



Office of Inspector General | United States Postal Service

## Audit Report

# Supply Management's Control Environment Over Contracting Officers

Report Number 18SMG023SM000-R20 | November 6, 2019



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# Highlights

## Objective

The control environment is the foundation on which an organization builds and operates an effective system of internal control. The U.S. Postal Service had an annual contract spend of \$12.9 billion in FY 2018; therefore, it is critical that Supply Management (SM) maintains an effective control environment over its contracting officers (CO).

COs are appointed by the Vice President of SM or an appointing official and given a contracting warrant to process and execute contracting actions up to a designated warrant amount. Assignment of a warrant is provided to individuals only upon demonstrating that they have met the required experience and training qualifications for that level. To sustain their contracting warrant level, COs must attend 21 hours of formal purchasing training annually. As of February 12, 2019, the Postal Service had 151 COs.

The objective of our audit was to assess the effectiveness of SM's control environment over COs, specifically, staff competencies, oversight of contract activities, and workload management. The scope period was October 1, 2017 through June 30, 2019. This is the first of several audits to assess SM's overall control environment.

## What the OIG Found

The Postal Service could improve the control environment over CO staff competencies and management oversight to ensure that COs are adhering to training requirements and are awarding and managing contracts in compliance with policy and procedures. We also identified that SM did not have a consistent process for managing and assigning CO workload.

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***“COs did not have the required 21 hours of formal purchase-related training per year or documentation to support compliance.”***

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Specifically, we identified the following:

- Eleven of the 151 (7 percent) COs did not have the required 21 hours of formal purchase-related training per year or documentation to support compliance. As of FY 2018, these 11 COs managed a total committed contract amount of about \$488 million.
- Training records are not tracked or maintained in a consistent manner or centralized system.
- SM did not define a reporting period for completing CO annual training which, per policy, could include calendar year, fiscal year, or any other defined 12-month period.

Additionally, the Postal Service could improve oversight controls to ensure contracts are awarded or managed in compliance with requirements. Only eight of 13 category management center managers indicated that they (or their team leads) reviewed contracts prior to execution.

Finally, SM did not have a consistent process for assigning or managing COs' workload. In FY 2018, COs across the five portfolios managed 9,805 contract awards, which ranged from one to 1,175 contracts per CO. The average number of contracts managed by CO varied by portfolio from 19 to 135 contracts per CO.

These issues occurred because:

- There are no formal processes for validating purchasing-related training such as guidelines on acceptable training to meet the requirement, where training records should be maintained, what documentation is required to support the training, and during what period the training should occur.
- Current policy does not require reviews of contract actions below \$250,000 prior to execution and managers stated that not all team leads were required to conduct these management reviews.
- The process for assigning contracts to COs is manual and discretionary based on COs' experience, warrant level, and existing workload.

When COs do not meet, or cannot support compliance with training requirements, they are at risk of losing their warrant and the Postal Service is at risk of having a CO without the current competencies managing contracts/contracting actions on its behalf. Additionally, appropriate and timely management reviews of contracting activities prior to contract award are critical to ensuring compliance with requirements and reducing potential financial and legal risks to the Postal Service. Finally, absent a consistent process, SM cannot ensure management of CO workload is transparent, efficient, or balanced.

## What the OIG Recommended

We recommended management:

- Implement a formal portfolio review process to ensure COs obtain the required annual 21 hours of formal purchasing-related training, including validation of training content and supporting documentation of attendance/completion.
- Designate a centralized system for SM to record, track, and manage COs' training activities.
- Establish a standard 12-month training reporting period for all COs and update policy accordingly.
- Provide organizational training on review and approval processes for contract actions prior to contract execution, as required.
- Assess the feasibility of establishing commodity specific metrics or tools to provide for a consistent workload management process.

# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

November 6, 2019

**MEMORANDUM FOR:** MARK A. GUILFOIL  
VICE PRESIDENT, SUPPLY MANAGEMENT

E-Signed by Jason Yovich  
Authenticity with eSign Desktop

**FROM:** Jason M. Yovich  
Acting Deputy Assistant Inspector General  
for Supply Management & Human Resources

**SUBJECT:** Audit Report – Supply Management's  
Control Environment Over Contracting Officers  
(Report Number 18SMG023SM000-R20)

This report presents the results of our audit of Supply Management's Control Environment Over Contracting Officers (Project Number 18SMG023SM000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Shirian Holland, Acting Director, Supply Management and Facilities, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit Response Management

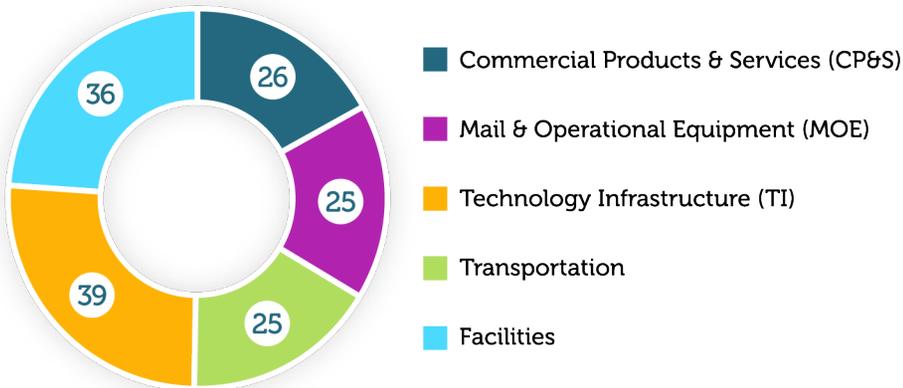
# Results

## Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service Supply Management (SM) organization's control environment over contracting officers (CO) (Project Number 18SMG023SM000). Our objective was to assess the effectiveness of SM's control environment over COs, specifically, staff competencies, oversight of contract activities, and workload management. This is the first of several audits being conducted to assess SM's overall control environment.

As of February 12, 2019, there were 151 COs across the five purchasing portfolios<sup>1</sup> (see Figure 1). Our scope period was October 1, 2017 through June 30, 2019. See [Appendix A](#) for additional information about this audit.

**Figure 1: Number of COs by Portfolio**



Source: SM Blue Pages.

1 Portfolios manage the purchase of a unique set of commodities or services for the Postal Service.  
 2 A CO who has supervisory responsibilities.  
 3 CMCs focus on specific market and commodity sectors.  
 4 SM also encompasses Asset Management; however, this group does not have COs.

## Background

The control environment is the foundation on which an organization builds and operates an effective system of internal control. It is comprised of an organization's integrity and ethical values; leadership's oversight, responsibilities, and delegation of authority; the process for attracting, developing, and retaining employees; and measures used to manage accountability and performance. With an annual contract spend of \$12.9 billion in fiscal year (FY) 2018, it is critical that SM effectively oversees its COs and maintains oversight, structures, reporting lines, authorities, and responsibilities in the pursuit of SM's goals.

SM's organizational structure is guided through a chain of command where each level directly reports to the level above. COs report to their team leads,<sup>2</sup> who report to category management center (CMC) managers,<sup>3</sup> who report to the portfolio managers. Portfolio managers are peers of Supply Management Infrastructure (SMI) and Supply Chain Management (SCM) Strategies, who are all direct reports to the Vice President (VP) of SM<sup>4</sup> (see Figure 2).

**Figure 2: SM Organizational Structure**



Source: U.S. Postal Service Office of Inspector General (OIG).

Purchasing & SM Specialist is the official job title for COs. Non-supervisory COs are responsible for soliciting, awarding, managing, and terminating contracts<sup>5</sup> and are given a contracting warrant<sup>6</sup> level by an appointing official. The VP of SM delegates appointment authority to the appointing official to approve a CO's contracting warrant level and determine whether the CO maintained professional proficiency and otherwise remains qualified. To sustain their contracting warrant level, COs must attend 21 hours<sup>7</sup> of formal purchasing training annually.

