

AREA MAIL PROCESSING
(AMP) GUIDELINES

HANDBOOK PO-408

Handbook PO-408, April 1995



Area Mail Processing (AMP) Guidelines

Handbook PO-408

April 1995
Transmittal Letter

- A. **Material Transmitted.** Handbook PO-408 was completely revised to better define mail processing strategies involving Area Mail Processing (AMP). The handbook is being reissued under a new name, *Area Mail Processing (AMP) Guidelines*.
- B. **Explanation.** The purpose of Handbook PO-408, *Area Mail Processing (AMP) Guidelines*, is to ensure that when mail processing for two or more buildings is consolidated, the Area Mail Processing plan supports the strategic objectives of the Postal Service, makes optimum use of available resources, and establishes management's accountability for the AMP decision.
- C. **Distribution**
1. **Initial Distribution.** These guidelines are being distributed to Headquarters; Vice Presidents, Area Operations; Managers, Distribution Networks; Plant Managers, Processing and Distribution Centers; and District Managers.
 2. **Additional Copies.** Additional copies may be obtained from the appropriate material distribution center by submitting Form 7380, *MDC Supply Requisition*.
- D. **Effective Date.** These guidelines are effective upon receipt.
- E. **Comments and Questions.** Address any comments or questions regarding the contents of this directive to:

MANAGER
SERVICE MANAGEMENT POLICIES AND PROGRAMS
US POSTAL SERVICE
475 L ENFANT PLAZA RM 7143
WASHINGTON DC 20260-1603

A handwritten signature in black ink, appearing to read "James Walton".

James Walton
Vice President
Workforce Planning & Service Management

A handwritten signature in black ink, appearing to read "Allen Kane".

Allen Kane
Vice President
Operations Support

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1 Introduction

WHAT IS AMP?

Area Mail Processing (AMP) is the consolidation of *all* originating and/or destinating distribution operations from one or more post offices into another automated and/or mechanized facility for the purpose of improving operational efficiency and/or service.

HOW DOES AMP FUNCTION?

AMP transfers responsibility and accountability for distributing mail from a nonautomated or nonmechanized office to an automated and/or mechanized office. By transporting mail to another office, the Postal Service makes better use of space, staffing, and transportation, and more efficiently processes mail, which ensures better service.

- AMP masses smaller volumes together at one office to better use resources and to improve dispatching.
- AMP takes advantage of automated/mechanized capabilities (originating and destinating) currently not available at nonautomated offices.

HOW DO YOU KNOW IF AMP IS EFFECTIVE?

All AMP plans must be reviewed twice during the first year after implementation to assess whether planned savings, workhours, and levels of service are being attained. This follow-up process is the Post-Implementation Review (PIR).

CAN AMP BE REVERSED?

Chapter 6 contains instructions on how to reverse a decision to implement AMP.

PROPERTIES UNIQUE TO AMP

Local Cancelation

The Postal Service acknowledges a local postmark's (cancelation) significance to our customers. The local post office must provide a local postmark for stamped mail deposited in a locally designated lobby drop or mailbox.

and

If operationally feasible, the local post office will also provide a local postmark on outgoing (nonlocal) mail upon request by the customer.

Boundaries and Responsibilities

State, district, and area boundaries may be disregarded when it is advantageous in the development of a sound AMP plan. However, any proposed plan involving post offices located in adjacent areas or districts must be coordinated with the appropriate vice president, Area Operations.

- Coordinate inter-area AMP plans through the vice president, Area Operations.
- Inter-area transportation changes must be reviewed and approved by Headquarters Operations Support.

2 AMP Study

PRIMARY CONSIDERATIONS

Before beginning an AMP study, the initiating office must *fully* consider the following:

- The service impact that AMP will have on the community, as measured by service indicators such as (but not limited to) Customer Service Index (CSI), External First Class (EXFC), and Origin Destination Information System (ODIS).
- Current and proposed service commitments. Will there be any degradation to service commitments? Upgrades?
- Other impacts on the community.
- Impact on employees.
- Transportation and network concerns.
- Changes to the operating plan at the area mail processing center (AMPC) and at the affected office.
- Future automation deployment.
- New and existing facilities.
- Changes in the transportation requirements of any existing Highway Contract Route (HCR). If so, is the implementation planned to coincide with the contract's effective date in order to avoid unnecessary indemnity costs?
- Impacts on costs and productivity.

WHAT IS AN AMP STUDY?

An AMP study analyzes the feasibility of relocating processing and distribution operations from one location to another.

The study includes the research, interviews, and data collection necessary for entering information on AMP proposal worksheets. The study examines impacts on community, business, and employees.

An AMP study may be initiated whenever it is deemed necessary by a district office or a processing and distribution center.

AREA LIAISON

The area office will appoint a person to act as liaison with the district/plant. This person is responsible for providing assistance and guidance during the

development of an AMP study. Additionally, the area liaison will review the data collection and monitor the progress in order to ensure that the AMP information is correct in the initial package submission.

WHEN IS AN AMP STUDY NECESSARY?

An AMP study is required when you are considering consolidating *all* originating and/or destinating distribution operations from one or more post offices into another automated and/or mechanized facility for the purpose of improving operational efficiency and/or service.

Conduct an AMP study when a *new facility* is being considered for the consolidation of two or more offices.

WHEN IS AN AMP STUDY UNNECESSARY?

Not all transfers of mail require an AMP study. The following transfers do not require one:

- The consolidation of automation candidate mail alone.
- Automating barcoded flats at a different office.
- The consolidation of all processing on weekends. (However, area Operations Support must be notified prior to weekend consolidations.)

WHO SHOULD INITIATE AN AMP STUDY?

The AMP proposal process may be initiated by either the district manager, Customer Sales and Service and/or the plant manager, Processing and Distribution Center.

After a preliminary determination is made that service and efficiency will be effectively improved by consolidating the mail processing of two or more offices, send a letter to the area office stating your intent to conduct an AMP study. The area office must inform the vice president, Operations Support, Headquarters, that an AMP study is being conducted.

- The initiating office has up to six months to complete the study after notifying the area office.
- If for any reason an AMP study is canceled by the initiating office prior to the six months, the initiating office must inform the area office the reason for discontinuing the study. The area office must inform Headquarters of the cancellation.

