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Observations And Suggestions  
For Improving  
The Public Documents Department

B-114829

Government Printing Office

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UNITED STATES  
GENERAL ACCOUNTING OFFICE

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JUN 14 1974



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

LOGISTICS AND COMMUNICATIONS  
DIVISION

B-114829

Mr. Thomas F. McCormick  
Public Printer  
Government Printing Office 176

Dear Mr. McCormick:

We have identified certain areas where improvements may be made in the Public Documents Department. Because we realize that you are aware of the problems of inadequate service to the public and have taken steps to identify the underlying causes and to improve the service, we do not plan to make a more detailed review.

Attached is our summary report containing observations and suggestions for improvement. The report also includes the actions taken by the Superintendent of Documents since the completion of our survey. Since this report is based only on our limited survey, a formal response is not required. We hope this information will assist you in your efforts for more effective operations at the Public Documents Department.

Our staff would be pleased to meet with you or members of your organization to discuss our observations in greater detail.

We are sending copies of this report today to the Chairman of the Joint Committee on Printing. TND C19

Sincerely yours,

A handwritten signature in cursive script, reading "F. J. Shafer".

Fred J. Shafer  
Director

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### ABBREVIATIONS

GAO	General Accounting Office
GPO	Government Printing Office
PDD	Public Documents Department

## CHAPTER 1

### INTRODUCTION

The Public Documents Department (PDD), under the direction of the Superintendent of Documents, has four major functions: selling Government documents to the public, distributing publications to depository libraries, distributing Government publications for Members of Congress and Government agencies, and cataloging and indexing Government publications. In fiscal year 1973, PDD spent \$54.4 million for these services and employed over 1,200 people, including temporary personnel.

Our comments in this report are directed primarily to PDD's problems in the area of sales to the public, which are authorized by title 44 of the U. S. Code. PDD spent \$46.8 million, or 86 percent of its total expenditures, for this function in fiscal year 1973.

PDD receives and processes mail orders at its central office and its distribution centers in Philadelphia, Pennsylvania, and Pueblo, Colorado. It also sells publications to the public through its bookstores and consignment agents throughout the country.

PDD has over 25,000 publications for sale to the general public. During fiscal year 1973 it received 4.8 million orders, mostly by mail. Only about 15 percent of the sales were made through the bookstore and consignment agents.

Annually, PDD receives over 600,000 customer service complaints, of which it estimates about 40 percent are related to the nonreceipt of publications.

On the basis of 10 minutes to handle an average complaint, it would take over 48 man-years to process all the complaints. In terms of the average annual salary in the Customer Services Branch, which handles most of the work on complaints, this is equivalent to about \$460,000 annually.

In May 1973, the Public Printer established a task force to provide PDD and other GPO activities with an integrated, automated administrative-operational system capable of handling everything from incoming orders to inventory data and control.

## CHAPTER 2

### ORDER-PROCESSING SYSTEM

The order-processing system, in simple terms, consists of two segments: (1) receiving and sorting orders and (2) filling orders. The Receipt and Disbursements Section receives the orders and, in the case of mail orders, opens them and removes all checks, cash, and coupons. Orders are then forwarded to the Cash Mail Section and sorted into those going directly to the stock units for filling and those requiring further processing.

Orders requiring further processing include those that do not adequately describe the publication. If the publication can be identified, a stock card is prepared and attached to the order, which is then sent to the stock units. If the Cash Mail Section cannot identify the publication desired, a refund with an attached explanation is made to the customer.

Orders also require additional processing if they are for publications in more than one stock area. In this case, stock cards are prepared for each publication ordered and sent to the appropriate units to be filled. The units draw publications from inventory for each stock card and send them to the Scheduling Order Unit, which assembles, checks, wraps, and sends the orders to the post office to be mailed.

Appendix I is a flow chart of the order-processing system.

At the time of our review, GPO's objective for processing orders was to avoid backlogs and to process, package, and mail orders within 4 weeks from the date of receipt. However, we found that orders could take several months to process and that the forward stock units had backlogs up to 18 days. In addition, about 60,000 orders for which publications were not available had been on hand up to 6 months.

We believe GPO can improve its system and achieve its order-processing objectives by having better control over processing orders, reducing the time spent researching orders, improving inventory control procedures, and instituting expedited processing.

### CONTROL OVER PROCESSING ORDERS

When orders arrive in the Receipts and Disbursements Section, they are automatically batched in groups of 50. Each worker must account for the processing of a complete batch before receiving a new one. Beyond the Receipts and Disbursements Section, no accountability is required.