Before an individual is approved a warrant level, there must be an organizational need and the individual must meet experience and training qualifications for that warrant level.<sup>8</sup> COs have the authority to execute contract activities within the dollar threshold of their warrants, or have delegated approval authority, as illustrated in Table 1.

**Table 1: CO Contracting Warrant Levels**

Level	Warrant Amount
I	Up to \$250,000
II	Up to \$1 million
III	Up to \$10 million
IV	Unlimited

Source: SP&P, General Practices, 7-1.1.

## Finding #1: Staff Competencies

Controls over staff competencies should be improved to ensure all COs meet the annual training hours requirement, track and complete training records consistently, and complete annual training in a specified period.

<sup>5</sup> *Supplying Principles and Practices* (SP&P), Roles & Responsibilities, Contracting Officer.

<sup>6</sup> The Postal Service uses the terminology "contracting authority".

<sup>7</sup> SM benchmarked with the Institute for Supply Management (ISM) on the appropriate number of continuing professional hours that COs should have each year. ISM said that 20 hours was an appropriate number for annual training.

<sup>8</sup> SP&P 7-1.1, Contracting Officer Levels.

<sup>9</sup> Funding added to a contract against which payments are made. Commitments may extend over multiple fiscal years. However, not all contracts have committed funds; therefore, the total committed values of the contracts will be different than spend against contracts in a fiscal year.

Per SP&P 7-1.6, the appointing official must review all CO appointments annually to determine if the CO has maintained professional proficiency, which includes completing 21 hours of formal purchasing training each year. The appointing official can use discretion in determining what constitutes formal purchasing training and identifying the annual training reporting period.

A review of training records for the period October 1, 2017 through December 31, 2018 identified that:

- Nine of 151 COs (6 percent) did not have the required 21 hours of formal purchasing-related training. Other non-purchasing-related training hours, such as Postal Service Human Resources mandatory trainings, were included to satisfy this requirement. As of June 17, 2019, all nine of these COs had active contracting warrant levels. As of FY 2018, these COs had a total contract action committed amount<sup>9</sup> of about \$344 million in the Contract Authoring Management System (CAMS).
- Two of 151 COs (1 percent) did not have documentation on file to support the 21 hours of formal purchasing-related training requirement for 2018. These COs separated from the Postal Service in 2019. As of FY 2018, these COs had a total contract action committed amount of about \$144 million in CAMS.
- Eight of 151 COs (5 percent) used SM's informal knowledge sharing and lunch and learn sessions as part of the 21 hours of formal purchasing-related training requirement; however, attendance for these trainings is not tracked, nor were these sessions identified in policy as eligible formal purchasing training hours. As of FY 2018, six COs had a total contract action committed amount of about \$173 million in CAMS. For the same period, two COs had a total contract action committed amount of about \$56 million in the electronic Facilities Management System (eFMS).

Additionally, we identified that:

- SM did not consistently use any centralized system to track or manage COs' training requirements. Instead, across all levels of the five SM portfolios, management used a variety of methods to manually track training hours.
- There is no specified reporting period for COs to complete annual training. Currently, the appointing official has discretion to set COs' annual training requirement reporting period as either calendar year, fiscal year, or any other defined 12-month period.

These issues occurred because there are no processes to validate purchasing-related training, including guidelines on acceptable training to meet the requirement, where training records should be maintained, documentation required to support the training, and during what period the training should occur.

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***“There are no processes to validate purchasing-related training, including guidelines on acceptable training to meet the requirement, where training records should be maintained, documentation required to support the training, and during what period the training should occur.”***

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When COs do not meet or cannot support compliance with training requirements, they are at risk of losing their warrant and the Postal Service is at risk of having a CO without current competencies managing contracts/contracting actions on its behalf.