3 AMP Proposal

WHAT IS AN AMP PROPOSAL?

An AMP proposal is the process of submitting the completed required worksheets (Appendix A) through the appropriate approving officials for final Headquarters consideration.

COMPLETING THE EXECUTIVE SUMMARY

Along with the required worksheets, a *brief* (narrative format) executive summary must also be included. The purpose of the narrative is to present why this proposal should be adopted. The narrative should include, but is not limited to, the following:

- Which offices will consolidate mail (from/to).
- Volume of mail to be shifted.
- The reason(s) for consolidating the mail into another office.
- Impacts on service commitments, employees, and transportation.
- Impacts on cost/productivity.
- Changes that affect the operating plan(s) at either the consolidated office or the Area Mail Processing Center (AMPC).
- A list of all existing mail processing equipment for each office involved.
- Impacts, if any, on mail transport equipment.
- Anticipated implementation date.
- Probable effects on the community, management, and employees.
- Impacts on service as reflected in our service measurement systems.

Geographic Descriptions

In addition to the required worksheets and the narrative, include a map of the area highlighting landmarks pertinent to an AMP proposal and the boundaries of all three-digit ZIP Code areas affected.

COMPLETING THE REQUIRED WORKSHEETS

Chapter 7 contains the necessary worksheets to guide you through the AMP proposal process.

- Worksheets represent a roll-up of only the most pertinent data.
- All data collection must be consistent and must utilize recognized data sources, such as Management Operating Data System (MODS), ODIS, and locally developed statistics.
- Supporting documentation should include, at a minimum, the methodology used to determine:
 - Mail arrival profile.
 - Operation window availability.
 - Flows used to determine total piece handling volume and total piece handling workhours.
 - Service impacts.
 - Employee impacts.
 - Transportation impacts.

Keep all supporting documentation on file until the Post-Implementation Review is complete.

THE SUBMITTAL PROCESS OF AN AMP PROPOSAL

Local Level

Complete the sequence of signatures in consecutive order to ensure that all levels of management are aware of the contents of the AMP proposal.

The initiating Processing and Distribution Center completes the AMP proposal package and returns it to the postmaster at the consolidated office for signature and concurrence.

Forward the AMP proposal package to the plant manager, Processing and Distribution Center for final evaluation of the operational feasibility. The district manager must evaluate the package on the merit of customer service and satisfaction, and forward the package to the vice president, Area Operations.

Area Level

The vice president, Area Operations reviews all aspects of the proposal, ensuring that:

- All transportation routings are correct and *each* class of mail is considered.
- Workhours, costs, and budget adjustments are addressed.
- Customer satisfaction, community impacts, and operational feasibility are fully explored and documented.
- All respective local government officials and all contact with congressional representatives is documented.
- All human resource and employee contingencies are correctly administered.

The area office will complete the evaluation within 30 days and either disapprove and return the package to origin or approve and forward it to Headquarters.

No commitments will be made until Headquarters has given its written approval to proceed with implementation.

Headquarters

Send the completed package to the vice president, Operations Support, Headquarters, for final review.

Headquarters, Operations Support will coordinate the final arrangements with Legislative Affairs, Consumer Affairs, Inspection Service, Transportation, and Operations Support. Headquarters will also make final arrangements for any changes to service commitments.

Review and approval at the Headquarters level will not exceed 30 days.

4 Implementation

NOTIFICATION

As soon as practicable following the approval of an AMP proposal, a date will be set announcing the AMP plan's effective date to postmasters of affected offices. The postmasters must provide briefings for local union representatives prior to the implementation.

The official implementation date will correspond with the first day of the quarter.

AREA AND LOCAL COORDINATION

There must be close coordination between area and local Human Resources throughout implementation to ensure that reassignment and/or excessing of bargaining and nonbargaining unit employees is accomplished in accordance with applicable provisions of the Employee and Labor Relations Manual (ELM) and National Agreement (Handbook EL-901, *Agreement Between USPS and American Postal Workers Union and National Association of Letter Carriers, AFL-CIO (1991-1993)*). Take care to ensure adherence to the various advance notice periods. Compliance with the National Agreement (Handbook EL-901) requires notification of bargaining unit employees who will be involuntarily detailed or reassigned between installations.

5 Post-Implementation Review (PIR)

WHAT IS A POST-IMPLEMENTATION REVIEW?

A Post-Implementation Review ensures management's accountability for implementing an AMP plan. A PIR facilitates:

- Proposed versus actual expectations.
- Accountability for decision making.
- *The meeting of corporate/local goals and objectives.*

WHO CONDUCTS A POST-IMPLEMENTATION REVIEW?

The area where the AMPC is physically located is responsible for ensuring that a Post-Implementation Review is accurately completed within the given time frames. A Post-Implementation Review will not be considered complete until it has been reviewed by the vice president, Area Operations.

WHEN DO YOU CONDUCT A POST-IMPLEMENTATION REVIEW?

Post-Implementation Reviews must be completed within 30 days after the second full quarter following implementation and after the first full year following implementation. Local management and the area have 30 days to complete, review, and submit a Post-Implementation Review package.

WHY CONDUCT TWO POST-IMPLEMENTATION REVIEWS?

The purpose of conducting two Post-Implementation Reviews is to ensure that the projected savings, improved operational efficiency, and management accountability for making decisions regarding AMPs have been accomplished. *The first review determines whether the implementation of an*

AMP plan is accomplishing necessary training, relocations, transportation and operational changes, and workhour adjustments. If these things are not being accomplished, the review will alert the responsible parties of the necessity to change or correct any deficiencies.

The second PIR determines the viability of the consolidation and allows management the opportunity for decision analysis concerning the AMP plan.

HOW TO COMPLETE A POST-IMPLEMENTATION REVIEW

For each Post-Implementation Review, complete a new set of AMP worksheets (found in Appendix A of this handbook). However, it is not necessary to fill in Worksheet 3 and Worksheet 8 since this information should not have changed.

As with the original submission package, include a narrative executive summary. The narrative must address all issues applicable to the period immediately following an AMP plan's implementation. Document any deviations or modifications from the original AMP proposal in the narrative.

For comparison purposes, complete the worksheets using the same methodology employed with the original submission package.

Obtain the necessary signatures on Worksheet 1, *Approving Signatures*, to ensure that all levels of management are aware of the success or deficiency resulting from AMP.

