



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Contracting Officers' Workloads

Audit Report

Report Number
SM-AR-16-006

February 18, 2016

OUT

IN





OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

Supply Management has 145 contracting officers (CO) with authority to make purchases at various dollar thresholds. Most COs oversee contracts in the Contract Authoring and Management System (CAMS); however, COs who work for the Facilities and Transportation portfolios use other systems to manage contracts.

Background

The U.S. Postal Service's Supply Management group is composed of five purchasing portfolios: Commercial Products & Services, Facilities, Mail & Operational Equipment, Technology Infrastructure, and Transportation. Within each portfolio, category management centers focus on purchasing specific types of goods and services that address the operating needs of the Postal Service.

Supply Management has 145 contracting officers (CO) with authority to make purchases at various dollar thresholds. Most COs oversee contracts in the Contract Authoring and Management System (CAMS); however, COs who work for the Facilities and Transportation portfolios use other systems to manage contracts. As of January 20, 2016, CAMS reported 13,934 contracting actions valued at about \$33.5 billion.

The U.S. Postal Service Office of Inspector General (OIG) developed predictive analytics to identify contract risks. As part of this effort, we established indicators — or tripwires — to identify potential problem areas, such as COs who managed a high volume of contracts during fiscal year 2015.

Our objectives were to assess the Postal Service's oversight of COs' workloads and determine whether it is consistent with other federal agencies.

What The OIG Found

Supply Management's method of distributing workload is consistent with other federal agencies; however, opportunities exist for the Postal Service to improve visibility and tracking of COs' workloads and resources across the five Supply Management portfolios simultaneously.

We surveyed 126 COs actively managing contracts to determine the ratio of contracts assigned to the COs and assessed their ability to manage their workloads. We received responses from 93 COs (74 percent) and found that, while the number of contracts per CO was not always the same, this was not the sole indicator of whether management effectively distributed the workload.

Supply Management also considered factors such as the type and complexity of the contract, the CO's level of experience, and whether a contracting officer representative was assigned to assist with contract administration. Further, Supply Management uses purchasing specialists to support its COs.

Managers tracked the contracts assigned to individual COs; however, Supply Management did not have a standardized report or dashboard tool to effectively plan resources. Managers used workload reports, scorecards, requisition logs, Excel spreadsheets, and other solutions to monitor and manage



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workload distribution and resources. These tools require managers to pull data from various sources, which is time-consuming and may result in delayed or inaccurate information.

We benchmarked against four federal government agencies to determine how they track and manage COs' workloads. We found they generally use tools similar to the Postal Service's; however, the U.S. Department of Veterans Affairs uses a contract management system that provides a snapshot of COs' workloads across the enterprise. The Postal Service should assess whether the capabilities of the Department of Veterans Affairs system could benefit the Postal Service.

We also identified 1,890 contracts in CAMS assigned to former Supply Management COs. Although Supply Management has a contract file transfer process, it was not followed. Managers stated these contract modifications are time-consuming and low priority because outdated CO assignment information is low risk.

Contracting policy requires COs to manage contracts and ensure that any changes are fully documented in the contract file. Further, COs are responsible for overseeing and engaging

the supplier community to build and maintain mutually beneficial business relationships. It is important that the Postal Service timely notify suppliers when a new CO is assigned to their contract since miscommunication could lead to inefficiencies and negatively impact the Postal Service's brand.

As a result of this audit, the Postal Service began corrective actions to update some contract files with current CO information. As of January 20, 2016, only six of the 1,890 contract files remained to be updated.

What The OIG Recommended

We recommended management assess the capabilities of internal and external contract management systems to determine whether more efficient processes or reports can be developed to monitor workload. We also recommended management update CAMS with current CO information for the six remaining contracts. Finally, we recommended management develop an oversight process to verify that suppliers are notified of contract changes in a timely manner and contract files in CAMS are updated.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

February 18, 2016

MEMORANDUM FOR: SUSAN M. BROWNELL
VICE PRESIDENT, SUPPLY MANAGEMENT

E-Signed by Keshia L. Trafton
VERIFY authenticity with eSign Desktop

FROM: *for*
John E. Cihota
Deputy Assistant Inspector General
for Finance and Supply Management

SUBJECT: Audit Report – Contracting Officers’ Workloads
(Report Number SM-AR-16-006)

This report presents the results of our audit of U.S. Postal Service Contracting Officers’ Workloads (Project Number 15BG019SM000).