Because of this lack of control and accountability, it is difficult to compile information that will enable management to identify and correct breakdowns in the system. In addition, because order status information is not available, PDD cannot respond very well to customers' complaints.

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System breakdowns do happen and adequate controls do not exist to keep incomplete or incorrect orders from being forwarded from station to station. For example, on multiorders, when the stock card is separated from the order, the Cash Mail Section does not always place the quantity order on stock cards, which causes the filler to send the incorrect quantity to the Scheduling Order Unit where the order is assembled.

In other cases the Cash Mail Section sends orders without publication numbers to the forward stock units. This occasionally results in delays because the order must be returned for further processing. Sometimes the forward stock units return orders for further processing which they could have filled. Furthermore, the forward stock units keep some orders that cannot be filled instead of returning them to the Cash Mail Section for notification to the customer.

The processing breakdowns which result in orders being reprocessed and recycled cause delays in mailing publications to the customers. In many instances, customers are not notified of these delays.

Generally when a customer complains or inquires about nonreceipt of a publication he is mailed a copy of the publication in question. In fiscal year 1973 about 1.1 million publications were mailed to customers as a result of complaints received. In many cases, if the order has been delayed in the processing system, the customer is sent another copy of the publication when the order finally reaches the forwarding stock unit.

An order received in the system moves through a series of processing stations and waiting lines without a specific identity. It is presumed that the order will be filled and therefore does not need an identity. As a result, specific orders cannot be located, nor can the nonmovement of an order be highlighted for appropriate action. Losing the order in the system also makes it difficult to respond to customer complaints.

We suggest that the Public Printer direct the GPO task force to study and assess the order-processing control system. The task force should consider the feasibility of establishing controls which will provide management with the necessary data to assure customers of proper service, including responsive replies when orders are unfillable. It is possible that proper order tracking, an inherent part of the order-processing control system, could be provided through simple identification, such as a numbering system.

PDD should be looking ahead to using automated equipment, including optical scanners and computerized inventory records, which could quickly identify the publications desired and whether the order could be filled. Simultaneously, a customer notification could be printed by computer for orders that are unfillable because the publication is out of stock, being reprinted, or discontinued. The use of standard forms by the public would insure more effective use of the optical scanner. Catalog lists and bestseller notices might provide perforated, prenumbered,

machine-oriented stamps for stock list items which a customer could affix to his order. We realize that not all orders would be received in a suitable condition for mechanical processing; nevertheless, the greater the number so processed, the faster and better the service. Faced with a similar situation, the Postal Service developed the zip code and now about 80 percent of its mail is zip-coded and susceptible to machine processing.

Also, a quality assurance system is needed which would keep incorrect orders from moving until the errors have been corrected. We did not determine the specific amount of extra time and resources added by incorrect orders being processed. However, we would expect that situations such as processing orders with incorrect quantities would considerably extend the processing time.

This quality control system should incorporate statistical sampling, feedback reporting, and corrective actions. Further, this system should be coordinated with information received from customer complaints, so the system's success can be evaluated, and should provide information to the PDD training programs to continuously improve employee performance in producing quality products.

#### PDD comments

The Superintendent of Documents stated that the order-processing system had been improved since we completed our site work and that the order-processing time had been reduced as a result. Seventy percent of the orders are now processed in 15 days or less, the average backlog of orders is about 10 days, and very few orders are in process more than 31 days. The current goal is to process orders in 21 working days, and the ultimate goal is 10 working days.

Following are the primary improvements which have reduced order-processing time.

1. Incoming mail is sorted to extract orders which can go directly to the Popular Publications Unit. This saves the time previously spent in the Cash Mail Section.
2. Stringent procedures have been initiated to reduce the volume of orders returning from the forward stock units which could have been filled.
3. Optical scanning is now used for subscription renewal cards and questionnaires from depository libraries.
4. A quality assurance program has been instituted which includes corrective action and appropriate training.
5. One catalog list, "The Selected List of U. S. Government Publications," provides a perforated stock list for ease of processing.

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Current task force plans include automated inventory accounting of the bulk warehousing operation and a control system to provide management control data and information for customer replies.

The Superintendent of Documents pointed out that register control now exists for domestic orders over \$50 and international orders over \$10, which provides a means of identifying breakdowns and replying to customers for those orders.