While Post-Implementation Review worksheets are the same worksheets as those used for developing the original proposal, there are variations.

- On PIR worksheets, write "POST-IMPLEMENTATION REVIEW" at the top of each page.
- In each instance where the column header says *Current*, draw a line through it and write in "Proposed." Where the column header says *Proposed*, draw a line through it and write "Current."

Example

Proposed	Proposed	Current	Current
Current	Current	Proposed	Proposed
TPH Annual Workhours	Annual Cost	Operation Numbers	Transferred TPH Volumes

- Obtain the information listed in the *Proposed* column in the original submission package and enter it in the column now marked *Proposed*. You will now use the column you marked *Current* to enter the information that you collected for the period following the implementation.

Semi-annual Post-Implementation Review

For the semi-annual Post-Implementation Review, use information from the second full postal quarter after implementation and information provided in

the original submission package for the same postal quarter from the previous year.

Annual Post-Implementation Review

For the annual Post-Implementation Review, use information from the first four full postal quarters following implementation and the information provided in the original package.

Submission of a Post-Implementation Review

After a PIR is complete and the vice president, Area Operations has reviewed the package, it will be forwarded to the vice president, Operations Support, Headquarters. Headquarters will notify the area within 30 days after receiving the package of the final disposition of the PIR.

6 Reversal of Area Mail Processing

HOW TO REVERSE AMP

In spite of careful planning and stringent review processes, there may be circumstances when it is necessary to reverse a current implementation of an AMP plan. Examples of this include:

- Inability to maintain service commitments.
- Advances in automation technology.

When it is deemed absolutely necessary to reverse an implementation of an AMP plan, complete a narrative statement with detailed information from the initiating district/plant. Forward the narrative through the area office for concurrence and then to the vice president, Operations Support, Headquarters.

The narrative *must* address the following:

- Service impact.
- Community impact.
- Employee impact.
- Replacing budget hours and volume back into an office formerly consolidated into an AMPC.
- Changes in automation utilization and impacts on the automation mailstream.
- Staffing requirements.
- Replacement of equipment.
- Impact of replacing transportation.

The request must also include a detailed action plan for accomplishing the reversal. It should include a timetable of intended actions.

7 Instructions and Examples of Completed Worksheets

Chapter seven contains instructions on how to complete the AMP worksheets, completed examples of each worksheet, and a timeline of the AMP process. Blank worksheets can be found in Appendix A, following this chapter, and on the enclosed diskette.

Worksheet 1, *APPROVING SIGNATURES*

Overview of the worksheet

Complete the approval worksheet in successive order. If an AMP proposal is not approved by any of the successive individuals, the reason must be noted at the bottom of the sheet and the package returned to the initiator.

Completing the worksheet

The postmaster's signature is required for each office being consolidated. If more than one office is involved, the postmaster from each office must sign the approval sheet.

- ▶ **Exception:** If mail for an entire three-digit ZIP Code area is being consolidated, only the postmaster/manager(s) responsible for processing must sign.

The signature of the plant manager, Processing and Distribution Center and/or facility that is receiving the consolidated mail is required. If a plant is being consolidated, the signature of its plant manager is required.

The signature of the district manager in which an AMP is proposed is required. If an AMP crosses district lines, the district manager(s) in the consolidated district(s) is also required to sign.

If the plant being consolidated or receiving the consolidated mail reports to another manager, the signature of that manager is required.

- ▶ **Note:** The above signatures indicate concurrence as well as an understanding of the volumes, workhours, and budget dollars to be moved from one facility or district to another as a result of AMP.

The signature of the vice president, Area Operations of the area in which an implementation of an AMP plan occurs is required. If an AMP plan involves more than one area, then the area vice presidents of the areas involved must also sign.

The signature of the vice president, Operation Support is required. If an AMP proposal is not approved, comments are required below.

Area Mail Processing

Approving Signatures

AMP Origination

Postmaster(s)/Manager

(Manager responsible for processing offices from which mail is consolidated)

John Brooks

Date: 2/11/94

Plant Manager, P&D Center

(Plant that will receive the mail)

Ben Pierce

Date: 2/22/94

District Manager, Customer Services

(District from which mail is consolidated)

Abie Goldstein

Date: 2/24/94

Manager

(Manager responsible for the office that will receive the mail)

Alan Stratman

Date: 3/14/94

Area Office

Vice President, Area Operations

Ann Marie Smith

Date: 4/11/94

Headquarters

Vice President, Operations Support

Jenny Masters

Date: 5/9/94

Implementation Date: 5/28/94

Reason for disapproval:

(Signature)

(Title)

(Date)

Worksheet 2, *EXECUTIVE SUMMARY*

Overview of the worksheet

Data from the supporting worksheets will be brought forward and used to complete the appropriate line items.

Completing the worksheet

Enter the name and ZIP Code of the area mail processing center (AMPC) facility.

Enter the name and five-digit ZIP Code for each processing office being consolidated into the AMPC. Indicate the type of distribution—originating, destinating, or both. Enter the mileage from the consolidated office to the AMPC facility.

Summary of Worksheets

► **Note:** Savings will be expressed as positive (+) and cost as negative (-).

Annual Workhour Savings/Cost—Bring forward the total from the bottom of Worksheet 4a.

EAS Workhour Savings/Cost—Bring forward total savings/cost from Worksheet 6.

Transportation Savings/Cost—Bring forward the total from the bottom of Worksheet 9.

Annual Associated Cost—Bring forward the total from the bottom of Worksheet 10.

One-Time Associated Cost—Bring forward the total one-time associated costs from Worksheet 10.

One-Time Indemnity Cost—Bring forward the total one-time indemnity costs from the bottom of Worksheet 9. (This number will always be expressed as a negative number)

Total \$ Savings/Cost—Add the six previous rows.

(Personnel)

Craft Personnel Gain/Loss—Bring forward the total from the bottom of Worksheet 5.

EAS Personnel Gain/Loss—Bring forward the total from the bottom of Worksheet 6.

(Service)

First-Class Mail ADV Service Commitment Overnight—Bring forward the overnight total from the bottom of Worksheet 7.

Total Number of Pieces to Be Transferred—List the total number of pieces (ADV) to be transferred to the AMPC.