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

Attachment

cc: Corporate Audit and Response Management

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Findings

In FY 2016, CAMS reported that Postal Service Supply Management COs managed about 13,934 contracting actions valued at about \$33.5 billion.

Introduction

This report presents the results of our self-initiated audit of contracting officers' (CO) workloads (Project Number 15BG019SM000). The U.S. Postal Service Office of Inspector General (OIG) developed predictive analytics to identify contract risks. As part of this effort, we established indicators — or tripwires¹ — to identify potential problem areas including CO workload. The OIG Contract Authoring and Management System (CAMS)² *Tripwire Variance Distribution Report* identified COs who managed a high volume of contracts during fiscal year (FY) 2015. Our objectives were to assess U.S. Postal Service oversight of COs' workloads and determine whether it is consistent with other federal agencies. See [Appendix A](#) for additional information about this audit.

The Postal Service's Supply Management group is composed of five purchasing portfolios that address the operating needs of the Postal Service: Commercial Products & Services, Facilities, Mail & Operational Equipment, Technology Infrastructure, and Transportation. Within each portfolio, category management centers (CMC) focus on purchasing specific commodities (goods and services) that allow the Postal Service to function. There are 13 CMC teams composed of buyers, market analysts, price analysts, and item managers with expertise specific to each commodity. In addition to the portfolios and CMCs, Supply Management has staff responsible for asset management, infrastructure, and strategies.

Supply Management has 145 COs authorized to make purchases at four different warrant levels:

- Level I has contracting authority up to \$250,000.
- Level II has contracting authority up to \$1 million.
- Level III has authority up to \$10 million.
- Level IV has unlimited contracting authority.

Most COs oversee contracts in CAMS; however, COs working for the Facilities and Transportation portfolios use the electronic Facilities Management System (eFMS)³ and Transportation Contracting Support System (TCSS),⁴ respectively.

In FY 2016, CAMS reported that Postal Service Supply Management COs managed about 13,934 contracting actions valued at about \$33.5 billion.

Summary

Supply Management's method of distributing workload is consistent with other federal agencies; however, opportunities exist for the Postal Service to improve visibility and tracking of COs' workloads and resources across the five Supply Management portfolios simultaneously.

¹ A report or notification triggered when one or more metrics on data exceed a predetermined value.

² A commercial-off-the-shelf (COTS) system that supports the purchase of supplies, services, equipment, and mail transportation (excluding surface transportation). It is the Postal Service's primary contracting system that maintains contract files.

³ A custom-built Postal Service system used to manage work orders, contracts, and payments for facility construction, repairs and alteration contracts, and real estate contracts.

⁴ A custom-built Postal Service system used to manage highway transportation requirements contracts and payment processes. It supports the award of new contracts, modification of contracts, and renewal of contracts.

This report has not yet been reviewed for release under FOIA or the Privacy Act. Distribution should be limited to those within the Postal Service with a need to know.

Supply Management also considered factors such as the type and complexity of the contract, the CO's level of experience, and whether a contracting officer representative (COR) was assigned to assist with contract administration. Further, Supply Management uses purchasing specialists to support its COs.

We surveyed 126 COs actively managing contracts to determine the ratio of contracts assigned to the COs and assessed their ability to manage their workloads. We received responses from 93 COs (74 percent) and found that, while the number of contracts per CO was not always the same, this was not the sole indicator of whether management effectively distributed the workload.

Supply Management also considered factors such as the type and complexity of the contract, the CO's level of experience, and whether a contracting officer representative (COR) was assigned to assist with contract administration. Further, Supply Management uses purchasing specialists to support its COs.

Managers tracked the contracts assigned to individual COs; however, Supply Management did not have a standardized report or dashboard tool to effectively plan resources. Managers used workload reports, scorecards, requisition logs, Excel spreadsheets, and other solutions to monitor and manage workload distribution and resources. But, these tools require managers to pull data from various sources, which is time-consuming and may result in delayed or inaccurate information.

We benchmarked against four federal government agencies to determine how they track and manage COs' workloads. We found they generally use tools similar to the Postal Service's; however, the U.S. Department of Veterans Affairs (VA) uses a contract management system that provides a snapshot of COs' workloads across the enterprise. The Postal Service should assess whether the capabilities of the VA's system could benefit the Postal Service.

We also identified 1,890 contracts in CAMS assigned to former Supply Management COs. Although Supply Management has a contract file transfer process, it was not followed. Managers stated these contract modifications are time-consuming and low priority because outdated CO assignment information is low risk.

Contracting policy requires COs to manage contracts and ensure that any changes are fully documented in the contract file.⁵ Further, COs are responsible for overseeing and engaging the supplier community to build and maintain mutually beneficial business relationships. It is important that the Postal Service notify suppliers when a new CO is assigned to their contract since miscommunication with suppliers could lead to inefficiencies and negatively impact the Postal Service's brand.

As a result of this audit, the Postal Service began corrective actions to update some contract files with current CO information. As of January 20, 2016, only six of the 1,890 contract files remained to be updated.

Contracting Officers' Workload Analysis

We surveyed 126 COs that actively manage contracts⁶ to determine the ratio of contracts assigned to the COs and their ability to manage the contracts. We received responses from 93 COs (74 percent) and found the number of contracts per CO was not always the same. Of the 93 COs who responded to the survey:

- Fifty-seven (61 percent) managed up to 100 contracts.
- Twenty-six (28 percent) managed between 101 and 500 contracts.
- Two (2 percent) managed between 500 and 1,000 contracts.
- Seven (8 percent) managed between 1,001 and 4,000 contracts.⁷

⁵ Supplying Principles & Practices (SP&P) Process Step 3, Select Suppliers, Section 6.1, Contract Maintenance, dated August 7, 2015.

⁶ We did not survey portfolio and CMC managers who did not actively manage contracts.

⁷ One CO did not provide a response to the numbers of contracts they managed.

We concluded the number of contracts assigned to a CO was not the sole indicator of whether management effectively distributed the workload. Supply Management considers a variety of factors in assessing COs' workloads, which is consistent with the four agencies we benchmarked

Currently, workload data is segmented into the reporting portfolio, which means information is centralized in a specific portfolio and not disseminated across Supply Management.

We concluded the number of contracts assigned to a CO was not the sole indicator of whether management effectively distributed the workload. Supply Management considers a variety of factors in assessing COs' workloads, which is consistent with the four agencies we benchmarked. The factors included complexity of the contract, type of contract, the CO's level of experience, and whether a COR was assigned to assist with contract administration. Of the 93 COs who responded to the survey:

- Fifty-six (60 percent) had more than 5 years of experience.
- Seventy-six (82 percent) had CORs to assist with contract administration.
- Seventy (75 percent) managed firm-fixed price contracts.

These factors are important because experienced COs are able to manage more contracts, especially when they have CORs helping them. In addition, firm-fixed price contracts are the least burdensome for COs to administer because they do not require as much oversight as other contracts. Further, Supply Management also uses purchasing specialists to support its COs.

Workload Management Tools

Supply Management used several workload management tools but did not have a centralized progress report or dashboard tool⁸ to provide visibility of purchasing activities across the five portfolios simultaneously to effectively plan resources. Within each portfolio, CMCs focus on purchasing specific commodities. The CMC managers directly oversee the COs under their purview and are the first to become aware of COs' workload challenges. As workload fluctuates throughout the year, portfolio and CMC managers coordinate to share resources as needed to manage workloads.

Currently, workload data is segmented into the reporting portfolio, which means information is centralized in a specific portfolio and not disseminated across Supply Management. A workload tool would allow management a real-time, high-level view of the entire Supply Management workload and help plan resource allocation. For example, at fiscal year-end, some portfolios may process a higher volume of contracts and need additional resources until the workload becomes manageable. The workload tool could identify resources in other areas that could be redistributed. In addition, this tool could help management determine whether those resources will be needed temporarily or permanently. Such a tool would help the Postal Service enable operational efficiencies among its COs and suppliers.

Currently, nine major contract technology tools directly support Supply Management. The Postal Service fully supports some of the tools and it outsources others. The tools cover the contracting process from acquisition to contract close out;⁹ however, they do not integrate purchase planning into the contract cycle time. Purchase planning includes all activities leading up to the submission of a requisition by an internal business partner (IBP). If Supply Management has visibility when the IBP identifies a business need, it will have the foresight to plan resources before the IBP submits the requisition. Supply Management is conducting a Lean Six Sigma¹⁰ project to develop guidelines and metrics that will improve the procurement process. The goal of the project is to obtain more visibility into purchase planning activities to improve cycle time and increase customer satisfaction among IBPs and suppliers.

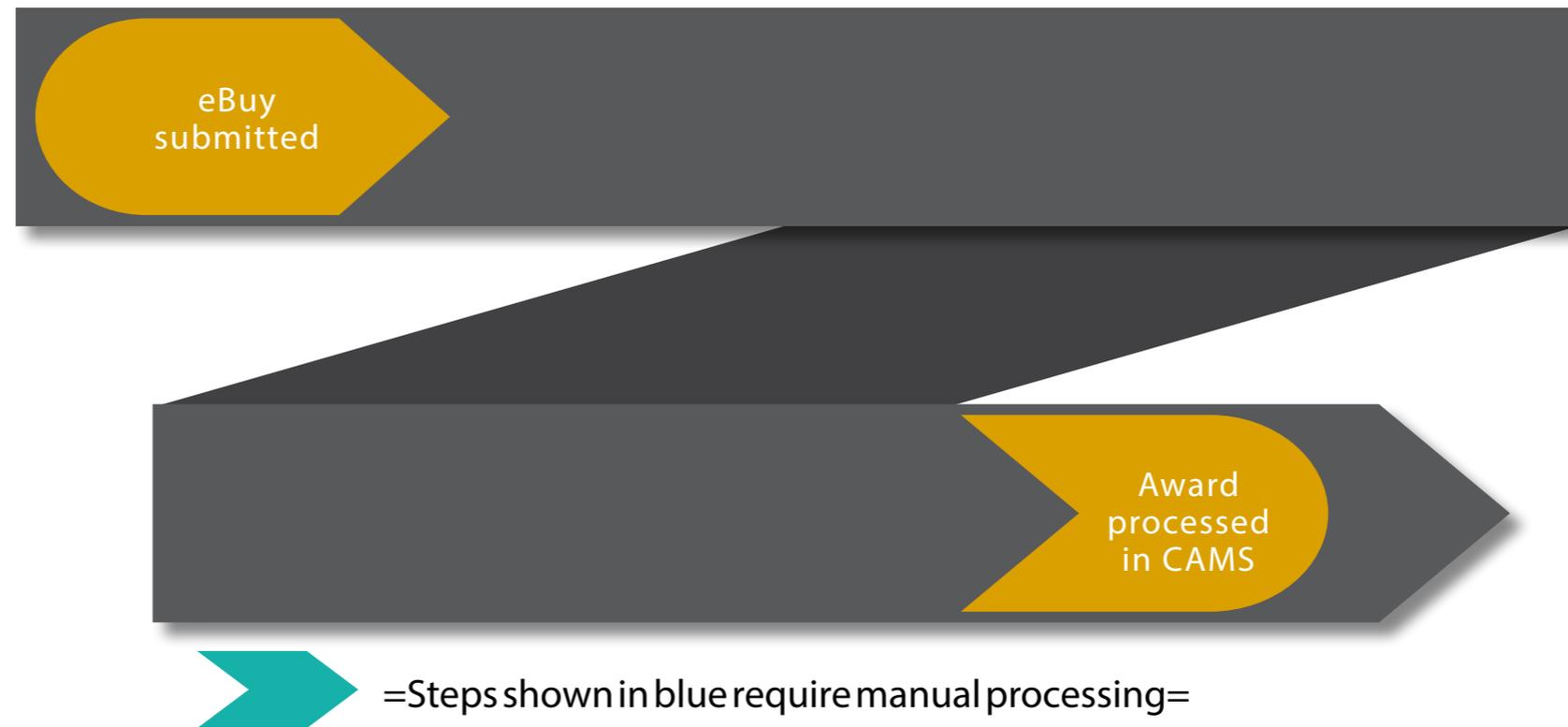
⁸ An easy to read, graphic presentation of the current status (snapshot) and historical trends of an organization's key performance indicators to enable informed decisions at a glance.

⁹ See [Appendix A](#) for the details of the nine systems.

¹⁰ A management approach to improve productivity and profitability by eliminating waste and improving the quality of services by eliminating variability.

Figure 1 illustrates the current contract award process. It depicts how much the process relies on manual data entry by COs and Supply Management support staff. An integrated tool would reduce the amount of manual entry required by managers, COs, and support staff, allowing more time to focus on contracting activities.

Figure 1. Supply Management Contract Award Process



Source: OIG analysis.

Supply Management assessed its technology in consultation with AT Kearney.¹¹ AT Kearney identified Serena Business Manager (SBM), formerly known as Team Track, as the only tool that addresses workflow management during the planning process. SBM is used exclusively by the Technology Infrastructure portfolio and is not one of the nine major contract technology tools. Technology Infrastructure managers use SBM to collaborate with their internal business clients to track requests for incoming purchases.

SBM is able to report when a purchase request is created and to whom it is assigned. It also provides a view of where the request is in the purchasing process. However, SBM has limitations. It does not integrate with CAMS to exchange data as requisitions move through the approval process. It also requires dedicated support staff to manually input the requisitions into SBM. Once a requisition is entered, SBM is able to track the purchase from initial request to final award. Supply Management should assess whether this and other tools can be expanded to the other portfolios. Expanding a tool the Postal Service already uses may be more cost effective than procuring one.

¹¹ A global management consulting firm with offices in 40 countries focusing on strategic and operational issues facing businesses, governments, and institutions around the globe.

Some managers use workload reports, requisition logs, Excel spreadsheets, and other technology to monitor and manage resources.

We benchmarked against four federal government agencies — National Aeronautics and Space Administration; Federal Aviation Administration; General Services Administration; and the VA — to determine how they track and manage COs' workloads.

Managers also receive monthly portfolio scorecards from the Supply Management Analysis and Research team¹² to track and manage workload. The portfolio and CMC managers use the scorecards to gauge COs' workloads and decide how to assign contracts. However, the scorecard data does not allow managers to plan ahead since it only captures contract actions after purchases are made.

Further, some managers use workload reports, requisition logs, Excel spreadsheets, and other technology to monitor and manage resources. However, these tools require managers to pull data from various sources, which is time-consuming and may result in delayed or inaccurate information.

A prior OIG audit determined the Supply Management group mines large volumes of data from various sources and manually inputs it into Excel spreadsheets to build data management reports and performance metrics,¹³ which can result in delays and errors. The audit determined the vice president, Supply Management, could improve the quality of the data used to manage business activities and mitigate risk by automating or developing data management reports and dashboards. Management agreed to develop a plan to automate the dashboard to the extent possible by March 31, 2016. Supply Management also included in its *Three-Year Strategic Plan 2013-2015*, a plan to develop an automated, on-demand dashboard to report key supply management performance metrics and workload analyses. We are currently into FY 2016 and management is still working toward meeting this goal.

A standardized workload management tool that provides simultaneous reporting across Supply Management would improve portfolio and CMC managers' collaboration with other managers to allocate resources as needed. However, to be effective, the tool should also include incoming purchase requests, purchase type, purchase assignment, and number of days in progress. In addition, it should save historical data and allow managers to forecast and plan based on the complexity of the purchase request.

Benchmarking

We benchmarked against four federal government agencies — National Aeronautics and Space Administration; Federal Aviation Administration; General Services Administration; and the VA — to determine how they track and manage COs' workloads. We also determined whether these agencies had technology solutions or best practices the Postal Service could use to improve its oversight of COs' workloads.

Of the four agencies benchmarked, only the VA uses a contract management system that provides a snapshot of COs' workloads across the enterprise. The VA uses the Electronic Contract Management System (ECMS), a web-based intranet site supporting the contracting community in collaboration, knowledge management, information sharing, communication, training, and user support.

The tool supports purchasing managers, COs, CORs, support staff, and suppliers. It provides:

- Support for contract management from solicitation to closeout.
- Paperless solicitations, proposals, bid evaluation and awarding, and contract writing and management.

¹² Each portfolio includes an analysis and research team that provides commodity-related and administrative support to the portfolio and its CMCs.

¹³ *Utilization of Data by the Chief Financial Officer and Executive Vice President* (Report Number [FT-AR-15-004](#), dated March 12, 2015).

The Postal Service plans to enhance, standardize, consolidate, and integrate Supply Management technology solutions to improve ease of use, eliminate manual work, and create efficiencies to reduce costs.

The Postal Service plans to enhance, standardize, consolidate, and integrate Supply Management technology solutions to improve ease of use, eliminate manual work, and create efficiencies to reduce costs. To improve data visibility, integrity, and management reporting, Supply Management should evaluate the capabilities of the ECMS, assess whether CAMS has similar capabilities, and update CAMS to use those capabilities if doing so advances Supply Management's goals.

Data Integrity

As of August 31, 2015, CAMS reported 1,890 contracts assigned to former Supply Management COs. COs who separated from Supply Management failed to follow its contract file transfer process and did not reassign their contracts in CAMS. Managers stated these modifications are time-consuming and low priority because outdated CO assignment information is low risk. However, incomplete or inaccurate information will negatively affect the integrity of CAMS data and other contracting tools that integrate with CAMS or rely on CAMS data. In addition, contract modifications provide suppliers with official notification of contract changes.

The SP&P requires COs to perform contract maintenance and fully document any changes to the contract in the contract file.¹⁴ COs use unilateral modifications to make administrative changes, such as contract assignments,¹⁵ and they must manually enter a modification for each contracting action in CAMS.

Also, COs are responsible for overseeing contracts and engaging the supplier community to build and maintain mutually beneficial business relationships for the Postal Service. Therefore, it is important they officially notify suppliers as soon as the CO assigned to their contract changes. Miscommunication with suppliers could delay deliverables and negatively impact the Postal Service's mission. Further, Supply Management must ensure CAMS data is accurate before implementing any new workload management tool.

As a result of this audit, the Postal Service began corrective actions to update the contract files in CAMS and executed modifications notifying suppliers of new COs. As of January 20, 2016, only six contract files remained to be updated.

¹⁴ SP&P Process Step 3, Select Suppliers, Section 6.1, Contract Maintenance.

¹⁵ A single repository for managing all the Postal Service's data assets for reporting and analysis.

Recommendations

We recommend the vice president, Supply Management:

1. Assess the capabilities of internal and external contract management systems to determine whether more efficient processes or reports can be developed to monitor workload distribution across Supply Management. The system should save historical data and incorporate standardized reporting of items such as incoming purchase request, purchase method, purchase assignment, and cycle time.
2. Update the Contract Authoring and Management System with the current contracting officer information and ensure that the “contracting officer” field displays the correct information for the remaining six contracts.
3. Develop an oversight process to verify that contracting officer information is updated timely in the Contract Authoring and Management System.

Management’s Comments

Management generally agreed with the findings and all recommendations.

Regarding recommendation 1, management stated they will assess the ECMS and SBM tools described in the report to see if they provide a more efficient process or reporting capability. They will also further evaluate current system capabilities of existing contract technology tools. The target implementation date is September 30, 2016.

Regarding recommendation 2, management stated of the six contracts: three were modified to display correct CO information; two have modifications pending for closeout, and the remaining contract has an expired period of performance and is being reviewed for closeout. The target implementation date is April 30, 2016.

Regarding recommendation 3, management stated they implemented an “Invalid CO” report in February 2016 to capture CO personnel change activity and their assigned workload. Supply Chain Management Strategies will distribute the report monthly to portfolio and CMC managers so they can reassign contracts to active COs, as necessary. The report also provides an update on the contract reassignment progress achieved each month.

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 in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These 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

Background

The Postal Service's Supply Management group is composed of five purchasing portfolios that address the operating needs of the Postal Service: Commercial Products & Services, Facilities, Mail & Operational Equipment, Technology Infrastructure, and Transportation. Within each portfolio, CMCs focus on purchasing specific commodities (goods and services) that allow the Postal Service to function. There are 13 CMC teams composed of buyers, market analysts, price analysts, and item managers with expertise specific to each commodity. In addition to the portfolios and CMCs, Supply Management has staff responsible for asset management, infrastructure, and strategies.

Supply Management has 145 COs with authority to make purchases at various dollar thresholds. Most COs oversee contracts in the CAMS; however, COs working for the Facilities Portfolio use the eFMS and COs working for the Transportation Portfolio use the TCSS. As of January 20, 2016, CAMS reported 13,934 contracting actions valued at about \$33.5 billion. See Table 1.

The OIG developed predictive analytics to identify risks associated with contracts. As part of this effort, we established indicators — or tripwires — to identify potential problem areas including CO workload. The OIG CAMS *Tripwire Variance Distribution Report* identified COs who managed a high volume of contracts during FY 2015.

See Table 1 for the number of Supply Management COs by portfolio and warrant level. The table also includes the number of contracts managed by each portfolio and total committed value.

Table 1. Supply Management Contracting Data by Portfolio

Portfolios	Level I	Level II	Level III	Level IV	Contracting Officers	Contracting Actions	Committed Value
Commercial Products & Services	12	6	9	1	28	6,407	\$4,062,298,131
Facilities	8	10	14	1	33	3,224	548,726,938
Mail & Operational Equipment	4	9	17	1	31	2,434	4,008,547,716
Technology Infrastructure	7	6	9	1	23	1,590	5,376,336,775
Transportation	11	4	14	1	30	279	19,549,373,985
Total	42	35	63	5	145	13,934	\$33,545,283,545

Source: CAMS contract data provided by Supply Management Infrastructure as of January 20, 2016.

Supply Management employs various systems to support contracting activities across the Postal Service.

Supply Management employs various systems to support contracting activities across the Postal Service. The following is the list of nine major solutions supported by the Technology and Data Integrity groups in Supply Chain Management Strategies:

- CAMS is a web-based COTS application that facilitates the solicitation, award, and administration of supplies, services, and transportation contracts.
- TCSS/Service Change Request is an Oracle web-based application that allows contracting offices to solicit, award, and administer transportation contracts.
- eFMS is the official Postal Service record for real property inventory and the management system for administering all property-related projects, including acquisition, design, construction, disposal, repairs, health and safety mitigation, and property inspections.
- eFleet & eFuel (Fuel Asset Management System) is a web-based system that serves as an analysis tool for Supply Management personnel that enables the Postal Service to maximize fuel and repair cost savings opportunities.
- The Supply Chain Relationship Management System ensures supplier relationships are documented/maintained automatically and helps the Postal Service report to Congress.
- eBuy2 is the Postal Service's enterprise-wide internal requisitioning system and customer ordering system for items in online catalogs that were contractually awarded.
- eSourcing standardizes, automates, and streamlines the process for sourcing supplies, services, equipment, transportation, and facilities.
- The Dashboard (Supply Management Scorecard)/Management Reporting tool gathers data from multiple sources; however, it does not have robust analytical capabilities specific to procurement performance.
- The Supply Chain Management Data Warehouse provides Supply Management reports for purchasing/systems as they are integrated into the Enterprise Data Warehouse.¹⁶

Objectives, Scope, and Methodology

Our objectives were to assess the Postal Service's oversight of COs' workloads and determine whether it is consistent with other federal agencies.

