

Postal Vehicle Service Operations

AUDIT REPORT

Report Number 24-093-R25 | March 27, 2025



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Highlights

Background

The Postal Vehicle Service (PVS) moves large mail volumes between U.S. Postal Service sites, intra-city delivery offices, local firms, and mailers. In fiscal year (FY) 2024, PVS incurred operating expenses of \$1.3 billion. On November 30, 2022, the Postal Service and the American Postal Workers Union agreed to initiate a pilot that created a new bargaining unit position, Postal Vehicle Operators (PVO). The Postal Service also uses highway contract route (HCR) suppliers to transport mail between plants and other designated points. However, to facilitate the PVO Pilot Program, the Postal Service insourced several HCR contracts and established PVS operations at pilot sites.

What We Did

Our objective was to evaluate the Postal Service's management of PVS operations. For this audit, we visited four sites and headquarters (HQs), and interviewed management at site, division, region, and HQ levels to gain an understanding of PVS operations, HCR insourcing, and the implementation of the PVO Pilot Program. Also, we analyzed data from various Postal Service systems to identify trends, patterns, and anomalies.

What We Found

Opportunities exist to improve PVS operations. Specifically, for the Pilot Program, management did not always insource HCR contracts when economically advantageous to the Postal Service, and there were opportunities to more effectively execute the PVO Pilot Program rollout. For the PVS program more broadly, management did not always maintain adequate staffing levels to effectively perform PVS operations or maintain adequate driver's personnel records in appropriate Postal Service systems. During FY 2024, the Postal Service incurred \$39.3 million in questioned costs for grievances and unauthorized overtime related to these issues.

Recommendations and Management's Comments

We made 11 recommendations to address PVS operational deficiencies. Postal Service management agreed with two of our recommendations and disagreed with nine. Management's comments and our evaluation are at the end of each finding and recommendation. The U.S. Postal Service Office of Inspector General considers management's comments responsive to recommendations 4 and 11 as corrective actions should resolve the issues identified in the report. We will work with management through the audit resolution process on the remaining nine recommendations. See [Appendix B](#) for management's comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

March 27, 2025

MEMORANDUM FOR: ROBERT CINTRON
VICE PRESIDENT, LOGISTICS

JOSEPH BRUCE
VICE PRESIDENT, HUMAN RESOURCES

A handwritten signature in black ink, reading "Lazerick C. Poland", is positioned above the "FROM:" field.

FROM: Lazerick Poland
Acting Deputy Assistant Inspector General
for Finance, Pricing & Human Capital

SUBJECT: Audit Report – Postal Vehicle Service Operations
(Report Number 24-093-R25)

This report presents the results of our audit to evaluate the U. S. Postal Service's management of Postal Vehicle Service operations.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All 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.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Carla Tate, Acting Director, Human Capital Management, 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’s management of Postal Vehicle Service (PVS) operations (Project Number 24-093). Our objective was to evaluate the Postal Service’s management of PVS operations. See [Appendix A](#) for additional information about this audit.

Background

PVS is responsible for transportation of large mail volumes across various locations, including postal facilities, intra-city delivery offices, and local businesses. Operating with a budget of \$1.3 billion in fiscal year (FY) 2024, PVS operations used a fleet of postal vehicles to include cargo vans, trucks, and tractor trailers.

“Operating with a budget of \$1.3 billion in FY 2024, PVS operations used a fleet of postal vehicles to include cargo vans, trucks, and tractor trailers.”

Postal Vehicle Service Drivers

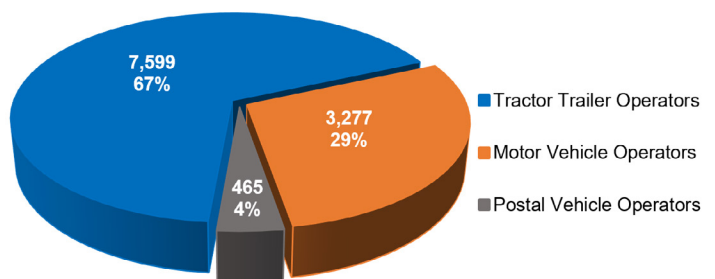
PVS drivers are bargaining unit Postal Service employees and consist of three types of vehicle drivers: (1) tractor trailer operators (TTO), (2) motor vehicle operators (MVO), and (3) postal vehicle operators (PVO), which totaled 11,341 employees as of October 2024. Based on their position, drivers operate different classes of vehicles, and therefore, must maintain different types of driver’s licenses. Specifically:

- TTOs must have a commercial driver’s license (CDL) since they drive vehicles that weigh more

than 26,000 pounds and have a trailer. In total, there were 7,599 TTOs nationwide.

- MVOs must also have a CDL since they drive vehicles that weigh more than 26,000 pounds but do not have a trailer. In total, there were 3,277 MVOs nationwide.
- PVOs must, at a minimum, maintain a standard noncommercial driver’s license since they drive vehicles that weigh less than 26,000 pounds and do not have a trailer. Also, these drivers are expected to sort mail in preparation for their trips. In total, there were 465 PVOs at pilot sites (see [Figure 1](#)).

