



IMPACT ON:

The accuracy of contract delivery routes in the Suncoast District.

WHY THE OIG DID THE AUDIT:

Our objective was to assess controls over Contract Delivery Service contract awards and determine whether the number of deliveries per contract was based on possible, rather than active, deliveries.

WHAT THE OIG FOUND:

We found that no contracts were awarded based on possible, rather than active, deliveries. However, administrative officials (AOs) did not always perform route surveys to verify the actual number of deliveries. Route surveys were not completed because AOs were not aware of the requirements for performing the surveys and had not received training for performing their duties and responsibilities. Without current and accurate survey information, it may be difficult for contract officials to negotiate an accurate price for a contract and the Postal Service may be incorrectly paying contractors. We consider \$1.1 million in annual contract costs as unsupported questioned costs. We also found inconsistencies in the policy related to completion of route surveys in Handbook SP-1, *Highway Contract Routes - Contract Delivery Service*.

WHAT THE OIG RECOMMENDED:

We recommended management instruct AOs to complete route surveys for the 23 routes identified, reiterate to AOs the requirements for conducting surveys, provide training to ensure AOs are aware of the procedures for completing surveys, establish a monitoring system to ensure surveys are completed accurately and timely, and clarify the policy for completing surveys in Handbook SP-1.

WHAT MANAGEMENT SAID:

Management agreed with all the findings and recommendations in the report and completed action on recommendations 1 through 3 and began implementing actions to address recommendations 4 and 5.

AUDITORS' COMMENTS:

The U.S. Postal Service Office of Inspector General considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.