The Superintendent of Documents also said specific orders can be located (but with difficulty) and customers are notified when a publication is temporarily out of stock. He felt that improving control by using an individual order identity for all orders would be too costly at this time but that this was planned for the computerized system.

### RESEARCHING ORDERS

Approximately 25 percent of all orders received by PDD do not adequately describe the publication required. Rather than returning the order to the customer, PDD uses subject and title indexes to try to identify the publication the customer desires. Identifying the publication is vital since this step has to be completed before the order can be entered into the processing system. The order preparation unit, which researches orders, has 40 full-time employees.

We believe PDD should consider some alternative system. For example, unidentifiable orders could be returned to the sender with an order list for the subject area. Instructions to the customer could explain that proper indexing will not only expedite handling of the order but will also insure that the right publication is sent. Educating the public and encouraging the use of a standard order form would improve service and would eliminate the source of many problems in order processing.

### PDD comments

PDD is trying to educate the public toward better ordering habits. One of the primary methods is to have GPO officials speak at conferences and workshops throughout the country and to tell users how to prepare requests for PDD.

### INVENTORY CONTROL

At GPO the publications stock function is divided into two areas-- the order-filling units and the inventory control and warehouse unit. The order-filling units must have publications on hand to fill incoming orders. The inventory control and warehouse unit is responsible for providing these publications to the order-filling units.

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## Stocking procedures

Filling orders quickly requires that publications be available when needed. Supplies of publications are maintained in the forward stock units, the Popular Publications Unit, and the Selected Item Unit. Responsibility for maintaining adequate stock in these order-filling units rests with the supervisors of each unit. The units replenish their stocks by ordering from the warehouses.

A sample of 7,100 stock bins by the PDD Quality Assurance Section disclosed that over 900 of the bins were empty even though stock was available in the reserve section or in the warehouse for many of the items.

We also noted many empty shelves during our survey, even though stock was available in warehouses. Keeping enough publications on hand and in the bins would minimize delays in filling customer orders and would avoid having to notify the customer that his order had been delayed.

At the time of our survey, the stock units were using a variety of restocking procedures. These included ordering from the warehouse

- when the last carton of reserve stock (additional stock kept in forward stock units) was placed in the bin,
- when the supervisor felt that customers' orders on hand and not yet filled would cause an out-of-stock condition, or
- when all stock was depleted.

On September 13, 1973, PDD issued a procedure directing unit supervisors to assign personnel to maintain replenishment stocks daily.

Using nonstandard stocking procedures does not promote an effective reordering system. The procedure issued by PDD is a step in the right direction; however, there is a need to establish standardized procedures whereby maximum shelf quantities, economic order quantities, and reorder levels are considered in relationship to warehouse response time and customer demand.

## Inventory records

Orders to replenish stock in the forward stock units are submitted to the inventory control section which, in turn, orders stock from the warehouse. The inventory control section keeps inventory cards for determining if stock is available at the warehouse. If the record indicates stock is available, the order from the stock unit is forwarded to the warehouse to be filled.

To test the reliability of the inventory cards, we selected a sample of publications to compare with the inventory cards and found that several

cards were missing. Further inquiry revealed that the section control clerks did not control access to the cards. Cards apparently were removed and not returned to the file, or else were misfiled when returned. This could result in delays in responding to stock orders received from the stock units.

We understand that the task force is developing a system for automating the records part of inventory control; however, as an interim measure we suggest that procedures be established to restrict access to the inventory records.

#### PDD comments

As a result of the stock bin sampling, PDD has standardized and formalized its stock bin replenishment procedures. The Superintendent of Documents also told us that access to inventory cards is restricted to the day shift employees when the section control clerks are on duty and that it is the day shift's responsibility to replenish the bins.

#### EXPEDITED PROCESSING

The length of time required to process an order from initial receipt to mailing now is more than 25 days. The orders which flow through the Popular Publication Order Filling Unit, which presumably are high-volume requests, also require considerable time to fill.

For example, an April to July 1973 study of the waiting time for processing orders for popular publications showed that it exceeded 32 days. A later study made after we completed our site work showed the average time to be about 3 days. We did not make any tests to verify the accuracy of this study. We understand the internal audit staff will test the processing time.

As a point of reference, the GPO distribution centers located at Philadelphia and Pueblo are spending 5 to 10 days to process an order.

A separate system should be developed for orders which go to units filling orders for popular publications and which also do not require any other special handling, as do multiple-item orders. This special system could be based on the systems at Pueblo and Philadelphia, with modifications for the PDD environment.

#### PDD comments

The Superintendent of Documents recognizes the value of a separate system for popular publications and has established procedures by which orders for these items are separated from the general letter mail and are batched for immediate processing. These orders bypass the normal order-processing system. He stated that only in rare instances do requests for popular publications remain in the order-filling unit over 30 days.

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The Superintendent of Documents agreed that a shortage of qualified supervisors was an important problem, and he has taken action to correct this situation by reorganizing to provide additional supervisors; he also has created wage board supervisors.

### DISCIPLINARY SYSTEM

The criteria which GPO has established for disciplinary action are in GPO Instruction 655.4, dated February 27, 1973. This instruction is intended to inform employees of general guidelines and penalties used by the agency in processing corrective actions. The instruction states that strict adherence is not mandatory because the corrective action schedule contained in this document may not meet the specific circumstances in all situations.

Officials in the Employee Relations Division feel that precise documentation of all adverse employee actions is of primary importance in taking corrective action against an employee. These actions should be properly documented on the employee record card, Standard Form 7-B.

Personnel Service officials feel that there is a misunderstanding by supervisors and management concerning the procedures to follow for taking corrective action and implementing these procedures against problem workers. Further, our survey has disclosed that in some cases proper documentation of adverse employee actions has been lacking. One official felt that this was due, in part, to the fact that the employee record cards are kept in a limited-access central location within PDD and not by each supervisor, as is done on the printing side of GPO.

Consequently, several supervisors have been displeased with the disciplinary system. One supervisor felt that the system was a primary cause of the workers' attitude problem at GPO. For instance, he was concerned that, even after an employee had received two verbal warnings and a corrective action form (which the employee must sign), management took no additional disciplinary action. Because the employees know these conditions exist, it is difficult for supervisors to control their people and insure that assigned tasks are carried out.

We suggest that supervisory access to employee record cards be simplified without compromising necessary controls and that action be taken to insure that supervisors understand the proper use of these cards. Further, we suggest that supervisors receive instruction in recognizing employee action or performance that requires documentation.

### PDD comments

Because of the necessity of controlling access to the employee record cards, they are kept in a central location. However, a supervisor can easily obtain them upon request.

The Superintendent of Documents feels an increase in the complexity of disciplinary cases places an increased burden for precision and documentation on relatively unqualified people. In PDD, supervisors can go directly to Personnel Services for assistance when required.

### PLANT LIMITATIONS

Several officials attributed both operating and morale problems to the extra work caused by physical plant limitations. They cited the poor physical arrangement of facilities, shortage of space, and unpleasant surroundings. An example of poor physical arrangement is the placement of order-filling units on several different floors. As a result, orders and order cards travel back and forth excessively during order filling.

Because of limited storage in the order-filling areas, bins have to be refilled frequently. This limited storage and the separation of the stock warehouse from the stock-filling area means excessive time is being spent merely in transporting the publications.

Our own observations confirmed the statements concerning unpleasant surroundings. Work areas, such as the Cash Mail Section, appeared excessively crowded, and the forward stock unit areas were dull and dusty, with limited storage space.

PDD officials frequently pointed to these physical limitations as constraints on effective management. We, too, recognized these problems and realize their importance in implementing any innovation to improve either the flow and control of documents or personnel motivation.

We believe that even within the current plant constraints there are opportunities for improving cleanliness and work area layout. In addition, we recommend that PDD investigate some of the successful applications of new techniques in physical layout which incorporate color and layout schemes appealing to personnel using the areas.

### PDD comments

The Superintendent of Documents agreed with our suggestions. He feels space is inadequate and limiting. PDD has received the approval of the Joint Committee on Printing to obtain 400,000 square feet of warehouse space. When the space is obtained the entire order-processing operation will move. Additionally, the Committee has approved a request for 60,000 square feet of office space for GPO, of which PDD will have 40,000 square feet. This would allow moving the General Clerical, Mail List, and Customer Service Sections.

The Mail List Section, Sales Planning Section, and Central Mail Room have been remodeled using new techniques in layout, such as new lighting, modular furniture, and piped-in music.