Figure 1. Types of PVS Drivers as of October 2024



Source: Web Complement Information System (WebCOINS).

Postal Vehicle Operators Pilot Program

On November 30, 2022, the Postal Service and the American Postal Workers Union (APWU) signed a Memorandum of Understanding (MOU) to initiate a pilot at the Oklahoma City Processing and Distribution Center (P&DC), which created the PVO as a new career bargaining unit position. The pilot was scheduled to run for six months after it was fully implemented, unless the Postal Service and APWU mutually agreed to extend it. Prior to March 2024,¹ the Postal Service signed four additional MOUs resulting in a total of five that expanded the PVO Pilot Program to 11 sites (see [Table 1](#)). Although the Postal Service and the APWU have not formally agreed to extend the pilots, they will continue to operate as pilots until the

¹ Two additional MOUs were signed on June 24, 2024, which created a pilot in Bakersfield, California, and in Little Rock, Arkansas. On September 27, 2024, another MOU was signed that created a pilot in Greensboro, North Carolina. These MOUs were not signed when the audit team selected sites. Therefore, the corresponding sites were not audited.

PVO position is negotiated and incorporated into the national agreement.²

Table 1. Memorandums of Understanding Dates and Pilot Sites

MOU Date	Pilot Sites
11/30/2022	Oklahoma City, OK P&DC
06/16/2023	Athens, GA Sorting and Delivery Center
06/16/2023	Richmond, VA, Sorting and Delivery Center
	Charlottesville, VA*
	Hampton, VA*
02/14/2024	Columbus, OH P&DC
	Athens, OH**
	Chillicothe, OH**
	Lima, OH**
	Zanesville, OH**
02/14/2024	Santa Clarita, CA P&DC

Source: MOUs between the Postal Service and the APWU.

*Richmond, Virginia Transfer Hub.

**Columbus, Ohio Transfer Hub.

Insourcing

Highway Contract Routes (HCR) represent the largest single group of transportation services used by the Postal Service, which involves contracted drivers transporting mail on reoccurring, predetermined routes between plants and other designated stops. The Postal Service’s *Delivering for America (DFA) 2.0, Fulfilling the Promise*, promotes initiatives to insource transportation activities to ensure labor stability in local transportation and improve management of emergent service requirements. In support of DFA initiatives, as HCR contracts expire, the Postal Service evaluates the feasibility of insourcing these routes using PVS drivers.

The national agreement between the Postal Service and the APWU provides guidance for the insourcing process, which requires an analysis such as a reasonable cost comparison between the costs of renewing HCRs and the costs of PVS employees performing the work. To meet PVO and TTO staffing minimums agreed upon in the MOUs, management must insource HCR contracts at pilot sites and hire its own drivers.

Records Management

Postal Service management uses specialized information systems to manage its logistics and training records. Management uses the Vehicle Information Transportation Analysis and Logistics (VITAL) system to maintain records for logistics operations. This system is a management and scheduling tool for PVS operations³ used to record and maintain data for drivers, facilities, vehicles, and schedules. VITAL users receive a notification, after login, of drivers’ licenses and Department of Transportation (DOT) physicals that are approaching expiration or have expired. Management also uses the Learning Management System (LMS) to identify, complete, record, and track training activities.

Findings Summary

Opportunities exist to improve PVS operations. Management did not always insource HCR contracts to provide the lowest total cost to logistics operations or assess actual savings or efficiencies that resulted from insourcing these contracts. Additionally, management did not effectively execute the PVO Pilot Program rollout to timely hire and train personnel. Further, nationwide, management did not always maintain adequate staffing levels for support positions at logistic sites. Finally, management did not always input or update driver’s personnel records in appropriate Postal Service systems for nationwide logistics sites.

2 The national collective bargaining agreement between the APWU and the Postal Service.

3 Enterprise Information Repository.

Finding #1: Insourcing Highway Contract Routes

Management did not always insource HCR contracts to provide the lowest total cost to logistics operations. Additionally, management did not assess actual cost savings or realized efficiencies after insourcing contracts.

Insourcing Decisions

We analyzed the Postal Service's cost comparison estimates and found management did not always limit insourcing of HCR contracts to those that were economically advantageous

to the Postal Service. While management created general cost comparisons before making insourcing decisions, cost was not a driving factor in the decision-making process. To implement the PVO Pilot Program, management insourced 41 HCR contracts between FY 2022 and FY 2024 and expects to insource more contracts in the future.

According to Postal Service estimates of the 41 HCR contracts, 13 (32 percent) appeared to be economically advantageous, and management estimated it would save \$15.2 million annually if PVS drivers performed the work. However, the remaining 28 (68 percent) were not economically advantageous, and management estimated it would cost an additional \$18.4 million annually to insource the contracts. For example, at the Oklahoma City P&DC, management transported mail via an HCR contract with an annual cost of \$11.5 million. Despite its own unfavorable cost analyses, management chose to replace HCR drivers with PVS drivers when the contract expired at an estimated cost of \$16.1 million, an increase of \$4.6 million (40 percent). Also, at the Columbus, OH, P&DC, management insourced an HCR contract they estimated would cost \$3.6 million to operate; twice as much as the \$1.8 million for the HCR contract.