Executive Summary

Area Mail Processing Center/Facility and ZIP Code: Bigtown, USA 00000 - 0000

Office(s) Consolidated	ZIP Code	Type Distribution (Originating or Destinating) Orig. / Dest.	Miles to AMPC Facility
Smalltown, USA	00000		60

Summary of Worksheets

Savings/Cost

Annual Workhour Savings/Cost	<u>\$312,767.00</u>
EAS Workhour Savings/Cost	<u>\$93,438.00</u>
Transportation Savings/Cost	<u>(\$56,878.00)</u>
Annual Associated Cost	<u>(\$2,316.00)</u>

One-Time Associated Cost	<u>0</u>
One-Time Indemnity Cost	<u>(\$11,010.00)</u>

Total \$ Savings/Cost \$336,001.00

Personnel

Craft Personnel Gain/Loss	<u>- 9</u>
EAS Personnel Gain/Loss	<u>- 2</u>

Service

FCM ADV Service Commitment O/N (+/-)	<u>+ 4860</u>
Total Number of Pieces to be Transferred (ADV)	<u>31,500</u>

AMP Worksheet 2

Worksheet 3, *COMMUNICATION DOCUMENTATION*

Overview of the worksheet

A vital aspect of implementing AMP is timely, clear communication with all those involved. An AMP proposal begins with open communication to all employees and employee organizations. To the extent possible, employ a team approach with all craft and management organizations.

Completing the worksheet

Local Employee Organizations: Name, title, and the date local officials of unions and management associations were notified of the AMP study.

Employees: Notification method(s) to local employees of the AMP study and the notification date(s).

Appropriate Level of Government: Name, title, location, and the date(s) government officials notified of the AMP study. Please specify the level of government, either local or congressional.

Media: Name of individual contact person, name of radio or television station/company, and date(s) various forms of media (except newspapers) were notified of the AMP study.

Local Newspaper(s): Name of individual contact person, name of newspaper(s), location, and date(s) notified of the AMP study.

Community Organizations/Groups: Name of person, name of organization or group, and location and date notified of the AMP study.

Major Mailers: Name of person, name of company, and the date contacted.

- **Note:** Many of the above named individuals or organizations will have more than one date of contact. Please indicate the first contact date and, in parentheses, the total number of contacts. Backup documentation is not required as an attachment but must be kept on file with the AMP study material.

If additional lines for contacts are necessary, please use additional sheets.

Worksheet 4, *ANNUAL WORKHOUR SAVINGS/COST*

Overview of the worksheet

Worksheets 4 and 4a compare the AMPC and consolidated office operations, volume, and work-hours before and after the consolidation. Worksheet 4 represents the consolidated office and the AMPC prior to consolidation. Worksheet 4a represents those offices after the AMP is implemented. Complete a separate worksheet for each office being consolidated. If there is more than one consolidated office, complete a summary (roll-up) worksheet showing total cost by operation.

Completing the worksheet

Consolidated Office Name: Enter the name of office being consolidated. Write "summary sheet" in as the office name if this is the summary sheet.

- (1) **Current Operation Numbers:** List all operation numbers with volume and/or workhours to be removed from the consolidated office.
- (2) **Current Annual FHP Volume:** Record the annual first handling pieces (FHP) volume (in pieces) by operation that will leave the consolidated office.
- (3) **Current TPH Annual Workhours:** Record annual total pieces handled (TPH) workhours by operation that will leave the consolidated office.
- (4) **Current Annual Cost:** Record annual costs as determined by workhours and labor cost by operation that will leave the consolidated office. Calculate workhour cost using actual office workhour cost by LDC applied to the appropriate operation number.
- (5) **Current Operation Numbers:** List all operation numbers where volume and/or workhours will be received from the consolidated office. Include downstream operations with subsequent handling volumes and/or workhours.
- (6) **Current Annual TPH Volumes:** Record annual TPH volumes by operation for the operations listed in column 5.
- (7) **Current TPH Annual Workhours:** Record annual TPH workhours by operation for the operations listed in column 5.
- (8) **Current Annual Cost:** Record annual costs as determined by workhours and labor cost by operation. Calculate workhour cost using actual office workhour cost by LDC applied to the appropriate operation number.

Annual Workhour Savings/Cost

Consolidated Office Name: Smalltown, USA

Consolidated Office

(1) Current Operation Numbers	(2) Current Annual FHP Volume (000)	(3) Current TPH Annual Workhours	(4) Current Annual Cost
010		4,458	\$99,229.00
030	16,751.0	10,556	\$237,184.00
040		1,482	\$33,271.00
044	13,310.0	7,199	\$162,736.00
045	2,239.0	1,087	\$24,476.00
160	17,129.0	10,889	\$245,622.00
060	1,971.0	2,174	\$48,349.00
070	4,412.0	554	\$12,709.00
074	2,145.0	4,381	\$100,724.00
075		2,098	\$47,050.00
175	4,631.0	5,065	\$116,523.00
100	194.0	1,943	\$43,738.00
110		5,428	\$121,163.00
115		5,143	\$113,816.00
180		284	\$6,637.00
200	139.0	1,390	\$32,372.00
210		4,441	\$102,157.00
Misc.		3,289	\$73,005.00
Current Totals	62,921.0	71,871	\$1,620,761.00 (A)

AMPC Facility

(5) Current Operation Numbers	(6) Current Annual TPH Volumes (000)	(7) Current TPH Annual Workhours	(8) Current Annual Cost
010	142,665.9	63089	\$1,449,154.33
030	57,495.1	51779	\$1,161,920.76
040	3,343.6	1755	\$39,364.65
044	60,277.1	33202	\$745,052.88
045	12,013.3	14573	\$324,832.17
081	85,203.3	47398	\$1,184,950.00
086	62,605.4	50336	\$1,258,400.00
160	71,995.3	41561	\$932,213.23
830C	105,112.8	9711	\$218,594.61
870C	680,013.1	82810	\$1,868,193.60
060	9,059.7	13156	\$295,089.08
070	117.0	637	\$14,287.91
074	44,042.7	45877	\$1,029,021.11
075	4,462.9	5486	\$123,050.98
141	10,276.5	11453	\$274,872.00
144	3,416.4	4628	\$111,072.00
146	14,368.9	22828	\$547,872.00
175	36,908.3	42471	\$952,624.53
100	6,490.9	87048	\$1,959,450.46
110	248.3	16224	\$362,119.68
115		1508	\$33,372.04
180		1458	\$34,026.72
200	4,886.7	17732	\$412,978.28
210		18890	\$4,346,388.90
Misc.		77898	\$1,728,281.20
Current Totals	1,415,003.2	933,504.0	\$21,408,163.14 (B)

Current Annual Cost > (A + B) \$23,028,924.14

AMP Worksheet 4

Worksheet 4A, ANNUAL WORKHOUR SAVINGS/COST

Completing the worksheet

Consolidated Office Name: Enter the name of office being consolidated. Write "summary sheet" in as the office name if this is the summary sheet.

