



September 11, 2025

JEANNETTE Y. GRANT
MANAGER, CORPORATE AUDIT AND RESPONSE MANAGEMENT

SUBJECT: Audit Resolution Letter – *Postal Vehicle Service Operations* (Report Number 24-093-R25) Recommendation 1

We agree with the actions outlined by the U.S. Postal Service to address recommendation 1 in the subject report and the target implementation date of September 30, 2025, as described in the related August 26, 2025, memorandum from the Vice President, Logistics.

Management summarized the procedures necessary to comply with Article 32 Contractual Evaluation Process to include a detailed explanation of the cost comparison analysis and explained that decisions to insource highway contract routes (HCR) rely on three key factors: 1) Local Route Optimization (LRO) contract activity, 2) results of the Article 32 evaluation process, and 3) influence by the Executive Leadership Team (ELT). Specifically, management explained that insourcing decisions at Postal Vehicle Operator (PVO) Pilot Program sites were made at the ELT level; therefore, HCR contracts at the PVO pilot sites were insourced regardless of the results of the Article 32 evaluations.

We will update our internal audit tracking system by modifying the status of recommendation 1 from “disagree” to “agree,” and will close the recommendation upon issuance of this audit resolution letter.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions, please contact Victoria Smith, Manager, Quality, Systems & Accountability, at 703-526-5903.

A handwritten signature in black ink, appearing to read "Laura Lozon", is positioned above the printed name.

Laura Lozon
Director, Audit Services

cc: Kelly Thresher
Lazerick Poland