 - Other Mechanization	_____
LDC 14 - Manual Operations	_____
LDC 17 - Other Direct Labor	_____
LDC 18 - Indirect Labor	_____

b. How many clerk FTR positions are to be abolished and/or reverted:

LDC 11 - Automation	_____
LDC 12 - Mechanization (MPLSM and FSM)	_____
LDC 13 - Other Mechanization	_____
LDC 14 - Manual Operations	_____
LDC 17 - Other Direct Labor	_____
LDC 18 - Indirect Labor	_____

c. Will there be any employee excessing? Enter YES or NO:

d. Of the employees to be excessed out of their sections, but remain within their installation, how many will be :

	Excessed from:	Excessed into:
LDC 11 - Automation	_____	_____
LDC 12 - Mechanization (MPLSM and FSM)	_____	_____
LDC 13 - Other Mechanization	_____	_____
LDC 14 - Manual Operations	_____	_____
LDC 17 - Other Direct Labor	_____	_____
LDC 18 - Indirect Labor	_____	_____

e. Will excessing out of the installation and/or clerk craft be required? Enter YES or NO:

f. How many positions?

_____ 1.0

g. List the anticipated installations and vacancies to which assignments will be made on the following page:

