Audit Report
Contract Delivery Service Costs

Report Number CP-AR-19-002 | August 20, 2019
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Objective

The U.S. Postal Service uses contracted delivery suppliers to support mail delivery needs and ensure it meets its universal service obligation. Contract Delivery Service (CDS) is a contractual agreement between the Postal Service and an individual or company to deliver and collect mail. CDS is considered one of the Postal Service’s three primary carrier delivery types, in addition to city carriers and rural carriers. CDS suppliers are not Postal Service employees but independent contractors who provide delivery on specific routes not serviced by city or rural carriers. CDS suppliers’ compensation is based on one delivery trip per day. If the supplier needs to make extra trips to deliver mail, they receive additional compensation from the Postal Service. CDS extra trip costs have doubled since FY 2016.

The objective of our audit was to assess the effectiveness of controls over CDS and its costs.

What the OIG Found

Opportunities existed to improve the effectiveness of controls over the management of CDS contracts and costs. We found that the Postal Service paid about $12.5 million above annual contract costs to CDS suppliers in fiscal year (FY) 2018. While the cost of extra trips increased total CDS costs by about 3.2 percent, 18 contracts had cost increases above 100 percent over the base contract cost. Although part of these additional costs may be justified, our analysis identified areas where cost overruns could be mitigated.

We found that significant cost variances exist between base annual contract costs and total costs paid on contracts due to insufficient contract cost reviews and out-of-date vehicle requirements in contracts. Specifically:

- CDS Office and Delivery Operations management did not always conduct timely reviews of contract cost data to identify contracts that should be modified due to significant cost overruns. These overruns occurred when contractors were paid to make additional trips because daily mail volume exceeded what could be delivered in a single trip (extra trip).

- CDS Office management continued to renew or extend contracts without consistently updating vehicle specifications to reflect new vehicle size requirements.

CDS contracts that were not reviewed and adjusted to align supplier requirements with delivery route demands resulted in unexpected costs for the Postal Service.

The Postal Service also did not consistently pay CDS suppliers the proper rate for extra trips. Our analysis of 200 statistically sampled contracts found that the Postal Service paid a higher extra trip rate for 66 of the 104 contracts (about 63 percent) that specified a lower rate for extra trips.

This occurred because the Postal Service did not sufficiently train post office administrative officials (AO) on when to apply the correct rate. In addition, management did not give AOs sufficient guidance on the proper use of each rate or monitor extra trip payments and costs to ensure AOs correctly and consistently applied the appropriate rate. We estimated that the Postal Service incurred about $2.7 million in additional costs from incorrectly using a higher rate for extra trips during FY 2018. Further, if the Postal Service continues to apply the incorrect rate to extra trip payments, we project unnecessary costs for extra trips in the amount of $2.7 million in FY 2019.

We also found that opportunities exist to improve communication between the CDS Office and AOs to more effectively manage CDS and control costs. Specifically, our site visits and survey of AOs found that:

- AOs did not always receive timely support and information about contract changes for CDS suppliers. There was no published phone number for AOs to call to discuss unique or complicated situations not easily resolved via email. In addition, email responses for the same request could come from different personnel who may not have previously worked with the AOs on the matter.
CDS Office management did not seek input from AOs prior to extending, renewing, or re-awarding contracts. This sometimes resulted in the continuation of contracts for suppliers with subpar performance. This occurred because the current performance evaluation process did not provide a means for AOs to provide relevant, timely feedback to the CDS Office on supplier performance.

The CDS Office did not always notify AOs of changes to supplier contracts that might impact delivery operations at their post office. This occurred because CDS Office management did not have a systematic process in place for notifying AOs of impending changes to CDS supplier contracts.

When CDS Office management does not work closely with AOs, it puts the effectiveness and efficiency of delivery operations at risk, as well as the ability to maintain service standards and customer satisfaction.

What the OIG Recommended

We recommended management:

- Develop a process for monitoring extra trip costs and contract cost variances.
- Include the 120 cubic feet minimum vehicle requirement in contracts or identify and document reasonable exceptions.
- Develop and disseminate guidance and mandatory training to current and new AOs on the proper application of extra trip rates.
- Monitor extra trip costs to identify and correct overpayments.
- Update the communication platform to monitor and respond to requests from AOs and provide AOs with timely notifications of CDS contract changes.
- Enhance communication channels and training that help AOs address CDS issues and challenges and provide CDS performance feedback.
MEMORANDUM FOR: KEVIN L. MCADAMS, VICE PRESIDENT, DELIVERY AND RETAIL OPERATIONS
MARK A. GUILFOIL, ACTING VICE PRESIDENT, SUPPLY MANAGEMENT

FROM: John E. Cihota
Deputy Assistant Inspector General for Finance and Pricing

SUBJECT: Audit Report – Contract Delivery Service Costs
(Report Number CP-AR-19-002)

This report presents the results of our audit of the U.S. Postal Service’s Contract Delivery Service Costs (Project Number 18BG017CP000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Sherry Fullwood, Director, Cost and Pricing, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management
Results

Introduction/Objective

This report presents the results of our self-initiated audit of Contract Delivery Service (CDS) Costs (Project Number 18BG017CP000). We performed this audit as part of our comprehensive review of competitive product cost and pricing data collection systems for ratemaking. Our objective was to assess the effectiveness of controls over the management of contract delivery services and costs. See Appendix A for additional information on this audit.

Background

The U.S. Postal Service uses contracted delivery suppliers to support mail delivery needs and ensure it meets its universal service obligation. CDS is a contractual agreement between the Postal Service and an individual or company for the delivery and collection of mail for customers. CDS is considered one of the Postal Service’s three primary carrier delivery types (city and rural carriers, and contracted delivery suppliers). CDS suppliers¹ are not Postal Service employees, but independent contractors who provide delivery service on specific routes not serviced by city or rural carriers.

CDS suppliers perform rural and city letter carrier services on CDS routes. Depending on the contract requirements, suppliers may perform specified duties beyond mail delivery, as expected of all other letter carriers. These duties include:

- Casing² mail.
- Selling stamps, Certified Mail™, Collect on Delivery, Priority Mail Express™, Registered Mail™, Standard Post™, or money orders.
- Making merchandise returns and picking up mail from collection boxes.
- Performing mail markup³ and forwarding mail.

The Postal Service uses CDS, in part, to reduce labor costs related to delivery services as wage-earning contractors cost less to employ than wage- and benefits-earning employees. It also uses CDS to provide flexibility in its delivery services. For example, the Postal Service uses CDS suppliers for boat, donkey, and plane routes. The Postal Service can also use CDS suppliers when employees are not available.

The Postal Service has used contractors to deliver mail to homes and businesses dating back to the early 1900s. Over the past three fiscal years, the number of CDS routes has decreased, while CDS delivery points and CDS costs have continued to increase, as shown in Table 1. In FY 2018, the Postal Service had about 7,500 CDS supplier routes, delivering mail to over 3 million delivery points at a base cost of about $396.4 million. On average, the cost paid to suppliers to service CDS routes was about $65,900 in fiscal year (FY) 2018.

Table 1. FYs 2016-2018 CDS Delivery Points, Routes, and Base Costs

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Delivery Points</td>
<td>2,960,102</td>
<td>3,004,465</td>
<td>3,040,577</td>
</tr>
<tr>
<td>No. of Supplier Routes</td>
<td>7,592</td>
<td>7,522</td>
<td>7,475</td>
</tr>
<tr>
<td>Annual Base Contract Costs</td>
<td>$365,856,121</td>
<td>$376,805,167</td>
<td>$396,371,065</td>
</tr>
<tr>
<td>Average Base Cost Per Route</td>
<td>$57,344</td>
<td>$60,512</td>
<td>$65,886</td>
</tr>
</tbody>
</table>

Source: Postal Service FY 2018 Annual Report to Congress and FYs 2016-2018 CDS Paybooks.⁴

¹ The Postal Service refers to CDS carriers as “suppliers” in Management Instruction PO-531-2018-1, Administration of Contract Delivery Service Routes, dated July 6, 2018.
² The process of manually sorting mail into labeled compartments in delivery route sequence.
³ Markup is the action of providing an undeliverable-as-addressed mailpiece with the new address of the addressee who has moved or applying a label to the piece with the reason it is undeliverable and returning it to the sender.
⁴ The CDS Paybook is a dynamic document that shows all active CDS contracts and includes select information for each contract, such as annual cost and miles.
CDS suppliers’ compensation is based on one delivery trip per day. If suppliers need to make extra trips to deliver all the mail on the route, they receive additional compensation from the Postal Service. In FY 2018, extra trips increased the cost of CDS by about $12.5 million, as shown in Table 2. As parcel volume has increased, as shown in Table 3, there has been a steady increase in extra trips needed to deliver the mail.

Table 2. FYs 2016-2018 CDS Annual Contract and Extra Trip Costs (in millions)

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Contract Costs</td>
<td>$365.9</td>
<td>$376.8</td>
<td>$396.4</td>
</tr>
<tr>
<td>Extra Trip Costs5</td>
<td>$6.0</td>
<td>$11.4</td>
<td>$12.5</td>
</tr>
<tr>
<td>Total Contract Costs</td>
<td>$371.9</td>
<td>$388.2</td>
<td>$408.9</td>
</tr>
</tbody>
</table>

Source: FY 2018 CDS Paybook and FYs 2016-2018 Extra Services Reports.

Table 3. FYs 2014-2018 Total Parcel Volume (in millions)

<table>
<thead>
<tr>
<th>Parcel Type</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive</td>
<td>3,422</td>
<td>3,966</td>
<td>4,568</td>
<td>5,138</td>
<td>5,512</td>
</tr>
<tr>
<td>Market Dominant</td>
<td>547</td>
<td>564</td>
<td>591</td>
<td>620</td>
<td>640</td>
</tr>
<tr>
<td>Total</td>
<td>3,969</td>
<td>4,530</td>
<td>5,159</td>
<td>5,758</td>
<td>6,152</td>
</tr>
</tbody>
</table>

Source: Postal Service FYs 2015 and 2018 Annual Reports to Congress.

Finding #1: Contract Delivery Service Contract Cost Variance

Opportunities exist to improve the effectiveness of controls over the management of CDS contracts and costs. The Postal Service paid about $12.5 million above annual contract costs to CDS suppliers in FY 2018. Although CDS Office management authorized contracts for $396.4 million, changes in mail volume throughout the year required suppliers to perform extra trips. While the cost of extra trips increased total CDS costs by about 3.2 percent, 18 contracts had cost increases above 100 percent over the base contract cost. Table 4 shows the top 10 of the 18 contracts with cost increases greater than 100 percent. Although part of these additional costs may be justified, our analysis identified areas where cost overruns could be mitigated.

“The Postal Service paid about $12.5 million above annual contract costs to CDS suppliers in FY 2018.”

Table 4 shows the top 10 of the 18 contracts with cost increases greater than 100 percent.
### Table 4. FY 2018 Top 10 Contracts by Contract Cost Variance

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Base Contract Cost</th>
<th>Contract Extra Trip Cost</th>
<th>Total Cost</th>
<th>Contract Cost Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>$33,026</td>
<td>$59,813</td>
<td>$92,838</td>
<td>181%</td>
</tr>
<tr>
<td>Contract 2</td>
<td>$27,623</td>
<td>$48,086</td>
<td>$75,709</td>
<td>174%</td>
</tr>
<tr>
<td>Contract 3</td>
<td>$57,959</td>
<td>$92,555</td>
<td>$150,514</td>
<td>160%</td>
</tr>
<tr>
<td>Contract 4</td>
<td>$39,887</td>
<td>$55,470</td>
<td>$95,357</td>
<td>139%</td>
</tr>
<tr>
<td>Contract 5</td>
<td>$47,230</td>
<td>$62,931</td>
<td>$110,162</td>
<td>133%</td>
</tr>
<tr>
<td>Contract 6</td>
<td>$35,849</td>
<td>$41,547</td>
<td>$77,396</td>
<td>116%</td>
</tr>
<tr>
<td>Contract 7</td>
<td>$42,619</td>
<td>$47,783</td>
<td>$90,402</td>
<td>112%</td>
</tr>
<tr>
<td>Contract 8</td>
<td>$29,215</td>
<td>$32,168</td>
<td>$61,384</td>
<td>110%</td>
</tr>
<tr>
<td>Contract 9</td>
<td>$75,822</td>
<td>$83,252</td>
<td>$159,074</td>
<td>110%</td>
</tr>
<tr>
<td>Contract 10</td>
<td>$33,806</td>
<td>$36,524</td>
<td>$70,330</td>
<td>108%</td>
</tr>
</tbody>
</table>


According to the Postal Service’s *Supplying Principles and Practices* (SP&P), a contract’s statement of work (SOW) must describe the contractor’s work as precisely as possible and, in enough detail, to enable the Postal Service to make a best value decision and effectively measure and monitor contract performance. Additional services, such as extra trips, may be required only when an unanticipated increase in mail volume or other condition arises requiring the performance of additional service or use of additional equipment. In addition, a cost management plan is needed to control costs throughout a contract’s lifecycle. If contracts are experiencing cost variances within a permittable range but could potentially grow or become less cost effective in the future, the Postal Service should modify contracts with small changes to save time and money. The Postal Service must perform periodic reviews of the overall cost of the contract to ensure budgets are maintained. All supplier and internal costs must be monitored on a regular basis, especially when changes are made, to ensure reasonableness and best value of the contract cost.

While other factors, such as late arriving mail and Express Mail delivery, contribute to increases in CDS costs, our analysis found that significant cost variances existed between base annual costs and total costs for some contracts due to insufficient contract cost reviews and out-of-date vehicle requirements in contracts.

#### Contract Cost Reviews

CDS Office and Delivery Operations management did not always conduct timely reviews of extra trip data to identify contracts that should be modified due to excessive cost variances. Although CDS contracts contained SOWs that anticipated seasonal fluctuations in annual hours, mileage, and costs, extra trips still existed. According to FY 2018 CDS management training material, if the need for additional trips becomes regular or predictable, it should no longer be considered an order for extra trips, and the administrative official (AO) should instead treat it as a service change. However, the Postal Service extended or renewed some contracts without taking into consideration changes in mail volume, mail mix, and delivery points on the routes. This occurred because CDS Office and Delivery Operations personnel did not sufficiently monitor contract variances to identify contracts with significant cost overruns from extra trips. These overruns occurred when contractors were paid to make additional trips because daily mail volume exceeded what could be delivered in a single trip.

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8 SP&P section 5-1, *Develop, Finalize, and Implement Cost Management Plan.*
9 SP&P section 5-1.1.3, *Response to Variances*
10 SP&P section 3-6.3, *Charges and Cost Monitoring.*
11 A Postal Service employee designated to monitor and administer the performance of CDS by suppliers. The AO is generally the postmaster of an office that has CDS routes and suppliers.
Delivery Operations management explained that they are responsible for monitoring extra trip costs and contract cost variances. While CDS Office management stated that reviewing contract costs, in relation to extra trips, is not one of their primary responsibilities, policy\textsuperscript{12} prescribes that they should maintain a cost management plan to control contract costs.

Delivery Operations management stated they receive an extra trip data report each month that they send to area CDS coordinators to review for reasonableness. Management also stated that area CDS coordinators should perform deep dives that entail identifying outliers, such as contracts with the highest cost and potential payment errors as well as offices with the greatest payouts.\textsuperscript{13} However, the current process has not effectively reduced extra trip costs or identified contracts with significant cost variances that may require revised contract requirements. In fact, extra trip costs as a percentage of annual contract costs doubled between FYs 2016 and 2018, as shown in Table 2.

**Vehicle Size Requirement**

On October 20, 2017, Delivery Operations management requested that Supply Management personnel standardize vehicle size requirement for all new and renewed CDS contracts to a minimum of 120 cubic feet. Delivery Operations management notified CDS officials, district coordinators,\textsuperscript{14} and AOs of this standardization. The purpose of the directive was to reduce extra trip payments by requiring suppliers’ vehicles to have more space to carry more mail. CDS Office management stated that their role is to execute contracts based on operational requirements received from Delivery Operations. However, since the time Delivery Operations management specified the new minimum requirement, the CDS Office continued to renew or extend contracts without consistently updating vehicle specifications to reflect the new requirement. Rather, vehicle cubic feet requirements on recently actioned contracts still ranged between 40 and 120 cubic feet. Management stated this occurred, in part, because they automatically extended some contracts to change contract end dates in an effort to balance their future workload. Management also stated they did not always include the updated 120 cubic feet requirement for routes with declining mail volume.

Each CDS supplier contract contains a vehicle cubic foot requirement. If a supplier’s cubic foot requirement is 60 cubic feet but mail volume for the route exceeds that space, the AO has to approve extra trips to get all the mail delivered. We conducted an analysis of 200 statistically sampled contracts\textsuperscript{15} with extra trip costs in FY 2018. The CDS Office renewed or extended 75 of the contracts in our sample after the new requirement became effective on October 20, 2017. Of those 75 contracts, we found that 57 contracts (76 percent) did not include the requirement for the supplier’s vehicle to be at least 120 cubic feet. Contracts with vehicle specifications below 120 cubic feet had $154,157 in extra trip costs, with an average of $4.18 per mile. These contracts had over 300 percent more\textsuperscript{16} extra trip costs than those with the minimum vehicle specification of 120 cubic feet. CDS contract costs that were not reviewed and adjusted to align delivery route demands with supplier requirements resulted in unexpected costs for the Postal Service.

The Postal Service is currently planning a few initiatives to improve its ability to monitor CDS costs and identify new operational requirement needs. These initiatives include the integration of CDS contract information with the Address Management System (AMS),\textsuperscript{17} the use of global positioning system (GPS) technology to gather information on CDS supplier travel time and distance, and development of a supplier performance dashboard. If successfully implemented, these initiatives should help the Postal Service improve the effectiveness of controls over the management of CDS contracts and costs.

\textsuperscript{12} SP&P section 5-1, Develop, Finalize, and Implement Cost Management Plan.

\textsuperscript{13} Postal Service personnel stated they do not have data identifying how much has been saved from their monitoring efforts.

\textsuperscript{14} CDS district coordinators serve as liaisons between the CDS Office, area coordinators, and local AOs. They provide support to AOs charged with the day-to-day management of contract delivery operations.

\textsuperscript{15} We selected a statistical random sample from 3,107 contracts with extra trip costs in FY 2018 at a 95 percent confidence level and 14 percent precision range.

\textsuperscript{16} In addition, the average rate per mile for those with specifications of less than 120 cubic feet was $1.52 more (at $4.18) than those with specifications of at least 120 cubic feet (at $2.66).

\textsuperscript{17} The AMS is the national Postal Service database of every delivery address with its associated ZIP Code, ZIP+4 code, and city/state name that serves as the foundation of data for all address correction tools.
Recommendation #1:
We recommend the Vice President, Delivery and Retail Operations, in coordination with the Acting Vice President, Supply Management, develop a process for monitoring extra trip costs and significant contract cost variances to identify contracts that may need modification to better align with operational requirements.

Recommendation #2:
We recommend the Acting Vice President, Supply Management, direct the Manager, Transportation Contracts, Contract Delivery Services, to include the 120 cubic feet minimum vehicle requirement in contracts or, as appropriate, identify reasonable exceptions to the 120 cubic feet minimum vehicle requirement and document those exceptions in applicable contracts.

Finding #2: Extra Trip Rate
The Postal Service did not always pay CDS suppliers the proper rate for extra trips. Our analysis of 200 statistically sampled contracts found that the Postal Service paid a higher extra trip contract rate for 66 of the 104 contracts (about 63 percent) that specified a lower special rate for extra trips. We determined that the Postal Service overpaid suppliers under these contracts by about $167,000 for the extra trips they performed in FY 2018. This overpayment represented about 27 percent of total extra trip costs paid at the contract rate. Incorrect payment of extra trips occurred because management did not sufficiently monitor extra trip payments and costs to ensure AOs correctly and consistently applied the appropriate extra trip rate.

According to policy, the Postal Service negotiates rates (for example, a special rate) for extra trips prior to servicing a contract. If this does not occur, the supplier performs extra trips as ordered and receives compensation at the contract rate. At the end of the month, AOs enter and certify suppliers’ extra trips in the Service Change Request (SCR) system for payment to suppliers. AOs are responsible for selecting the proper extra trip rate in the SCR system.

The Postal Service overpaid some CDS suppliers for extra trips because it did not sufficiently train AOs on the difference between the two rates and when to use each rate for supplier compensation. In addition, CDS Office management did not coordinate with Delivery Operations management to give AOs sufficient guidance on the proper use of each rate. During site visits, we found that AOs did not know when to apply the contract rate or the special rate for extra trip payments. For example, at two post offices, AOs said they applied the higher contract rate during the peak season and applied the lower special rate throughout the rest of the year. In addition, interpretations of when peak season began and ended varied between the locations. However, AOs should have applied the special rate for all extra trips throughout the year when a special rate was specified in a supplier’s contract. At only one post office visited did the AO say he never applied the higher contract rate to extra trips and only used the special rate.

“The Postal Service overpaid some CDS suppliers for extra trips because it did not sufficiently train AOs on the difference between the two rates and when to use each rate for supplier compensation.”
We surveyed AOs on the support they receive in managing CDS suppliers and updating contract requirements. Our survey found that:

- When asked if AOs understood the difference between the CDS supplier special rate and the contract rate and knew which rate to use when entering extra trips in the SCR system, 54 percent responded that they strongly disagreed or slightly disagreed with the statement.

- When asked if AOs received guidance on when to use the special rate versus the contract rate, 62 percent of AOs responded that they strongly disagreed or slightly disagreed with the statement.

Delivery Operations management explained they are responsible for training and providing guidance to AOs on the proper use of extra trip rates; however, CDS Office personnel have more knowledge about contract and special rates as they are responsible for negotiating contract rates. Further, while the CDS training provided to area and district level coordinators in September 2018 touched on special rates, it did not detail how to look for and apply the rate in the SCR system. The Delivery Operations group stated that it plans to hold a CDS symposium for area and district coordinators, district CDS subject matter experts, and AOs with 10 or more CDS routes before the end of FY 2019. Training topics will include how to effectively plan for peak season, analyze extra trip data, set up efficient CDS routes, and develop appropriate contract requirements. However, the symposium draft agenda did not specify they planned to train participants on extra trip rates.

Incorrect use of the contract rate for extra trips when a CDS contract contains a special rate provision resulted in the Postal Service incurring additional, unnecessary CDS costs. Of the contracts in our sample, the average special rate per mile was $1.91, while the average contract rate per mile was $4.89. We estimated that the Postal Service incurred $2,687,860 in unnecessary extra trip costs from incorrectly using the contract rate for extra trips and overpaying suppliers during FY 2018. Further, if the Postal Service continues to apply the incorrect extra trip rate to extra trip payments, we project unnecessary extra trip costs of $2,687,860 in FY 2019.

According to CDS Office management, the Postal Service is considering implementing a standard, special rate for extra trips in the future. This would entail using a common special rate for all extra trip payments. While this may make it easier to manage and control CDS extra trip costs, if implemented, it would not reduce the risk of AOs selecting the wrong rate for extra trip payments and, thus, overpaying CDS suppliers.

The consistent and correct application of the special and contract rates will allow the Postal Service to better control CDS extra trip costs. Monitoring extra trip payments and ensuring AOs have access to supplier contracts and clear guidance and training on proper rate usage will help to reduce CDS costs.

Recommendation #3:
We recommend the Vice President, Delivery and Retail Operations, in coordination with the Acting Vice President, Supply Management, develop guidance and mandatory training on the proper application of contract and special rates for extra trip payments and disseminate to current and new administrative officials.

Recommendation #4:
We recommend the Vice President, Delivery and Retail Operations, monitor extra trip costs to identify and correct overpayments.
Finding #3: Contract Delivery Service Coordination

Opportunities existed to improve communication between the Postal Service’s CDS Office and AOs at post offices to more effectively manage CDS contracts and control costs. During site visits, AOs expressed concerns about their ability to contact someone for timely support and to receive timely information about contract changes for their CDS suppliers. As a result of these communications, we developed a statistically representative nationwide survey that indicated the Postal Service could improve certain aspects of communications between the CDS Office and AOs.