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## CHAPTER 4

### SCOPE OF SURVEY

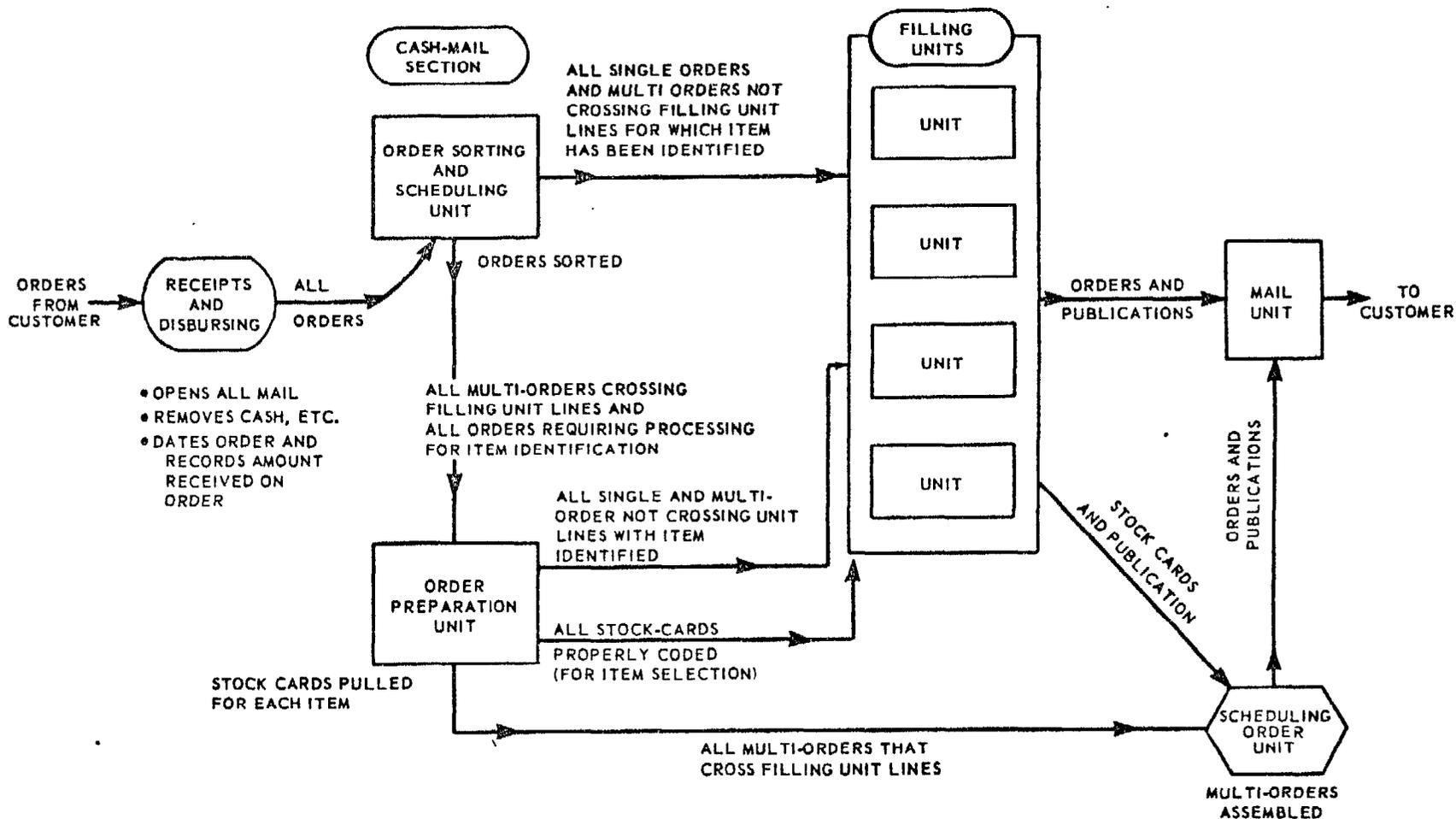
We reviewed GPO's sales program and the related personnel activities. We analyzed the system currently used to process customer orders and determined why system backlogs and delays existed. We also examined the hiring and assignment, motivation, and supervision of sales program employees. Throughout the survey, which was conducted from June to October 1973, we coordinated our efforts with the GPO task force which was established in May 1973 to design a completely automated system for processing orders.

We made our survey at GPO's Public Documents Department and Personnel Services, Washington, D.C.

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# SIMPLIFIED ORDER FLOW CHART PUBLIC DOCUMENTS DEPARTMENT

13



- OPENS ALL MAIL
- REMOVES CASH, ETC.
- DATES ORDER AND RECORDS AMOUNT RECEIVED ON ORDER