- (9) **Proposed Operation Numbers:** List all operation numbers with volume and/or workhours that are listed in column 1 and which are to remain at the consolidated office after AMP implementation.
- (10) **Proposed Annual FHP Volume:** Record the annual FHP volume (in pieces) by operation for operations listed in column 9.
- (11) **Proposed TPH Annual Workhours:** Record annual TPH workhours by operation for those operations listed in column 9.
- (12) **Proposed Annual Cost:** Record annual costs as determined by workhours and labor cost by operation for those operations listed in column 9. Calculate workhour cost using actual office workhour cost by LDC applied to the appropriate operation number.
- (13) **Proposed Operation Numbers:** List all operation numbers for operations listed in column 5.
- (14) **Proposed (Combined) TPH Volumes:** Record annual TPH volumes by operation for operations listed in column 13.
- (15) **Proposed TPH Annual Workhours:** Record annual TPH workhours by operation for operations listed in column 13.
- (16) **Proposed Annual Cost:** Record annual costs as determined by workhours and labor cost by operation. Calculate workhour cost using actual office workhour cost by LDC applied to the appropriate operation number.

For Worksheets 4 and 4a, enter column totals at the bottom of the columns. Add A plus B on Worksheet 4 and enter the results at bottom of Worksheets 4 and 4a. Add C plus D and enter the results at the bottom of Worksheet 4a. Subtract the proposed annual cost from the current annual cost and enter the results in the proposed annual savings line. This number will be carried forward to Worksheet 2, *Executive Summary*.

Annual Workhour Savings/Cost

Consolidated Office Name: Smalltown, USA

Consolidated Office

AMPC Facility

(9) Proposed Operation Numbers	(10) Proposed Annual FHP Volume (000)	(11) Proposed TPH Annual Workhours	(12) Proposed Annual Cost	(13) Proposed Operation Numbers	(14) Proposed (Combined) TPH Volumes (000)	(15) Proposed TPH Annual Workhours	(16) Proposed Annual Cost
				010	151,295.9	63,568	\$1,460,188.33
				030	59,670.1	53,985	\$1,211,420.76
				040	3,887.6	2,352	\$59,425.65
				044	61,719.1	34,315	\$770,031.88
				045	12,895.3	15,241	\$339,728.17
				081	88,863.3	50,737	\$1,268,435.00
				086	68,600.4	54,403	\$1,360,070.00
				180	73,205.3	43,289	\$970,969.23
				830C	134,359.8	12,789	\$287,902.61
				870C	693,936.1	84,183	\$1,899,170.60
				060	9,711.7	13,951	\$312,923.08
				070	332.0	906	\$20,315.91
				074	45,409.7	47,586	\$1,067,348.11
				075	5,482.9	6,848	\$153,555.98
				141	11,480.5	12,658	\$303,797.00
				144	6,608.4	7,814	\$187,643.00
				146	19,009.9	27,984	\$671,618.00
				175	38,735.3	44,906	\$1,007,248.53
				100	6,684.9	88,991	\$2,003,188.48
				110	248.3	21,652	\$483,282.68
				115		6,651	\$147,188.04
				180		1,740	\$40,563.72
				200	5,025.7	19,122	\$445,350.28
				210		193,331	\$4,448,515.90
				Misc.		81,185	\$1,602,296.20
Proposed Totals			(C)	Proposed Totals	1,497,160.2	990,215	(D) \$22,716,157.14

Current Annual Cost >> (A + B) \$23,028,924.14
 Proposed Annual Cost >> (C + D) \$22,716,157.14

Proposed Annual Savings >> (A + B) - (C + D) \$312,767.00

AMP Worksheet 4a

Worksheet 5, *IMPACT ON CRAFT PERSONNEL*

Overview of the worksheet

List all impacts on craft personnel associated with mail processing, both current and proposed. If there is no change at the AMPC, then it is not necessary to complete the AMPC Office Staffing portion. Total the number of current and proposed personnel and calculate the difference. Show the impact for the consolidated office even if there is no change.

Completing the worksheet

Enter the name and ZIP Code of the consolidated office. If more than one office is being consolidated, complete a separate sheet for each office and prepare a summary worksheet which totals each category and calculates the personnel impact in the AMPC section.

For each category of craft employee, list the current and proposed complement. Calculate the total for each column and calculate the total current and the total proposed in items G and H. Calculate the difference in item X and indicate a plus or minus. Even if there is no change in the numbers at the consolidated office, please complete the list.

Enter the name and ZIP Code of the AMPC facility. Perform the same calculations for the AMPC facility as described above. For any category that has no change in personnel, the current and proposed numbers are not required.

Calculate the total craft personnel impact ($X + Y$) at the bottom of the worksheet. Carry this number forward to Worksheet 2, *Executive Summary*.

- **Special note:** Include function 4 (e.g., LDC 43) affected by the AMP on the worksheet.