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<sup>10</sup> We randomly selected 13 of 146 (9 percent) CO appointment records and validated that their experience and training met the requirement for their current warrant level.

<sup>11</sup> SP&P 2-41.3, Reviews and Approvals.

### **Recommendation #1**

We recommend the **Vice President, Supply Management**, implement a formal portfolio review process to ensure that contracting officers obtain the required annual 21 hours of current purchasing-related training, including validation of training content and supporting documentation of attendance/completion.

### **Recommendation #2**

We recommend the **Vice President, Supply Management**, designate a central system for Supply Management to record, track, and manage contracting officers' training activities.

### **Recommendation #3**

We recommend the **Vice President, Supply Management**, establish a standard 12-month training reporting period for all contracting officers and update policy accordingly.

## **Finding #2: Contract Activities**

Management should improve controls over CO actions to consistently ensure compliance of contract actions, specifically prior to contract award.

SM management oversight controls over CO actions include:

- CO warrant level<sup>10</sup> – when COs are appointed, they receive a contracting warrant level to process and execute contracting actions up to that designated warrant amount. Assignment of the warrant demonstrates that the CO met the experience and training qualifications for that level.
- Management reviews – contract awards valued at \$250,000 or more must be reviewed and approved by a CO who has a contracting warrant level equal to or above the amount of the contract action prior to execution. The approving authority must be a CO within the purchasing organization's management chain.<sup>11</sup> Additional supervisory reviews are at the discretion of the supervisor. All 13 CMC managers stated they trust and rely on their COs to properly

execute contracting activities within their contracting warrant level; however, eight of the 13 managers indicated that they (or their team leads) reviewed contracts within their CMC.

- Compliance Review Team (CRT) – a group within SM designated to conduct quarter compliance reviews on contracting actions after contract execution. The CRT uses a sampling methodology to select contract actions for review; however, it can also initiate targeted or on-demand reviews. After review completion, the CRT provides the results to the respective portfolio and CMC managers to address identified deficiencies and take corrective action. We reviewed FY 2018 compliance review results and noted that applicable managers remediated deficiencies identified and shared results with their teams.

Additionally, issues identified by recent OIG audit reports related to contract activities concluded management controls were not effective to consistently identify noncompliant contract actions prior to execution.

Specifically, we identified multiple issues related to mandatory clauses, supporting documentation, and delegated warrant levels in previous audits:

- The *Oversight of Highway Contract Routes - Insurance* audit (Report Number SM-AR-19-002, dated March 22, 2019) reported that highway contract route (HCR) contracts lacked mandatory Clause 7-4: Insurance or adequate contract documentation to validate its inclusion. It also concluded that the Postal Service did not consistently include Clause B-39: Indemnification, in HCR contracts.
- The *Controls Over Time and Materials and Labor Hour Contracts* audit (Report Number SM-AR-18-002, dated March 26, 2018) reported that COs did not consistently include mandatory Clause 2-38: Payment (Time and Materials (T&M) and Labor Hour Contracts) in the terms and conditions of T&M and Labor Hour contracts. It also concluded that COs did not consistently document justification for ceiling price increases.

- The *Oversight of Contract Extensions* audit (Report Number SM-AR-18-001, dated March 20, 2018) reported that COs did not consistently incorporate applicable extension clauses into the contract language for 74 percent (46 of 62) of the contracts reviewed.
- The *Oversight of Contracting Officer Authority* audit (Report Number SM-AR-17-008, dated September 6, 2017) reported that COs who commit contracting actions above their delegated contracting warrant without approval lack the authority to enter into contractual commitments on behalf of the Postal Service.

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***“Current policy does not require reviews of contract actions below \$250,000 prior to execution.”***

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These issues occurred because current policy does not require reviews of contract actions below \$250,000 prior to execution and managers stated that not all team leads were required to conduct these management reviews.