Contract Delivery Service Communications

AOs stated they do not have a direct way of communicating with the CDS Office. Communication occurs through a CDS email address where AOs send their questions and requests for assistance. There was no published phone number for AOs to call to discuss unique or complicated situations that were not easily resolved via email. In addition, while CDS Office management stated the office has a 48-hour standard for responding to AO requests, they do not have a mechanism for collecting response data to measure their performance. Further, AOs stated the office did not always respond timely or provide consistent support to AOs. AOs stated that communications with the CDS Office were sometimes confusing and difficult because email responses for the same request could come from different personnel who may not have previously worked with the AOs on the matter.

Our survey found that, when asked if AOs knew who to contact in the CDS Office when they have CDS questions, about 40 percent responded that they strongly disagreed or slightly disagreed with the statement. About 38 percent responded that they strongly disagreed or slightly disagreed when asked if they receive the support they need from the CDS Office to manage CDS suppliers. Further, about 26 percent strongly or slightly disagreed when asked if the CDS Office is responsive to their requests for new contracts or contract modifications.

The CDS Contract Management Team Three-Year Strategic Plan 2019-2021 emphasized the need for open channels of communication with internal stakeholders through monthly teleconferences and quarterly meetings. The purpose of this initiative was to address recurring issues, create beneficial trainings, share updates, and brainstorm ways to drive supplier performance. CDS Office management stated that these meetings have been ongoing since October 2018. However, these teleconferences and meetings are only open to area level AOs and CDS district coordinators. Periodically opening these communication platforms to local level AOs may provide them the opportunity to share their experiences and address key issues that may impact or benefit other local AOs.

Administrative Official Input

AOs stated CDS Office management did not seek input from them prior to extending, renewing, or re-awarding contracts. Further, the current performance evaluation process did not provide a communication channel for AOs to provide relevant, timely feedback to the CDS Office on supplier performance. This sometimes resulted in the continuation of contracts for suppliers with subpar performance. For example, a postmaster stated that a CDS supplier was awarded a contract after abandoning their route at another post office before the contract period ended. Our survey found that about 10 percent of AOs strongly agreed or slightly agreed with knowing of a CDS supplier who was awarded another contract after abandoning his/her route or being terminated for poor performance.

“AOs expressed concerns about their ability to contact someone for timely support and to receive timely information about contract changes for their CDS suppliers.”
AOs are responsible for documenting performance problems on **Postal Service (PS) Form 5500, Contract Route Irregularity Report** for each irregularity and recording related interactions with suppliers as they occur. Chargeable irregularities include:

- Safety violations.
- Late arrival or departure that is not caused by the Postal Service.
- Disorderly conduct, threats, and violence.
- Vehicle breakdowns or noncompliance with vehicle specifications of the contract.
- Failure to keep mail secured or to sign for registered mail or dispatch logs, as required.
- Appearance of self or vehicle that does not present a positive image of the Postal Service.
- Being under the influence of alcohol or drugs or having unauthorized passengers.
- Failure to follow AO instructions.

The current PS Form 5500 process is a time-consuming process that does not always result in timely correction of poor performance and may discourage AOs from following through. In addition, the CDS Office may not become aware of the issues for significant periods of time. Corrective action steps entail the following:

- The AO issues a PS Form 5500 with specific details on all irregularities to the supplier. The AO documents all PS Form 5500s for a supplier on the PS Form 5500 log. The supplier has 10 days to respond and return the form.
- If irregularities continue, the AO holds an informal conference with the supplier in person or by phone. The AO makes a written record of the specifics of the informal conference and provides a copy to the supplier.

- If the desired improvement does not occur, the AO schedules a formal face-to-face conference with the supplier. The AO sends a certified return-receipt letter notifying the supplier of the date, time, and location of the conference. The AO also gives the supplier a list of his/her PS Forms 5500 and up to one week to correct the issues.
- If the desired improvement still does not occur, the AO sends a certified final service improvement request letter to the supplier. The letter includes a list of all irregularities that had occurred since the formal conference and a notice that the next step entails the AO sending the performance documentation to the contracting officer. The supplier is given three to seven days to improve service.
- Only if the supplier does not improve service three to seven days after receiving the final certified letter does the AO forward the performance documentation to the contracting officer for review.
- The contracting officer sends a final notice to the supplier to promptly improve service. The supplier is usually given three days to act on the final notice; otherwise, the contracting officer considers terminating the supplier's contract.

The PS Form 5500 process could take months before an AO accumulates the necessary documentation and completes the steps required to notify the CDS Office of an issue. In this time, the CDS Office could make decisions to continue business with a supplier that may not be in the best interest of the Postal Service.

When we discussed the route abandonment issue with CDS Office management, they explained there may be extenuating circumstances that could be attributed to these instances, which should not preclude a supplier from being awarded a future contract. This would include instances when an AO did not uphold Postal Service obligations to the supplier under the contract. While we understand this could occur, a process that allows for more timely performance input from AOs would ensure CDS Office personnel are more informed before executing contract awards, renewals, or extensions for current and past suppliers.

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25 PS Form 5500 is issued by the AO each time an irregularity occurs on a CDS route (for example, not delivering mail correctly, not providing proper equipment, or not adhering to individual contract requirements).
Our survey found that, when asked if the CDS Office consistently sought AOs’ input before renewing or extending supplier contracts, about 46 percent strongly disagreed or slightly disagreed with the statement. When asked if they would like the CDS Office to ask for more input before renewing or extending contracts, about 68 percent responded that they strongly agreed or slightly agreed.

CDS Office management stated that they distributed a survey to AOs soliciting input on the performance of CDS suppliers in prior years. However, they ceased this practice because they believed responses were very subjective and did not add value. By March 31, 2020, management plans to establish a new process of requesting PS Form 5500 and any other performance-related information from AOs when supplier contracts come up for review. This should provide the CDS Office with more opportunity to receive performance input from AOs prior to taking new action on a CDS supplier contract.

**Contract Change Notifications**

AOs stated the CDS Office did not always notify them of changes to supplier contracts that could impact delivery operations at their post office. For example, one AO was not given advanced notice that the contract for one of his CDS suppliers was ending prematurely. The AO learned of this change only because the CDS supplier happened to mention it. Further, the CDS Office had not notified him of whether or not there would be a new contract awarded to another supplier to get the mail delivered for the route once the current supplier departed. CDS Office management stated that, in these instances, the AO should be contacted by email and telephone. However, the CDS Office did not always provide timely notifications because it did not have a systematic process in place for notifying AOs of impending changes to CDS supplier contracts.