Impact On Craft Personnel

Consolidated Office Staffing

Consolidated Office Name/ZIP Code: Smalltown, USA 00000 - 0000

Craft	Noncareer		PTFs		Career	
	Current	Proposed	Current	Proposed	Current	Proposed
Clerk	18	6	7	5	44	24
Mail Processor						
Mail Handler						
ET						
MPE						
Custodial						
Other						
Total	18	6	7	5	44	24
	(A)	(B)	(C)	(D)	(E)	(F)

Total Current (A) + (C) + (E): 69 **Total Proposed (B) + (D) + (F):** 35
(G) (H)

Difference (+/-) at Consolidated Office (H-G): -34
(I)

AMPC Office Staffing

AMPC Facility Name/ZIP Code: Bigtown, USA 00000 - 0000

Craft	Noncareer		PTFs		Career	
	Current	Proposed	Current	Proposed	Current	Proposed
Clerk	123	126	110	112	706	726
Mail Processor	0	0	38	38	125	125
Mail Handler	43	43	0	0	257	257
ET	0	0	0	0	19	19
MPE	0	0	0	0	38	38
Custodial	6	6	9	9	45	45
Other	0	0	0	0	0	0
Total	172	175	157	159	1190	1210
	(J)	(K)	(L)	(M)	(N)	(O)

Total Current (J) + (L) + (N): 1519 **Total Proposed (K) + (M) + (O):** 1544
(P) (Q)

Difference (+/-) at AMPC Facility (Q-P): 25
(Y)

Total Personnel Impact (X + Y): -9

Worksheet 6, *IMPACT ON EAS PERSONNEL*

Overview of the worksheet

List the total number of EAS employee positions and workhours, both current and proposed, for both the consolidated office and the AMPC. List the total annual costs associated, both current and proposed, for both and calculate the total dollar savings.

Completing the worksheet

Enter the name and ZIP Code of the consolidated office. If more than one office is being consolidated, complete a separate worksheet for each office and prepare a summary worksheet which totals each category and calculates EAS personnel impact in the AMPC section.

Enter the number of EAS positions and associated annual workhours affected at the consolidated office as a result of the study. Even if there is no change in the numbers at the consolidated office, please complete the list. In these cases, indicate "No Change." Calculate the annual, current, and proposed cost for each line that impacts EAS staffing. Total columns A, B, C, D, E, and F. Calculate the impact by subtracting B minus A for the number of positions, subtracting D minus C for the workhours, and subtracting E minus F for the savings/cost.

Enter the name and ZIP Code of the AMPC facility.

Enter the number of EAS positions and associated annual workhours affected at the AMPC facility as a result of the study. If there is no change in personnel workhours, the current and proposed numbers are not required. Calculate the annual current and proposed cost for each line that has an impact on EAS staffing. Total columns G, H, I, J, K, and L. Calculate the impact by subtracting H minus G for the number of positions, subtract J minus I for the workhours, and subtract K minus L for the savings/cost.

Calculate the total affected EAS employees by adding M and P. Calculate the total annual workhours by adding N to Q and calculate the annual savings/cost by adding O and R. Carry this number forward to Worksheet 2, *Executive Summary*.

Worksheet 7, FCM SERVICE COMMITMENTS

Overview of the worksheet

In certain consolidations, it may not be feasible to protect all of the overnight service commitments for the consolidated office. The general rule is that consolidating two or more offices should not result in any degradation of service; however, there will be instances where it is not economically wise to maintain commitments involving a small amount of mail. In order for any trade-off between service commitments to be approved, it must be clearly established that the *overall* service/cost relationship for the combined service area improves.

Completing the worksheet

AMPC Facility/ZIP Code: Enter name and ZIP Code of the facility in which mail will be processed (AMPC).

Consolidated Office/ZIP Code: Enter the name and ZIP Code of the office being consolidated.

Origin Three-digit ZIP Code or ADC (1): For every origin/destination service commitment pair that will change as a result of the AMP, record the originating three-digit ZIP Code.

Destination Three-digit ZIP Code or ADC (2): For every origin/destination service commitment pair that will change as a result of the AMP, record the destinating three-digit ZIP Code.

- ▶ **Note:** If an entire area distribution center (ADC) changes service commitments, list only the ADC with the average daily volume (ADV) as opposed to each three-digit ZIP Code area within that ADC. Indicate the entry for an ADC by writing "ADC" immediately under the three-digit ZIP Code.

Average Daily Volume Before/After AMP (3-6): In each of the next four columns (3, 4, 5, and 6), record the average daily volume (in pieces) using the Origin Destination Information System (ODIS) data for the most recent 13 accounting periods. If there are no service commitment changes as a result of the AMP, include the form in the AMP package stating "No Service Commitment Changes."

Total each entry at the bottom of each column. Calculate the number of pieces changing service commitments for the overnight category by subtracting B minus A. Calculate the number of pieces changing service commitments for the two-day category by subtracting D minus C. Carry this number forward to Worksheet 2, *Executive Summary*.

Worksheet 8, *SERVICE COMMITMENT, OTHER CLASSES*

Overview of the worksheet

This form provides a detailed narrative for any negative service commitment impact to all classes of mail other than First-Class Mail. Include in the narrative data for volume and areas affected as well as customer comments on each.

Completing the worksheet

Indicate with a check mark in either the yes or no column whether there will be any negative service commitment impacts to classes of mail other than First-Class Mail (FCM).

For any "yes" response, fully explain the reason for the negative impact. This should include, at a minimum, the rationale for the impact, the average daily volume, and the ZIP Code areas affected. Additional sheets may be attached as necessary.

If the negative impact affects Express Mail, Priority Mail, or second-class mail, list customer comments with regard to this change. Attach additional documentation as appropriate.

Carry this information forward to Worksheet 2, *Executive Summary*.

Service Commitment

Other Classes

Negative Impacts: (Please check)	(YES)*	(NO)
Express Mail	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Priority Mail	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Second-class Mail	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Third-class Mail	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fourth-class Mail	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* Explain in detail, any 'YES' response:

Customer comments (Express, Priority, and 2C only):

Worksheet 9, *TRANSPORTATION SAVINGS/COST*

Overview of the worksheet

When constructing an effective AMP proposal, carefully plan transportation. If transportation is to be effective and efficient, the total savings and costs must be calculated for both the consolidated office and the AMPC facility.

In order to effectively summarize transportation requirements on the worksheet, use the following to establish supporting documentation:

- A short summary of total transportation savings/costs to be incurred upon implementation.
- A brief description of current characteristics of each route to be changed (including the area served, load and volume data, types of equipment used, and mileage).
- A description of each affected route after proposed changes are made, as described above.
- Copies of current and proposed transportation plates showing the schedule of service for each affected route.
- A statement of compliance with Headquarters requirements for changes in air taxi routes when applicable.

Completing the worksheet

(1) **List Route Numbers:** List all current affected and proposed routes for the consolidated office.

(2) **Current Annual Cost:** Enter the current annual cost for the affected routes for the consolidated office.