Appropriate and timely management reviews of contracting activities prior to contract award are critical to ensuring compliance with requirements and reducing potential financial and legal risks to the Postal Service.

#### **Recommendation #4**

We recommend the **Vice President, Supply Management**, provide organizational training on review and approval processes for contract actions prior to contract execution as required.

### **Finding #3: Workload Management**

SM does not have a consistent process for assigning or managing CO workload. The process for assigning contracts to COs is manual and discretionary based on COs' experience, warrant level, and existing workload.

In FY 2018, there were 9,805 contract awards in CAMS, eFMS, and the Transportation Contract Support System (TCSS) managed by COs across the five portfolios. As illustrated in Table 2, the number of contracts assigned to COs ranged from one to 1,175 and the average number of contracts managed by

each CO varies across the five portfolios. The variation in the number of contracts managed is due to CO workload assignments differing based on contract complexity, dollar amount, commodity purchased, and CO experience.

**Table 2: Number of Contracts per Portfolio**

Portfolio	Systems	Number of Contracts	Number of COs	Range of Contracts Managed per CO	Average Number of Contracts Managed per CO
CP&S	CAMS	3,107	23	1 to 1,175	135
Facilities	CAMS & eFMS	1,617	24	1 to 186	67
MOE	CAMS	1,537	24	6 to 342	64
TI	CAMS	508	22	1 to 110	23
Transportation	CAMS	197	10	1 to 60	19
	TCSS	2,839	39	Not available <sup>12</sup>	73
<b>Total</b>	—	<b>9,805</b>	<b>142<sup>13</sup></b>	—	—

Additionally, we issued a questionnaire to 133 COs, including team leads, below the CMC level to gain insight about their workload, duties, and challenges. Ninety-one COs responded and a portion of their feedback is summarized as follows:

- Forty-one (45 percent) stated that their workload was very high.
- Twenty-eight (31 percent) stated that there were factors hindering their ability to perform their CO role. Some of these factors include large/demanding workload; short staffing; antiquated systems; and a lack of training, standard operating procedures, resources, contract experience, and time.
- Seventeen (19 percent) stated that their managers never or seldom discussed workload with them.

- Sixteen (18 percent) stated they were assigned tasks above and beyond their purchasing specialist job description and CO role. Some of these tasks included participation as a team member in the SM strategic initiatives, acting as a subject matter expert or commodity specialist for their CMC, and acting in dual roles as both a CO and a team lead with managerial responsibilities over their team members.

A 2016 OIG audit<sup>14</sup> on CO workload identified that SM did not have a standardized workload management and reporting tool across portfolios that would improve managers' collaboration and resource allocation. The audit recommended SM:

<sup>12</sup> TCSS data do not provide individual contracts per CO; therefore, the average is taken from the total number of COs identified for the Transportation Portfolio in Figure 1.

<sup>13</sup> This is the actual number of COs associated with the 9,805 contracts awarded in FY 2018.

<sup>14</sup> *Contracting Officers' Workloads* (Report Number SM-AR-16-006, dated February 18, 2016).

*“assess the capabilities of internal and external contract management systems to determine whether more efficient processes or reports could be developed to monitor workload distribution across SM.”*

In response to the recommendation, SM stated that they assessed the capabilities of the tools as described in the audit and determined that they did not provide a more efficient process or reporting capability. However, after completing their assessment, SM decided to take additional action toward finding an alternative solution (the CAMS workflow module) and stated they would implement and deploy the new module in CAMS on August 15, 2016. When we inquired about this tool on August 27, 2019, management informed us that they did not implement the CAMS workflow module due to compatibility issues; however, we were not able to validate management’s assertion.

Absent a consistent process, SM cannot ensure that CO workload management is transparent and efficient.