AOs need sufficient information on CDS contract management and how to address performance-related issues to effectively manage CDS routes and suppliers and to control related costs. They also need an effective channel of communication to share important requirements and performance information with management and to receive timely and consistent support. Our survey found that about 22 percent of AOs strongly disagreed or slightly disagreed with the statement about receiving the information they need from the CDS Office regarding changes to CDS contracts for their post office (for example, contract awards, renewals, expirations, and terminations).

When the CDS Office does not work closely with AOs regarding contract changes, CDS supplier performance issues, and contract or supplier related requests, it puts at risk the effectiveness and efficiency of delivery operations as well as the ability to maintain service standards and customer satisfaction. An improved communications channel between the CDS Office and AOs would enable the Postal Service to mitigate the costs associated with the disruption of CDS delivery operations (for example, the delivery of mail) due to performance issues, unforeseen contract changes, or insufficient support to AOs.

**Recommendation #5:**

We recommend the Acting Vice President, Supply Management, direct the Manager, Transportation Contracts, Contract Delivery Services (CDS), to update the communication platform to (1) monitor and respond to requests from administrative officials (AO) to ensure timely, organized responses; and (2) provide AOs with timely notifications of CDS contract changes.

**Recommendation #6:**

We recommend the Vice President, Delivery and Retail Operations, enhance communication channels and training that help administrative officials address contract delivery service (CDS) issues and challenges and provide CDS supplier performance feedback.
Management’s Comments

Management agreed with recommendations 1, 3, 4, and 6; however, they disagreed with recommendations 2 and 5 and the monetary impact associated with recommendations 2 and 3.

Regarding recommendation 1, management agreed and stated they currently have a process in place to receive and post monthly reports of extra services paid on the CDS web page monthly. Headquarters, area, and district managers review the reports and discuss them with the Chief Operating Officer; area vice presidents; Managers, Delivery Programs Support (MDPS); and Managers, Operation Programs Support. This process was implemented June 30, 2018.

Regarding recommendation 2, management disagreed with the recommendation and the finding. According to management, OIG’s data analysis and assumptions were incorrect, which contributed to flawed monetary impact calculations. Management stated they reviewed the 60 contracts we identified as not having the vehicle size of at least 120 cubic feet and noted that 30 contracts actually included the requirement. Management further stated that 25 of the remaining 30 contracts were extended, not renewed or awarded. A revision to the contract for vehicle space requirements is not permitted when extending contracts. Finally, management contends that only three of the five remaining contracts operated additional trips. The remaining two either had payment for detour miles and late slips or did not receive any additional payments. Based on their review, management calculated $15,384.25 as the monetary impact for this recommendation. In addition, Delivery Operations reviewed our sample contracts and stated that only 6 percent were due to extra trips. Further, management stated that Delivery and Retail Operations determine service requirements, not Supply Management.

Regarding recommendation 3, management agreed and stated they implemented a process where a monthly report of all contracts receiving special rates is generated and disseminated to area CDS coordinators. In addition, instructions on how to pay special rates were disseminated and covered in a meeting with area CDS coordinators and MDPS. Management plans to discuss this topic at a CDS training symposium to be held in August 2019. Finally, management plans to send instructions to field managers annually. The target implementation date is September 9, 2019.

Regarding recommendation 4, management agreed and stated they are monitoring extra trip costs and have provided listings of and instructions for contracts with special rates. Management stated they have analyzed extra service payments and identified contracts where special rates were not being used properly and are developing instructions for correcting overpayments. In addition, special rates will be a topic at the planned CDS training symposium in August 2019. Management has incorporated a continuing education and communication plan for CDS management, which will follow the CDS training symposium. The target implementation date is January 31, 2020.

Regarding recommendation 5, management disagreed, noting that the response time for addressing AO inquiries has improved over the years. They stated the current Electronic Service Change Request (eSCR) system provides a platform for communicating new or changing contract requirements from the field and the system allows AOs to verify contract changes. Management further stated that they have an average cycle time of eight days, compared to a goal of 20 days, for responding to AOs.

Regarding recommendation 6, management agreed and stated they implemented a process that will enhance communication channels and training for AOs to address CDS issues and challenges. Management stated the planned CDS training symposium in August 2019 will provide area and district CDS coordinators and subject matter experts with the knowledge and tools to train all CDS AOs. Also, management will continue the CDS education and communication program with CDS roundtable trainings with area and district coordinators. These trainings will be recorded to be available for future use. Further, management is developing training materials, standard work instructions, and job aids. The target implementation date is January 31, 2020.

See Appendix B for management’s comments in their entirety.
Evaluation of Management’s Comments

The OIG considers management’s comments responsive to recommendations 1, 3, 4, 5, and 6. The corrective actions should resolve the issues identified in the report; however, the OIG considers management’s comments unresponsive to recommendation 2.

Regarding recommendation 2, management did not address whether they agree or disagree to include the 120 cubic feet vehicle requirement, or identify a reasonable exception, in contracts going forward. Further, we reviewed the data that management relied on to support their response to our monetary impact and data analysis and found they used FY 2019 data. However, as noted in the report, we based our finding and monetary impact on FY 2018 data. FY 2019 does not fall within the scope of our review and, at this time, does not represent a complete year’s worth of data. We re-reviewed the FY 2018 data provided by the Postal Service and confirmed that all contracts in our sample had extra trip costs in FY 2018. We also verified that of the 60 contracts originally cited in the report, 57 did not include the 120 cubic feet requirement based on FY 2018 data provided by the Postal Service in June 2019. We found three contracts had been inadvertently identified as having a vehicle size specification of less than 120 cubic feet due to a spreadsheet error. We corrected the number of instances of contracts that did not include the 120 cubic feet requirement from 60 to 57 in the final audit report.

While the 57 contracts we identified did include some contracts that had been extended, we maintain that the Postal Service could have opted to renew the contracts with revised vehicle requirements as opposed to extending them with the same requirements. Though a business need to extend the contracts may have existed, we found that many of the contracts were extended longer than four years, creating the potential risk of unnecessary extra trip costs for the next several years.

In August 2019, after issuing our official draft report, management provided revised FY 2018 data on vehicle size requirements indicating that 24 of the 57 contracts mentioned above had the 120 cubic feet vehicle requirement as of the end of FY 2018. Management stated the original data set provided to the OIG contained inaccurate cubic feet information due to contract modifications. However, the Postal Service also stated the data originally provided to the OIG and the data retrieved after issuance of the draft report were both current as of September 30, 2018 (the end of FY 2018). Therefore, any contract modifications after FY 2018 year-end would not have impacted the cubic feet requirements in the historical FY 2018 data. Since we were unable to verify the reasons for the discrepancies in the FY 2018 historical data provided by the Postal Service on two separate dates, we have omitted the monetary impact associated with recommendation 2 from the report. However, the number of renewed or extended contracts in our sample without the 120 cubic feet requirement, based on the original FY 2018 data set provided by the Postal Service, remains.

Finally, we agree with management’s statement that service requirements are determined by Delivery and Retail Operations and not Supply Management. The recommendation did not suggest that Supply Management determine the vehicle requirements for CDS contracts. Rather, we recommended Supply Management ensure the appropriate terms are included in CDS contracts going forward, per the new minimum vehicle requirements specified by Delivery Operations in October 2017.

Regarding the monetary impact associated with recommendation 3, management stated they did not agree with our calculation. During a subsequent phone call, they explained that they conducted their own analysis and computed a significantly lower monetary impact for the use of incorrect extra trip rates in FY 2018. Management provided their analysis for our review, and we identified a formula error that impacted the accuracy of their calculation. The formula only captured the first extra trip transaction paid at the incorrect rate for each contract as opposed to all applicable extra trip payments for each contract throughout the year. For this reason, we have maintained our monetary impact calculation in the report.

26 Our original monetary impact amount associated with recommendation 2 contained about $1 million in extra trip costs associated with the cubic foot requirement, which were also captured in the monetary impact reported for CDS overpayments due to extra trips paid at the incorrect rate. Previously, we had omitted this amount from the monetary impact for incorrect extra trip payments to avoid double counting. However, now that we have omitted the monetary impact for CDS contracts renewed or extended without the 120 cubic feet minimum vehicle requirement, we added the $1 million back to the other monetary impact amount.
Regarding recommendation 5, we acknowledge that the eSCR system provides a platform for communicating new or changing contract requirements with AOs in the field. Although it does not allow for the communication of CDS questions from AOs or alert AOs of pending contract changes initiated by the CDS Office, management has implemented an electronic mailbox for communications beyond the eSCR system. While we believe that an enhanced tracking system would enable management to more effectively monitor correspondence between AOs and the CDS Office, the response time metrics demonstrate an effort to ensure AOs receive timely responses to their inquiries. This meets the intent of our recommendation.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 3, 4, and 6 should not be closed in the Postal Service’s follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. We consider recommendations 1 and 5 closed with issuance of the report. We view the disagreement with recommendation 2 as unresolved and plan to pursue it through the formal audit resolution process.
Appendices

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Contract Delivery Service Costs
Report Number CP-AR-19-002
Appendix A: Additional Information

Scope and Methodology
The scope of the audit included a review of CDS contracts for suppliers that received additional compensation for extra trips in FY 2018. We focused on CDS delivery points, suppliers, and costs for FY 2016 through FY 2018 to illustrate how the CDS program has grown. We conducted site visits to seven post offices to determine if effective controls were in place to manage CDS contracts and costs. We visited offices in the Western and Southern areas because those areas had the greatest number of CDS contracts for FY 2018, as shown in Figure 1. We also visited an office in the Capital Metro Area due to its proximity to our office.

In addition, we sent a survey to AOs at 603 post offices with a CDS presence as of October 1, 2018. The purpose of the survey was to assess the support and guidance they receive from the CDS Office on managing CDS contracts and monitoring and controlling related costs.

To accomplish our objective, we:
- Reviewed written laws, regulations, and policies and procedures governing CDS contracts.
- Trended CDS delivery points, suppliers, and costs to assess how the CDS program has grown.
- Analyzed CDS Paybook data to determine the magnitude of extra trip compensation paid to CDS suppliers for additional trips made beyond the terms of their contracts.
- Interviewed Postal Service personnel in Supply Management who are responsible for executing CDS processes and procedures.
- Interviewed Postal Service personnel in Delivery Operations who are responsible for overseeing the management of CDS delivery operations.
- Interviewed a CDS district coordinator to determine their role in the CDS contract management process as well as the support they receive from the CDS Office.
- Conducted site visits at seven post offices with CDS routes in the Western, Southern, and Capital Metro areas to determine if effective controls were in place to manage CDS contracts and costs.
- Interviewed AOs in the field to determine how they monitor and manage CDS supplier operations as well as how they interact with district, area, and headquarters management.

Figure 1. FY 2018 Number of CDS Contracts by Area
Obtained a statistical, random sample of 200 out of 3,107 CDS contracts with extra trips in FY 2018 and reviewed the contract terms related to the use of additional services. Specifically, we determined:

- Whether contract payments exceeded yearly face values.
- Whether contract terms (for example, vehicle cubic feet requirements, mileage, and delivery points) were adjusted as needed to control costs.
- Whether contracts had a special rate negotiated and if those rates were correctly applied to extra trip payments.

Conducted and analyzed the results of a survey sent to AOs at 603 randomly selected post offices about the support and guidance they receive on managing CDS contracts and monitoring and controlling related costs.

We conducted this performance audit from October 2018 through August 2019, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 3, 2019 and included their comments where appropriate.

We assessed the reliability of CDS extra trip data provided by the Postal Service to ensure key fields contained the data needed for our analysis. We performed logical tests of completeness on these fields. We also interviewed knowledgeable officials from the Postal Service’s CDS Office and Delivery Operations group about how the data was collected and used. We determined that the data was sufficiently reliable for the purposes of our analysis.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews directly related to the objective of this audit within the last five years.
Appendix B: Management’s Comments

United States Postal Service
August 2, 2019

Lazerick Poland
Director, Audit Operations

Subject: Contract Delivery Service Costs (Report Number CP-AR-19-DRAFT)

We appreciate the opportunity to provide additional comments for your consideration. Management agrees with recommendations 1, 3, 4 and 6 however, management disagrees with the findings and recommendations for 2 and 5, as well as the monetary impact associated with recommendations 2 and 3.