(3) **Proposed Annual Cost:** Enter the proposed annual cost for the proposed changes and new routes for the consolidated office.

(4) **One-Time Indemnity:** List the indemnity cost for the consolidated office's affected routes.

(5) **List Route Numbers:** List all current affected and proposed routes for the AMPC facility.

(6) **Current Annual Cost:** Enter the current annual cost for the affected routes for the AMPC facility.

(7) **Proposed Annual Cost:** Enter the proposed annual cost for the proposed changes and new routes for the AMPC facility.

(8) **One-Time Indemnity:** List the indemnity cost for any affected routes for the AMPC facility.

- **Caution:** Do not duplicate costs for the same route. Costs must be entered either for the consolidated office or the AMPC facility, not both.

Subtract the proposed annual cost from current annual cost for the consolidated office: A minus B equals G. Subtract proposed annual cost from current annual cost for the AMPC facility: D minus E equals H. Total one time indemnity cost: C plus F. Total Annual Transportation Savings/Cost: G plus H. Bring totals forward to Worksheet 2, *Executive Summary*.

Worksheet 10, *ANNUAL ASSOCIATED AND ONE-TIME COSTS*

Overview of the worksheet

This worksheet evaluates the AMP plan's total annual associated cost not listed on any other worksheet. This form is primarily used in conjunction with new facilities, but may also be used to justify other costs when appropriate. This worksheet, however, must be completed for all AMPs. Leave areas not applicable to your AMP blank. Keep all supporting documentation on file.

Examples of associated costs include:

- Training.
- Energy.
- Space related costs.
- Maintenance.

Completing the worksheet

Print the name and ZIP Code of the office being consolidated. If there is more than one office, a summary worksheet must be prepared totaling each category and calculating the impact on the AMPC section of the worksheet.

Print the name and ZIP Code of the facility receiving the consolidated volume (AMPC).

List *all* annual associated costs before and after the AMP for each office being consolidated and for the AMPC facility. If a line item is not applicable, indicate that with an "N/A." Calculate the difference (+/-) and compute the total of the difference column. These numbers will be calculated at the bottom of the worksheet under Total AMP Difference. Carry this number forward to Worksheet 2, *Executive Summary*.

List *all* one time costs for each office being consolidated, and for the AMPC facility. If a line item is not applicable indicate that with an "N/A." Calculate the difference (+/-) and compute the total of the difference column. These numbers will be calculated at the bottom of the worksheet under Total. Carry this number forward to the Worksheet 2, *Executive Summary*.

One-Time Associated Costs: List all employee and equipment relocation costs separately. List and document all other one-time costs.

Annual Associated Costs

Consolidated Office Name/ZIP Code: Smalltown, USA

Consolidated Office		AMPC Facility	
Current Cost	Proposed (After AMP) Difference (+/-)	Current Cost	Proposed (After AMP) Difference (+/-)
Automation Maintenance		Automation Maintenance	
Mechanization Maintenance		Mechanization Maintenance	
Other Equipment Maintenance		Other Equipment Maintenance	
Building Maintenance		Building Maintenance	
Annual Maintenance Training Costs		Annual Maintenance Training Costs	
Annual Scheme/Machine Training Costs		Annual Scheme/Machine Training Costs	\$2,316.00
Annual Electrical Expense		Annual Electrical Expense	
Annual HVAC Fuel Expense		Annual HVAC Fuel Expense	
Changes in Other Annual Support Costs		Changes in Other Annual Support Costs	
Total Difference (+/-)	(A)	Total Difference (+/-)	(B)

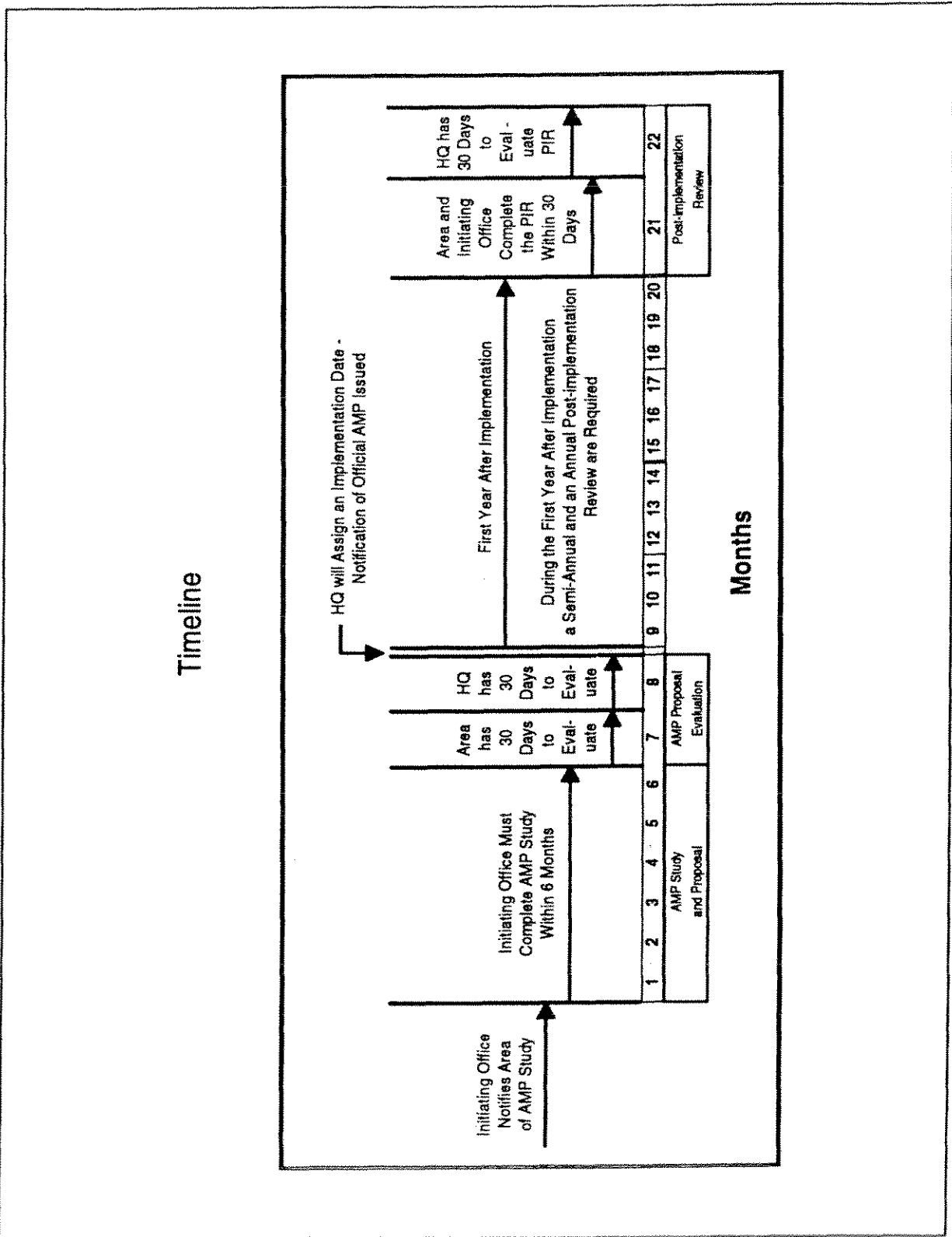
Total Difference (+/-)