#### **Recommendation #5**

We recommend the **Vice President, Supply Management**, assess the feasibility of establishing commodity specific metrics or tools to provide for a consistent workload management process, to include a cost-benefit analysis.

### **Management’s Comments**

Management agreed with the report’s findings and recommendations.

Regarding recommendation 1, management stated that they will implement a portfolio review process to ensure all COs receive the required 21 hours of training, including validation of training content and supporting documentation of attendance/completion. The target implementation date is September 30, 2020.

Regarding recommendation 2, management stated that they will designate a central system for SM to record, track, and manage COs’ training activities. The target implementation date is September 30, 2020.

Regarding recommendation 3, management stated that they will establish and communicate in official SM communication a specified 12-month training reporting period for all COs. The target implementation date is December 31, 2019.

Regarding recommendation 4, management stated that they will reiterate the SM policy on the review and approval processes related to knowledge sharing trainings. The target implementation date is December 31, 2019.

Regarding recommendation 5, management stated that they will assess the feasibility of establishing commodity specific metrics or tools to provide for a consistent workload management process, to include a cost-benefit analysis. The target implementation date is December 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 the recommendations and planned actions should resolve the issues identified in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations should not be closed in the Postal Service’s follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

# Appendices

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# Appendix A: Additional Information

## Scope and Methodology

The scope of this audit included all Postal Service active COs assigned to the five SM purchasing portfolios as of February 12, 2019. Based on data posted on the Postal Service’s internal website and verified with SM, the Postal Service had 151 active COs.

To accomplish our objective, we:

- Interviewed SMI, SCM Strategies, Policy Compliance & Audit, Analysis and Research, and Professional Development employees; and portfolio and CMC managers.
- Analyzed methods SM used to monitor and manage workload, performed a trend analysis of the number of COs compared to contracting actions for FY 2013-2018, and obtained a list of all expired contracts for FY 2018 to determine if there was a backlog of uncompleted contracts.
- Analyzed training records to ensure compliance with policies and procedures and reviewed a judgmental sample of CO’s Individual Development Plans to ensure documentation of relevant professional development activities.

- Designed a questionnaire for COs under CMC managers and analyzed responses received to determine any inconsistencies with management’s responses, as well as identify gaps in training.

We conducted this performance audit from November 2018 through November 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 October 4, 2019 and included their comments where appropriate.

We assessed the reliability of the active CO data by pulling the list and verifying the data with SMI personnel. We determined that the data were sufficiently reliable for the purposes of this report.

## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Oversight of Highway Contract Routes – Insurance</i>	Determine whether Postal Service COs are properly managing HCR contracts – specifically liability insurance requirements – in accordance with policies and procedures.	SM-AR-19-002	3/22/2019	\$600
<i>Controls Over Time and Materials and Labor Hour Contracts</i>	Determine if Postal Service COs are administering T&M and Labor Hour Contracts in accordance with SP&P.	SM-AR-18-002	3/26/2018	\$100

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Oversight of Contract Extensions</i>	Determine whether Postal Service COs are properly extending contracts.	SM-AR-18-001	3/20/2018	\$4.5
<i>Oversight of Contracting Officer Authority</i>	Determine whether Postal Service controls are effective in preventing COs from improperly exceeding their delegated contracting authority.	SM-AR-17-008	9/6/2017	\$20
<i>Contracting Officers' Workloads</i>	Assess the Postal Service's oversight of COs' workloads and determine whether it is consistent with that of other federal agencies.	SM-AR-16-006	2/18/2016	None

# Appendix B: Management's Comments

MARK A. GUILFOIL  
VICE PRESIDENT, SUPPLY MANAGEMENT



October 31, 2019

LAZERICK POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Supply Management's Control Environment Over Contracting  
Officers (Report Number SM-AR-20-DRAFT)

Thank you for providing the United States Postal Service with an opportunity to review and comment on the recommendations contained in the draft audit report entitled, "Supply Management's Control Environment Over Contracting Officers" dated October 16, 2019. Management agrees with the findings and recommendations.