To accomplish our objectives, we:

- Surveyed 126 active Supply Management COs. We received 93 responses (74 percent) and assessed them to determine how many contracts each CO currently manages.
- Determined how the Postal Service assigns contracts to its COs.

¹⁶ A single repository for managing all of the Postal Service's data assets for reporting and analysis.

- Determined how the Postal Service awards warrant levels to COs (i.e. experience, training requirements, etc.).
 - Determined whether COs who separated or retired from the Postal Service still have active warrants.
 - Determined whether current COs have active warrants.
- Determined whether the Postal Service actively tracks COs' workloads.
- Reviewed applicable contracting policies, procedures, and guidance for contract file maintenance.
- Benchmarked against four government agencies to determine how they track and manage COs' workloads.

We conducted this performance audit from September 2015 through February 2016, 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on January 15, 2016 and included their comments where appropriate.

We assessed the reliability of data generated from CAMS. Specifically, we compared the active COs list maintained by portfolio managers to the information reported in CAMS. We determined the CAMS data was not reliable, but the data maintained by the portfolio managers was sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG's Finance directorate conducted the *Utilization of Data by the Chief Financial Officer and Executive Vice President* audit (Report Number [FT-AR-15-004](#), dated March 12, 2015) to determine whether the CFO effectively used internal and external business data to manage business activities and mitigate risks.

The audit determined the CFO's vice presidents could improve the data used to manage business activities and mitigate risk by automating or developing their data management reports and dashboards. We recommended management add predictive and relational metrics and identify the critical metrics to reduce the number of foundational metrics currently used in the dashboards and continue ongoing efforts to automate and develop automated reports and dashboards. Management generally agreed with our findings and recommendations and stated they would reassess current Supply Management metrics based on a recently completed external assessment and incorporate additional metrics, as appropriate.

Appendix B: Management's Comments

SUSAN M. BROWNELL
VICE PRESIDENT, SUPPLY MANAGEMENT



February 8, 2016

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Draft Report – Contracting Officers' Workload
(Report Number SM-AR-16-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on this report. Management generally agrees with the findings and recommendations. Action plans for the three recommendations are provided below.

OIG Recommendations

We recommend the vice president, Supply Management:

Recommendation 1: Assess the capabilities of internal and external contract management systems to determine whether more efficient processes or reports can be developed to monitor workload distribution across Supply Management. The system should save historical data and incorporate standardized reporting of items such as incoming purchase request, purchase method, purchase assignment, and cycle time.

Management Response/Action Plan: Management agrees with this recommendation and will assess the Electronic Contract Management System and Serena Business Manager tools described in the report to see if they provide a more efficient process or reporting capability and further evaluate current system capabilities of existing contract technology tools.

Target Implementation Date: September 2016

Responsible Official: Manager, Supply Chain Management Strategies

Recommendation 2: Update the Contract Authoring and Management System with the current contracting officer information and ensure that the "contracting officer" field displays the correct information for the remaining six contracts.

Management Response/Action Plan: Management agrees with this recommendation. Three of the six contracts have already been modified to update the contracting officer. Two contracts have modifications pending for closeout, and the remaining contract has an expired period of performance and is being reviewed for closeout.

Target Implementation Date: April 2016

Responsible Official: Manager, Professional & Technical Services Category Management Center (CMC)

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Recommendation 3: Develop an oversight process to verify that contracting officer information is updated timely in the Contract Authoring and Management System.

Management Response/Action Plan: Management agrees with this recommendation and has already implemented the "Invalid CO Report." This report captures contracting officer personnel change activity and their assigned workload. Supply Chain Management Strategies sends the report to the Portfolio Managers and CMC Managers prompting the reassignment of contracts to active contracting officers as necessary. The report also provides an update on the progress achieved each month. This report will be generated and distributed monthly.

Target Implementation Date: Implemented

Responsible Official: Manager, Supply Chain Management Strategies

Ausan M. Brownell

cc: Manager, Corporate Audit Response Management



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