Supply Management reviewed the findings for Recommendation 2 and concluded that of the 60 contracts the Office of Inspector General (OIG) identified as not having a vehicle size of at least 120 cubic feet, 30 were found to have a vehicle requirement of at least 120 cubic feet in the contract. Of the remaining 30 contracts, we concluded that 25 of those contracts do not have the minimum 120 cubic feet requirement. However, those 25 contracts were extended, not renewed or awarded, and a revision to the contract vehicle requirements is not permitted when extending the contract. Of the remaining five renewal/awards, only three operated additional trips totaling $15,245.54. Of the remaining two contracts, one was paid for detour miles and late slips in the amount of $138.71; the other has not received any additional payments. Therefore, the Postal Service’s calculation of the monetary impact for Recommendation 2 is $15,384.25.

Delivery Operations reviewed the findings and found the data and the assumptions to be incorrect. The Office of the Inspector General (OIG) assumes that all Extra Service Payments are due to extra trips, primarily due to inadequate vehicle requirements. Of the contracts from the sample provided, only 6 percent were extra trips due vehicle capacity. Thus the monetary calculation is flawed.

Since FY17, management has taken an active role to provide better service and increase communications between delivery operations, CDS management and the AOIs. We have recognized opportunities to correct issues and reduce CDS Extra Service Payments. Extra service payments have declined from FY18 to current with a reduction of $1,648,709, and extra service miles have reduced by 17.5 percent. With the on-going review of the newly implemented process improvements, the current demonstrated declines will continue through FY19.
As the review only considered FY18 data, many of the actions have already taken place.

Regarding the findings for Recommendation 5, Supply Management has concluded that, over the years, the response time in responding to inquiries with administrative officials has improved. At present, the Contract Delivery Service (CDS) office is accomplishing an average cycle time from receipt to completion of Electronic Service Change Request system (eSCR) requests of eight days against a goal of 20 days. We currently utilize the eSCR to communicate new or changing contract requirements from the field to the Surface Transportation Category Management Center (CMC). The current system allows Administrative Officials (AOs) the ability to verify contract changes have been completed.

**Recommendation #1:** We recommend the Vice President, Delivery and Retail Operations, in coordination with the acting Vice President, Supply Management develop a process for monitoring extra trip costs and significant contract cost variances to identify contracts that may need modification to better align with operational requirements.

**Management Response:** Agree. Management currently has a process in place of receiving monthly reports of extra services paid and reviewing those reports by HQ, Areas and Districts and posting on the CDS webpage monthly. The monthly reporting is discussed with COO, AVP, MDPS, and MOPS which began in FY18. This focus will continue in FY20.

**Target Implementation Date:** Already implemented – June 2018

**Responsible Official:** Manager, Rural Delivery

**Recommendation #2:** We recommend the acting Vice President, Supply Management Direct the Manager, Transportation Contracts, Contract Delivery Services, to include the 120 cubic feet minimum vehicle requirement in contracts or, as appropriate, identify reasonable exceptions to the 120 cubic feet minimum vehicle requirement and document those exceptions in applicable contracts.

**Management Response:** Disagree. As stated above, we disagree with the findings associated with this recommendation. In addition, as we indicated at the exit conference, service requirements are determined by Delivery and Retail Operations and not Supply Management.

**Recommendation #3:** We recommend the Vice President, Delivery and Retail Operations, in coordination with the acting Vice President, Supply Management develop guidance and mandatory training on the proper application of contract and special rates for extra trip payments and disseminate to current and new administrative officials.
Management Response: Agree. Management currently has a process in place where a monthly report is generated and disseminated to Area CDS Coordinators of all contracts which received special rates. Instructions were disseminated on how to pay special rates which was covered in a meeting with Area CDS Coordinators and MDPS. This topic will also be discussed at the CDS Training Symposium being held in August. Instructions will be sent to field managers on an annual basis as well.

Target Implementation Date: September 9, 2019

Responsible Official: Manager, Rural Delivery and, Manager, Transportation Contracts, Contract Delivery Services

Recommendation #4: We recommend the vice president, Delivery and Retail Operations monitor extra trip costs to identify and correct overpayments.

Management Response: Agree. Management is actively monitoring extra trip costs and has rolled out instructions and listings of contracts with special rates. Management has analyzed extra service payments and identified contracts where special rates are not being used properly. Management is currently developing instructions for correcting these overpayments. Special Rates will also be a topic at the upcoming CDS Training Symposium in August. We have incorporated a continuing education and communication plan for CDS management, which will follow the kickoff symposium. Content will be based on service a performance trends, as well as reminders and follow up about basic management requirements.

Target Implementation Date: January 2020

Responsible Official: Manager, Rural Delivery

Recommendation #5: We recommend the acting Vice President, Supply Management direct the Manager, Transportation Contracts, Contract Delivery Services (CDS), to update the communication platform to (1) monitor and respond to requests from administrative officials (AO) to ensure timely, organized responses; and (2) provide AOs with timely notifications of CDS contract changes.

Management Response: Disagree. The current Electronic Service Change Request system (eSCR) provides the platform for communicating new or changing contract requirements from the field to the Surface Transportation CMC. We believe our accomplishment of an average cycle time of eight days against the current goal of 20 days from receipt to completion is reasonable. In addition, the eSCR system allows AOs the ability to verify contract changes have been completed.
Recommendation #8: We recommend the Vice President, Delivery and Retail Operations enhance communication channels and training that help AO's (1) address contract delivery service issues and challenges and (2) provide contract delivery service supplier performance feedback.

Management Response: Agree. Management currently has a process in place that will enhance the communication channels and training with the AO's to address contract delivery service issues and challenges. The CDS Symposium in August will equip area and district CDS coordinators and SMEs with the knowledge and tools to train all CDS AO's. Delivery Operations will continue the CDS education and communication program with CDS roundtable trainings to be held with area/district coordinators post CDS Symposium. These will be recorded and available online. Also being developed are training materials, standard work instructions, and job aids for CDS management.

Target Implementation Date: January 2020

Responsible Official: Manager, Rural Delivery

Kevin L. McAdams  
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cc: CARM
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