Strengthening Supply Management's (SM) workforce and providing for employee development is a core pillar of SM's 2019-2021 3-Year Strategic Plan. Within the plan, a Strategic Initiative Program is to Enhance Employee Development. As concerns Finding #1: Staff Competencies, during the performance of the audit, management shared several SM initiatives with the OIG which were not included within the draft report which bear on the competencies and professional development of the SM organization. Two of these actions are noted here to provide additional background on SM's emphasis in employee development.

First in FY 17 and again in FY 19, SM deployed and obtained organizational results via individual employee assessments utilizing the Institute for Supply Management's (ISM) Mastery Model Competency Assessment tool. Employees were provided the opportunity to obtain their own confidential assessments against 16 core SM competencies and more than 70 sub-competencies. Employees then used their results in developing individual development plans (IDPs) with their supervisors for targeted professional development.

Additionally, the Supply Management Infrastructure (SMI) group within SM used the Mastery Model aggregated benchmark results in developing new training curriculum. Three new courses of "Financial Analysis for Supplier Capability", "Quality Management", and "Supply Chain Analytics" were developed and added to seven existing instructor lead training classes offered to the organization. Contracting Officers attend these classes together with other professional development activities in satisfying the 21 hours of continuing purchasing related training required under the Supplying Principles and Practices (SPs and Ps) and discussed within the report.

There were no monetary or other impact noted in the report.

OIG Recommendations:

We recommend the vice president, Supply Management:

475 L'ENFANT PLAZA SW  
WASHINGTON, DC 20260-6200  
202-268-4040  
FAX: 202-268-2755  
www.usps.com

**Recommendation #1:** Implement a formal portfolio review process to ensure that contracting officers obtain the required annual 21 hours of current purchasing-related training, including validation of training content and supporting documentation of attendance/completion.

**Management Response to Recommendation #1:** Management agrees with this recommendation. We will implement a portfolio review process to ensure all contracting officers have received the required 21 hours of training, including validation of training content and supporting documentation of attendance/completion.

**Target Implementation Date:** September 2020

**Responsible Official:** Manager, Supply Management Infrastructure

**Recommendation #2:** Designate a central system for Supply Management to record, track, and manage contracting officers' training activities.

**Management Response to Recommendation #2:** Management agrees with this recommendation. We will designate a central system for Supply Management to record, track, and manage contracting officers' training activities.

**Target Implementation Date:** September 2020

**Responsible Official:** Manager, Supply Management Infrastructure and Manager, Supply Chain Management Strategies

**Recommendation #3:** Establish a standard 12-month training reporting period for all contracting officers and update policy accordingly.

**Management Response to Recommendation #3:** Management agrees with this recommendation. A date certain 12-month training reporting period will be established for all contracting officers. This required date will be officially issued in an SM Communication.

**Target Implementation Date:** December 2019

**Responsible Official:** Manager, Supply Management Infrastructure

**Recommendation #4:** Provide organizational training on review and approval processes for contract actions prior to contract execution as required.

**Management Response to Recommendation #4:** Management agrees with this recommendation and will reiterate SPs and Ps policy on the review and approval processes within policy knowledge sharing sessions.

**Target Implementation Date:** December 2019

**Responsible Official:** Manager, Supply Management Infrastructure

**Recommendation #5:** Assess the feasibility of establishing commodity specific metrics or tools to provide for a consistent workload management process, to include a cost-benefit analysis.

**Management Response to Recommendation #5:** Management agrees with this recommendation. We will assess the feasibility of establishing commodity specific metrics or tools to provide for a consistent workload management process, to include a cost-benefit analysis.

**Target Implementation Date:** December 2020

**Responsible Official:** Manager, Supply Chain Management Strategies

A handwritten signature in black ink, appearing to read "Park A. Chung". The signature is written in a cursive style with a large initial "P".



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