Cost Savings After Insourcing

After insourcing the 41 HCR contracts, management did not assess the actual savings or efficiencies realized from using PVS drivers. Specifically, management did not provide the audit team with adequate PVS operations performance data to show that expected savings were actually realized. Instead, management provided limited workhours, miles, and trips data for varying periods.

“Our analysis found potential operational inefficiencies that suggest insourcing the HCR contracts cost more than the Postal Service initially estimated in their cost comparison analysis used to support the insourcing decision.”

We used the limited data provided to estimate annual workhour, mile, and trip amounts to test the accuracy of management's cost comparison analysis. We compared historical HCR annual contract amounts to U.S. Postal Service OIG estimated annual PVS operation amounts after insourcing. Our analysis found potential operational inefficiencies that suggest insourcing the HCR contracts cost more than the Postal Service initially estimated in their cost comparison analysis used to support the insourcing decision. For example, the Postal Service insourced one contract that

was estimated to save \$2.54 million. Our analysis shows that after insourcing, annual workhours could increase by 46 percent and miles driven could increase by 14 percent. In a second insourced contract that was determined to be economically unfavorable in the initial cost comparison evaluation, we found that annual workhours could increase by 75 percent, annual miles driven could increase by 254 percent, and weekly trips could increase by 510 trips.

According to the *United States Postal Service Supplying Principles and Practices*, management should base sourcing and material management decisions on best value. Best value is defined as the outcome that provides the optimal combination of

elements, such as lowest total cost of ownership, technology, innovation and efficiency, assurance of supply, and quality relative to the Postal Service's needs.⁴ Additionally, according to an agreement between the Postal Service and the APWU, the two parties recognized the importance of service to the public and cost to the Postal Service in deciding to use HCR or PVS to transport mail. Specifically, the agreement notes the Postal Service will give due consideration to factors such as cost, efficiency, and public interest when determining whether to insource transportation activities.⁵ Furthermore, it is understood that if the service can be performed at a cost equal to or less than contract services, when a fair comparison is made of all reasonable costs, the work will be performed in-house.⁶

These decisions occurred because insourcing HCR contracts supports Postal Service initiatives that aim to ensure labor stability and manage service requirements.⁷ Also, management used insourcing to meet the minimum staffing levels agreed upon in the PVO Pilot Program MOUs. According to management, they insourced HCR contracts at pilot sites regardless of the outcome of the cost comparisons.

The Postal Service is experiencing significant financial challenges, and cost reduction is key to its future sustainability. By disregarding its own cost comparisons for insourcing HCR contracts, the Postal Service will incur at least \$3.2 million additional annual costs at the pilot locations, placing it in conflict with its plans for reasonable and controllable costs and long-term financial viability.

Recommendation #1

We recommend the **Vice President, Logistics**, clarify guidance for making insourcing decisions and develop more detailed cost comparison analysis and maintain records in support of insourcing decisions.

Recommendation #2

We recommend the **Vice President, Logistics**, insource highway contract routes when economically advantageous to the Postal Service and implement a waiver process when cost is not a main factor to insource.

Recommendation #3

We recommend the **Vice President, Logistics**, develop a process to monitor and evaluate the operational efficiencies received from insourcing highway contract route contracts to determine if the expected benefits are being realized.

Postal Service Response

Management disagreed with this finding and the recommendations. Regarding the monetary impact, management stated they do not dispute the amounts but disagree with the concept of the report.

Regarding the finding, management stated as they roll out and expand the PVO Pilot, there are many other factors that will determine how and when they will insource HCR contracts, and that cost is not always the deciding factor.

Regarding recommendation 1, management stated the Postal Service already has a comprehensive, well-defined process for making insourcing decisions that aligns with Article 32.2 of the Postal Service's collective bargaining agreement with the APWU. The process includes thorough cost comparisons and involves the consistent maintenance of records that support insourcing decisions. Management added that factors such as service reliability, operational flexibility, workforce stability, and long-term cost efficiency are weighed alongside financial calculations. While they acknowledged the audit's perspective, management believes that their current approach sufficiently balances

4 United States Postal Service Supplying Principles and Practices, *Postal Service Supplying Principles – Best Value* (page 5), April 2023.

5 Handbook EL-912, *Agreement Between U.S. Postal Service and American Postal Workers Union, AFL-CIO*, Article 32, September 21, 2021 – September 20, 2024.

6 Handbook EL-912, Appendix B, re: Contracting or Insourcing of Contracted Service.

7 Delivering for America 2.0, *Fulfilling the Promise*, September 30, 2024.

financial responsibility with operational effectiveness.

Regarding recommendation 2, management stated they will not implement a waiver process, noting that factors such as service reliability, operational flexibility, workforce stability, and long-term cost efficiency are weighed alongside financial calculations.

Regarding recommendation 3, management stated a comprehensive monitoring and evaluation process for insourced HCR contracts is already in place. Management also stated post-implementation reviews are conducted to ensure the insourcing decision delivers the expected benefits. Additionally, management stated they provided the OIG with extensive documentation detailing these established processes and demonstrated a commitment to transparency and continuous oversight.

OIG Evaluation

The OIG does not consider management's comments responsive to the recommendations. We view the disagreements on recommendations 1, 2, and 3 as unresolved and will pursue them through the audit resolution process.

Regarding management's disagreement with the finding, we acknowledge other factors besides costs are important when deciding how and when to insource. However, after ample opportunities, management could not demonstrate what other factors they used to make their insourcing decisions, nor could they quantify the benefits derived from paying more to insource contracts.

Regarding recommendation 1, we believe management could clarify their guidance to better align with their real-world practices. We asked management for their comprehensive and thorough cost comparisons but only received

high level summary totals without any details to support the amounts. While Article 32.2 does describe provisions for insourcing, it does not provide clear guidance for making insourcing decisions. Although management insists their decisions were based on factors other than cost, they could not provide any cost-benefit analysis or evidence to support or explain which factors were used and why those factors were more important than cost when making their insourcing decisions.

Regarding recommendation 2, Postal Service guidance and strategies promote cost savings as an important factor to financial stability. The *United States Postal Service Supplying Principles and Practices* emphasizes best-value when making insourcing decisions. Article 32.2 states the Postal Service recognizes the importance of cost when selecting the proper mode for highway movement of mail and will give due consideration to cost efficiency. Additionally, the Delivering for America plan states the Postal Service will insource operations when economically advantageous. If management has valid reasons for making insourcing decisions that are contrary to their overall strategy of reducing costs, they should be able to justify their decisions through a waiver process or some other form. We did not receive any such justifications during the audit.

Regarding recommendation 3, management did not provide any evidence of a comprehensive monitoring or evaluation process during the audit, nor did they provide any data or metrics to show the benefits or operational efficiencies achieved after insourcing. After multiple requests for information, management provided limited information, such as post implementation reviews; however, the information provided was not relevant to the 11 PVS sites or the time period we reviewed during our audit.

Finding #2: Postal Vehicle Operator Pilot Program Rollout

Management did not effectively execute the PVO Pilot Program rollout at the 11 pilot sites. Specifically, management did not: (1) timely onboard or train managers and supervisors;⁸ (2) always adhere to the agreed-upon number of drivers or the full-time to part-time percentage ratios stated in the MOUs; or (3) make CDL training available to interested PVOs, as agreed.

Managers and Supervisors

Headquarters management did not onboard managers/supervisors timely to oversee newly hired drivers⁹ and logistics support staff;¹⁰ or require managers/supervisors to complete training that would prepare them to function in the capacity of their new jobs. Specifically, management established new operations and staffed pilot sites with inexperienced managers/supervisors. Half of the 32 managers/supervisors at the pilot sites came from non-logistics operations before starting their positions. Also, 20 (63 percent) managers/supervisors did not complete training related to logistics operations. Although the Postal Service Supervisor Program aims to provide the knowledge, expertise, leadership, and administrative skills necessary to ensure the success of new supervisors from their first day on the job, 22 (92 percent) of the 24 supervisors at pilot sites had not completed formal supervisor training.

Additionally, at four pilot sites, 14 managers/supervisors transferred on the same day as the 243 employees they oversaw (see Table 2). These managers/supervisors did not have time to develop skills or complete training before overseeing new drivers. Of the 14, 10 (71 percent) transferred from non-logistics operations. The training records for six (43 percent) of these managers/supervisors indicated they did not complete logistics training.

Table 2. Manager/Supervisor Started on Same Day as Employees

Site	Management Count	Employee Count
Columbus, OH P&DC	6	56
Oklahoma City, OK P&DC	4	141
Santa Clarita, CA P&DC	3	38
Zanesville, OH	1	7
Total	14	242

Source: WebCOINS as of September 5, 2024.

Lastly, four pilot sites (transfer hubs) had vacant supervisory positions after PVS employees onboarded. Though employees at these sites reported to a parent site manager, a supervisor was not assigned to one of these four sites for over a year after their first employees onboarded. Another did not have an assigned supervisor for about four months after onboarding their first employees.

Onboarding may consist of multiple processes such as benefits education, new hire paperwork, facility tours, team member introductions, and training on policy, culture, and job responsibilities.¹¹ It is an important part of helping employees understand their new position and job requirements. Companies with weak onboarding programs lose the confidence of their candidates and are more likely to lose those individuals in the first year.¹²

The Postal Service Supervisor Program combines virtual instructor-led training, on-the-job instruction, advanced webinar sessions, and coaching guidance to ensure supervisors will be successful in their new role from day one. Per their job description, Supervisors Logistics Operations must have knowledge of dispatch and logistics operations, policies and procedures, and relevant DOT

8 For the purposes of this report, managers/supervisors refer to the three logistics manager, five logistics operations manager, and 24 logistics operations supervisor positions at pilot sites, unless otherwise specified.
9 PVS drivers include PVOs, MVOs, and TTOs.
10 Logistics support staff includes employees such as schedule examiners vehicle runs and dispatch coordinators.
11 BambooHR, HR Glossary, Onboarding.
12 Laurano, Madeline, *The True Cost of a Bad Hire*, Brandon Hall Group, August 2015, page 12.

regulations, sufficient to explain to others and answer questions about operations.

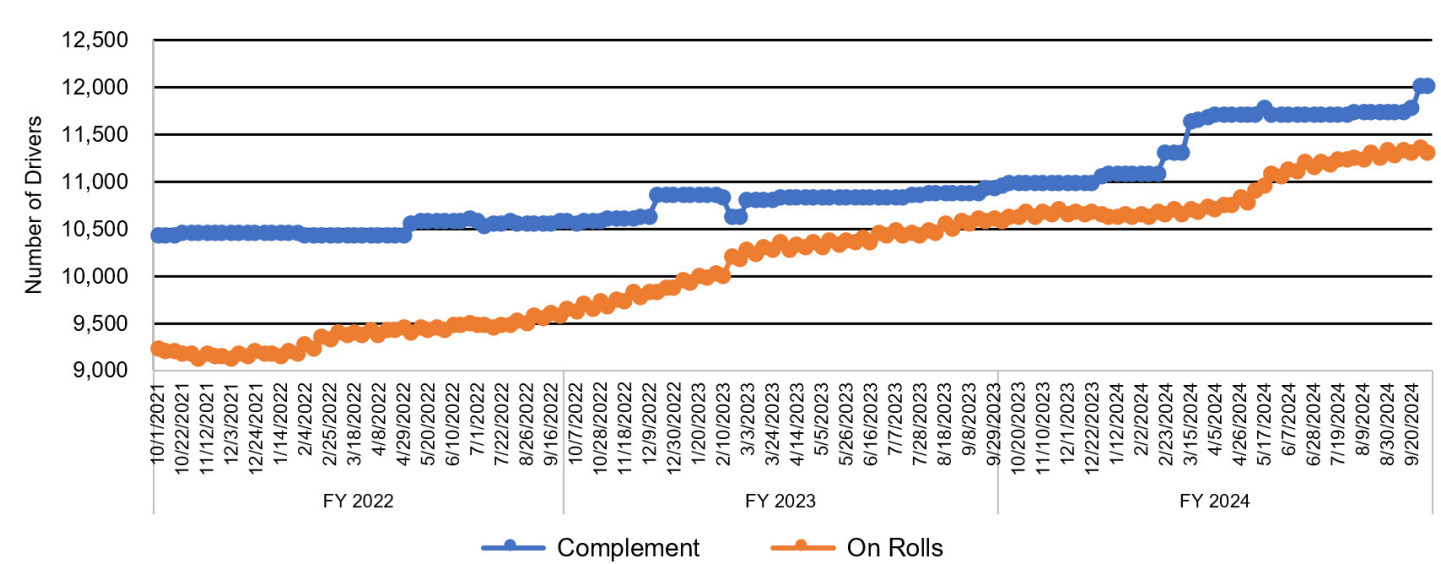
This condition occurred because management did not effectively plan the roll out of the PVO Pilot Program. Specifically, headquarters management provided a written plan dated July 2024, 20 months after the first MOU was signed, and described the plan as new and recently implemented. Also, management may have missed opportunities to pass along useful information because of pressure to rollout PVO pilots quickly as they were working as fast as possible to avoid renewing expiring long-term HCR contracts. Additionally, management/supervisors did not receive required training timely since Postal Service policy does not require new manager/supervisors to complete the Postal Service Supervisor Program.

Pilot Program Drivers

Management did not maintain its calculated driver complement¹³ at 10 (91 percent) of 11 pilot sites. Additionally, in some cases, the pilot sites did not either have the minimum number of drivers or the agreed-upon full-time to part-time ratios as required in the PVO Pilot Program MOUs.¹⁴

The trucking industry has experienced driver shortages for decades,¹⁵ and the American Trucking Associations estimated a shortage of 60,000 truck drivers in 2024.¹⁶ During FY 2022 to FY 2024, the Postal Service’s nationwide drivers on rolls were consistently less than complement. As shown in Figure 2, complement for PVOs, MVOs, and TTOs increased from about 10,400 to over 12,000 from the start of FY 2022 through the end of FY 2024. While the number of drivers on rolls increased from 9,220 employees at the beginning of FY 2022 to about 11,350 at the end of FY 2024, surface logistics operations have remained understaffed for the past three fiscal years.

Figure 2. Nationwide Driver Complement Trends from FY 2022 to FY 2024



Source: Postal Service’s Workforce F3 Postal Vehicle Service Dashboard.

13 The number of drivers necessary to effectively conduct operations based on workload.
14 Three (27 percent) of the 11 sites had fewer PVOs on rolls than the agreed-upon minimum. Also, one (50 percent) of the two sites with TTOs did not maintain the agreed percentage of full-time drivers. Furthermore, two (18 percent) of 11 sites did not maintain the minimum full-time PVO percentages.
15 United States Postal Service Office of Inspector General report number RISC-WP-22-002, The Truck Driver Shortage: Implications for the Postal Service.
16 Is There a Truck Driver Shortage in 2024? by Michael McCareins of Alt Line the Southern Bank Company, August 19, 2024.

As part of the MOUs, the Postal Service agreed to establish and fill full-time and part-time driver positions according to minimum staffing levels and percentage caps. These minimums and percentage caps applied to PVOs at all pilot sites and TTOs at selected pilot sites.

Management did not always maintain the agreed-upon number of drivers due to employee retention challenges and a nationwide truck driver shortage. Specifically, a site manager stated it is hard to find and retain competent drivers and some drivers did not pass their probationary period because they could not effectively drive their assigned vehicles. Another manager stated some drivers did not pass their background checks, while others failed their driving safety skills course or did not report to work. Also, headquarters management stated local management is responsible for communicating expectations of a 24-hour operation to interviewees since job announcements did not contain enough work requirement information. More than half of the former drivers who responded to an exit survey indicated they separated because they wanted a better work-life balance, or they took a job with better hours. Only 31 percent of separated drivers who participated in an exit survey indicated their job was what they expected it to be.

Commercial Driver's License Training

Management did not make CDL training available to interested PVOs during the pilot, as agreed to in the MOUs. The first PVO Pilot Program was initiated in November 2022. However, as of October 16, 2024, surface logistics management was still in the process of developing CDL training. The CDL training was included in the MOUs to attract a large pool of

non-CDL applicants, quickly onboard as many drivers as possible, and provide PVOs with opportunities for advancement into MVO or TTO positions.

This condition occurred because management did not provide CDL training to interested PVOs because

it was unsure of how to establish a framework that would meet the intent of the MOU. For example, one intent was to promote PVOs into MVO or TTO positions; however, one logistics manager stated their site did not have TTO positions to facilitate PVO advancement. Another logistics manager stated they do not have the facilities to accommodate CDL training.

Management cannot efficiently meet the Postal Service's goals and demands when logistics sites do not maintain adequate staffing levels. Specifically, to meet operational needs, drivers sometimes incurred overtime hours that were not authorized in advance by their supervisors, resulting in unauthorized overtime

costs totaling \$66.2 million at 164 (96 percent) of the 171 logistics sites¹⁷ during FY 2023 and FY 2024. Additionally, the ineffective planning and executing of the PVO Pilot Program puts the Postal Service at risk of potential turnover associated with not making CDL training available to PVO drivers. Also, these PVO jobs are often filled with inexperienced employees, and assigning inexperienced employees to under-trained and inexperienced managers/supervisors can result in poor performance and lowered morale.

“These PVO jobs are often filled with inexperienced employees, and assigning inexperienced employees to under-trained and inexperienced managers/supervisors can result in poor performance and lowered morale.”

¹⁷ Nationwide logistics sites that have assigned PVS drivers.

Recommendation #4

We recommend the **Vice President, Human Resources**, require employees to complete the Postal Service Supervisor Program within one year of their initial appointment to a supervisory position, and refresher training at least every three years, and maintain appropriate records of completion.

Recommendation #5

We recommend the **Vice President, Logistics**, develop and share documentation to communicate lessons learned from the challenges faced during the Postal Vehicle Operator Pilot Program to site management at future pilot sites.

Recommendation #6

We recommend the **Vice President, Logistics**, coordinate with Human Resources to include specific requirements in the job announcements for Postal Vehicle Service operator positions (i.e. starting as part-time flexible or working outside of normal business hours).

Recommendation #7

We recommend the **Vice President, Logistics**, develop and make available the training to obtain a commercial driver's license to interested postal vehicle operators.

Postal Service Response

Management disagreed with this finding and recommendations 5, 6, and 7 and partially agreed with recommendation 4. Regarding the monetary impact, management stated they do not dispute the amounts but disagree with the concept of the report.

Regarding the finding, management stated they effectively executed the rollout of the 11 PVO Pilot sites, and adjustments to staffing levels were made during the process. Additionally, management stated that training is provided, tracked, and reinforced. Management also stated

CDL training is a negotiated process with APWU and is currently being discussed with the union.

Regarding recommendation 4, management stated all Supervisor Logistics Operations are auto assigned to the USPS Supervisor Program. Once an individual is promoted into the Supervisor Logistics Operation position, the Employee Development team will schedule training appropriately. Management did not agree with refresher training at least every three years; however, they stated they will track and adjust schedules and staffing accordingly to allow supervisors to complete refresher training if requested. The target implementation date is October 31, 2025.

Regarding recommendation 5, management stated they already have structured processes in place for capturing and disseminating lessons learned from the PVO Pilot Program. Knowledge-sharing occurs through ongoing internal reviews, and cross functional stakeholder collaboration meetings. Management added that specific challenges and best practices identified in the PVO Pilot rollout have already been incorporated into planning and execution improvements for future sites. Therefore, management did not find it necessary to develop a separate process solely for lessons learned, as this function is inherently integrated into their existing evaluation and continuous improvement processes.

Regarding recommendation 6, management stated probable work hours, variable schedules, and possibilities for conversion to full-time are discussed with potential employees during the interview phase of the hiring process. Management believes an attempt to include such information in a job announcement would unnecessarily hinder the external hiring process and negatively impact the applicant pool for these types of positions.

Regarding recommendation 7, management stated this is a union negotiated item that cannot be developed without all parties agreeing.

OIG Evaluation

The OIG considers management's comments responsive to recommendation 4, as corrective actions should resolve the issues identified in the report. We consider management's comments nonresponsive to recommendations 5, 6, and 7, and view the disagreements as unresolved and will pursue them through the audit resolution process.

Regarding management's disagreement with the finding, our audit results present the challenges of the PVO Pilot Program. Management did not provide any detailed project plans or tracking information prior to or after pilot implementation at the 11 sites.

Regarding recommendation 5, management did not provide any evidence to show they have

a structured process in place to share lessons learned at the 11 PVO Pilot sites reviewed during our audit.

Regarding recommendation 6, management did not provide any analysis or explanation on why providing more information on the job application would hinder the hiring process or negatively impact the applicant pool. Further, management did not offer any alternative actions they could take to improve driver hiring.

Regarding recommendation 7, management did not address the reason for their disagreement with developing and making available the training to obtain a CDL to interested PVOs. This training has already been agreed to by management and the union as it is included in the MOUs for each of the pilot sites dating back to the original PVO Pilot MOU from November 30, 2022.

Finding #3: Support Staff

More broadly in the PVS program nationwide, management employed an inadequate number of employees that schedule drivers' routes or perform daily tasks associated with dispatching trucks at the 171 nationwide PVS sites. Specifically, schedule examiner vehicle runs (SEVR) are responsible for preparing driver, master, and vehicle maintenance schedules in the most efficient manner, and notifying all impacted employees of new services and effective dates. However, management did not employ any SEVRs at 144 (84 percent) of the 171 logistics sites nationwide. Additionally, dispatch coordinators¹⁸ manage vehicle arrivals, departures, and accountable items, as well as monitor extra trips. Yet, management did not employ any dispatch coordinators at 164 (96 percent) of the 171 logistics sites nationwide. Furthermore, supervisors performed scheduling and dispatching activities in the absence of SEVRs and dispatch coordinators in violation of the national agreement with the APWU. During FY 2022 through FY 2024, management settled 458 grievances for this issue.

According to Postal Service policy, site management must carefully plan and analyze the anticipated workload to effectively use a workforce sufficient to conduct necessary operations.¹⁹ Management is responsible for identifying appropriate staffing levels based on amount and type of work to be performed by employees.²⁰ Also, work volume increases, such as those caused by the PVO Pilot Program and insourcing of HCR contracts, may justify adding support positions to meet performance standards.²¹ Although SEVRs and dispatch coordinators are intended to improve the efficiency of logistics operations, at comparable companies, scheduling is done by a supervisor, and dispatching is a non-supervisory function. The job descriptions for these companies specify supervisors must perform all administrative duties to include scheduling, and dispatchers are not expected to supervise.

“Management did not employ any dispatch coordinators at 164 (96 percent) of the 171 logistics sites nationwide.”

This condition occurred because management did not prioritize filling these necessary positions. Specifically, management does not have a method for calculating authorized complement for SEVR positions and therefore, cannot determine or track how many of these employees are needed. Also, sites did not always have adequate numbers of dispatch coordinators because complement for dispatch coordinators is only authorized for regional processing and distribution centers. When management does not ensure all logistics sites have enough staff for SEVR and dispatch coordinator positions, the Postal Service is at increased risk of failing to meet operational needs. Additionally, to meet those operational needs, support staff incurred overtime hours that were not authorized in advance by their supervisors, resulting in unauthorized overtime costs totaling \$14.5 million at 168 (98 percent) of the 171 logistics sites in FYs 2023 and 2024.

Recommendation #8

We recommend the **Vice President, Logistics**, determine complement and work toward hiring the number of schedule examiners vehicle runs and dispatch coordinators needed at nationwide Postal Vehicle Service sites.

Postal Service Response

Management disagreed with this finding and the recommendation. Regarding the monetary impact, management stated they do not dispute the amounts but disagree with the concept of the report.

¹⁸ The Postal Service and APWU agreed to create the dispatch coordinator position on December 23, 2022.

¹⁹ ELM, Section 351.11, Employee Utilization.

²⁰ ELM, Section 125, Staffing.

²¹ ELM, Section 131.1, Increased Work.

Regarding the finding, management stated there must be enough work to support the creation of support staff positions, the support work can and should be performed by the PVS craft employees, and if/when enough work exists to create full time positions, they will authorize support staff.

Regarding recommendation 8, management stated this is a union negotiated item that cannot be developed without all parties agreeing.

OIG Evaluation

The OIG does not consider management's comments responsive to the recommendation. We view the disagreement on recommendation 8 as unresolved and will pursue it through the audit resolution process.

Regarding finding 3, management's statement that "in most cases the support work can and should be performed by the PVS craft employees

while there is down time in their routes" disregards the 458 grievances management settled during FY 2022 through FY 2024 for violations of the national agreement with the APWU where supervisors performed scheduling and dispatching activities in absence of SEVR and dispatch coordinators. Continued use of supervisors conducting the support work of SEVR and dispatch coordinators will result in more grievances filed by the union and additional grievance settlement costs.