Consolidated Office: N/A (A)
 AMPC Facility: \$2,316.00 (B)
Total AMP Difference (+/-) (\$2,316.00) (C)

One-Time Associated Costs

Employee Relocation _____
 Equipment Relocation _____
 Other* _____
 Total _____
 Please Explain Other _____

AMP Worksheet 10



Timeline
Exhibit 1

Appendix A

AMP Worksheets (blank forms)

Area Mail Processing

Approving Signatures

Postmaster(s)/Manager (Manager responsible for processing offices from which mail is consolidated)	AMP Origination	Date: _____
Plant Manager, P&D Center (Plant that will receive the mail)		Date: _____
District Manager, Customer Services (District from which mail is consolidated)		Date: _____
Manager (Manager responsible for the office that will receive the mail)		Date: _____

Vice President, Area Operations	Area Office	Date: _____
--	--------------------	-------------

Vice President, Operations Support	Headquarters	Date: _____
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Implementation Date: _____

Reason for disapproval:

(Signature) _____ (Title) _____ (Date) _____

Executive Summary

Area Mail Processing Center/Facility and ZIP Code: _____

Office(s) Consolidated	ZIP Code	Type Distribution (Originating or Destinating)	Miles to AMPC Facility
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Summary of Worksheets

Savings/Cost

Annual Workhour Savings/Cost = _____

EAS Workhour Savings/Cost = _____

Transportation Savings/Cost = _____

Annual Associated Cost = _____

One-Time Associated Cost = _____

One-Time Indemnity Cost = (_____)

Total \$ Savings/Cost = _____

Personnel

Craft Personnel Gain/Loss = _____

EAS Personnel Gain/Loss = _____

Service

FCM ADV Service Commitment O/N (+/-) = _____

Total Number of Pieces to be Transferred (ADV) = _____

**Communication Documentation
Consolidated Office**

Facility: _____

ZIP Code: _____

Notify the following:

Date:

Local Employee Organizations

(Contact Person)

(Title)

(Contact Person)

(Title)

(Contact Person)

(Title)

Employees

(Method of Notification)

Appropriate Level of Government

(Contact Person)

(Title/Location)

(Contact Person)

(Title/Location)

(Contact Person)

(Title/Location)

Media

(Contact Person)

(Name of Company)

(Contact Person)

(Name of Company)

Local Newspaper(s)

(Contact Person)

(Name/Location of Newspaper)

(Contact Person)

(Name/Location of Newspaper)

Community Organizations/Groups

(Contact Person)

(Name/Location of Organization)

(Contact Person)

(Name/Location of Organization)

(Contact Person)

(Name/Location of Organization)

Major Mailers

(Contact Person)

(Name/Location of Organization)

(Contact Person)

(Name/Location of Organization)

Impact On Craft Personnel

Consolidated Office Staffing

Consolidated Office Name/ZIP Code: _____

Craft	Noncareer		PTFs		Career	
	Current	Proposed	Current	Proposed	Current	Proposed
Clerk						
Mail Processor						
Mail Handler						
ET						
MPE						
Custodial						
Other						
Total						
	(A)	(B)	(C)	(D)	(E)	(F)

Total Current (A)+(C)+(E): _____ **Total Proposed (B)+(D)+(F):** _____

(G) (H)

Difference (+/-) at Consolidated Office (H-G): _____

(X)

AMPC Office Staffing

AMPC Facility Name/ZIP Code: _____

Craft	Noncareer		PTFs		Career	
	Current	Proposed	Current	Proposed	Current	Proposed
Clerk						
Mail Processor						
Mail Handler						
ET						
MPE						
Custodial						
Other						
Total						
	(J)	(K)	(L)	(M)	(N)	(O)

Total Current (J)+(L)+(N): _____ **Total Proposed (K)+(M)+(O):** _____

(P) (Q)

Difference (+/-) at AMPC Facility (Q-P): _____

(Y)

Total Personnel Impact (X+Y): _____

Annual Associated Costs

Consolidated Office Name/Zip Code: _____

Consolidated Office		AMPC Facility	
Current Cost	Proposed (After AMP)	Current Cost	Difference (+/-)
Automation Maintenance	_____	Automation Maintenance	_____
Mechanization Maintenance	_____	Mechanization Maintenance	_____
Other Equipment Maintenance	_____	Other Equipment Maintenance	_____
Building Maintenance	_____	Building Maintenance	_____
Annual Maintenance Training Costs	_____	Annual Maintenance Training Costs	_____
Annual Scheme/Machine Training Costs	_____	Annual Scheme/Machine Training Costs	_____
Annual Electrical Expense	_____	Annual Electrical Expense	_____
Annual HVAC Fuel Expense	_____	Annual HVAC Fuel Expense	_____
Changes in Other Annual Support Costs	_____	Changes in Other Annual Support Costs	_____
Total Difference (+/-)	_____	Total Difference (+/-)	_____
	(A)		(B)

Total Difference (+/-)

Consolidated Office: _____ (A)
 AMPC Facility: _____ (B)
Total AMP Difference (+/-) _____ (C)

One-Time Associated Costs

Employee Relocation _____
 Equipment Relocation _____
 Other _____
 Total _____

Please Explain Other _____

