



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

Highway Contract Routes – Western Pennsylvania District

Report Number NL-AR-11-007

IMPACT ON:

Western Pennsylvania District's highway contract routes (HCRs).

WHY THE OIG DID THE AUDIT:

Our objective was to determine whether HCR transportation servicing facilities in Western Pennsylvania were effective and economical.

WHAT THE OIG FOUND:

The Western Pennsylvania District can more effectively manage HCR transportation processes and schedules, thereby reducing costs. We identified 26 trips that were unnecessary or underutilized and can be modified or removed from existing schedules. By making these changes, we estimate the Western Pennsylvania District could save about \$1.6 million over the contract terms.

WHAT THE OIG RECOMMENDED:

Ensure that Western Pennsylvania District managers follow prescribed fleet management procedures for making HCR changes to the schedules in a more timely fashion, verify the elimination or modification of 11 trips already initiated, and eliminate or modify the additional 15 trips identified during our audit.

WHAT MANAGEMENT SAID:

Management agreed with the finding and recommendations; however, they did not agree with the monetary impact calculations. The Eastern Area and the Western Pennsylvania District will work together and review procedures on how to identify opportunities to reduce transportation costs. The Eastern Area has already verified the elimination or modification of 11 trips from the Western Pennsylvania District, and the changes to 15 additional trips are in process and should be completed by October 31, 2011.

AUDITORS' COMMENTS:

The OIG considers management's comments responsive to the recommendations and the corrective actions should resolve the issues identified in the report. Regarding our estimated savings, we believe the amounts are valid based on our review of operations and data during the period audited.

[*Link to review the entire report*](#)