Regarding recommendation 8, except for stating the need for union negotiations, management did not address the reason for their disagreement with determining complement and working toward hiring the number of SEVRs and dispatch coordinators needed nationwide.

Finding #4: Records Management

Management did not always input or update driver's license²² and/or DOT Medical Examiner's Certificate physical due date information²³ for drivers with CDLs in the VITAL system, which is used to maintain records for logistics operations. Additionally, management did not always maintain driver's training records in LMS, which employees use to identify, complete, and track training.

Driver's Licenses and DOT Medical Records

Management did not maintain accurate or complete data in VITAL. Specifically, of the 11,115 total driver records, management did not verify the validity of

712 (6 percent) drivers' licenses and 1,755 (16 percent) DOT physicals. Additionally, we reviewed hardcopy documents in drivers' employee files and at selected sites and found hardcopy files did not always match the data in VITAL. In response to our review, local management began updating driver records in VITAL. However, as shown in Table 3, a review of the nationwide VITAL system data showed driver's records were missing data, included licenses that had expired, DOT physicals that were past due, and records with invalid dates.

Table 3. Drivers' License Expiration Dates and DOT Physical Due Dates in the VITAL System

	PVO	MVO	TTO	Total
Total Drivers in VITAL as of September 10, 2024	454	3,149	7,512	11,115²⁵
Expired Driver's License/CDL	13	101	193	307
Missing Driver's License/CDL	89	119	190	398
Invalid Driver's License/CDL	1	3	3	7
Subtotal – Driver's License/CDL	103	223	386	712
Percent – Driver's License/CDL	23%	7%	5%	6%
Expired (Past Due) DOT Physical Due Date	-	227	484	711
Missing DOT Physical Due Date	-	130	290	420
Invalid DOT Physical Due Date	-	181	443	624
Subtotal – DOT Physical Due Date	-	538	1,217	1,755
Percent – DOT Physical Due Date	-	17%	16%	16%

Note: PVO drivers are non-CDL and do not require DOT physical due date in VITAL.

Source: VITAL on September 10, 2024.

²² Both commercial and non-commercial driver's licenses.

²³ VITAL User Guide Version 71 (July 2009).

²⁵ The number of drivers on rolls in WebCOINS can be inconsistent with the number shown in the VITAL system. This difference can be attributed to the timing of administrative functions.

“One site had no record of any of its 67 assigned drivers, and the other site had no record of its 74 assigned drivers.”

Additionally, some drivers did not have any information recorded in the VITAL system. As of September 10, 2024, management did not include 301 drivers from 22 sites in VITAL. For example, two sites did not have any drivers documented in VITAL. One site had no record of any of its 67 assigned drivers, and the other site had no record of its 74 assigned drivers. As of October 22, 2024, management updated all 67 driver records in VITAL for one of the two sites. However, the other site’s drivers had not been populated in VITAL and management had escalated this issue to the Human Resources Shared Service Center for guidance and assistance.

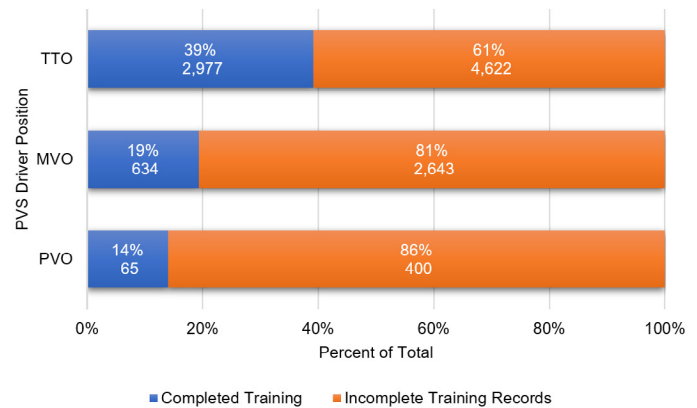
Safe Driver Training Records

Management did not always maintain drivers’ training records in LMS. Specifically, training documentation for 7,665 (68 percent) of the 11,341 total drivers nationwide was not in LMS to demonstrate required safe driver training was completed. Of the three types of drivers, PVOs have the greatest need for training since their position does not require a CDL or prior experience driving a large truck. However, PVOs had the lowest percentage of completed training. As shown in Figure 3, management did not document the completion of required training courses for 400 (86 percent) of the 465 total PVOs nationwide.

According to Postal Service policies and procedures, managers and supervisors must check quarterly to ensure employees who drive have a current and valid state driver’s license or CDL and a medical card.²⁶ Additionally, drivers must have in their possession a current and valid state driver’s license or a CDL when operating a vehicle for Postal Service business.

Drivers must also present their state driver’s license or CDL when requested by a manager, supervisor, or driving safety instructor.²⁷ Also, according to DOT regulations, all MVO and TTO drivers must undergo a physical exam at least once every 24 months to legally operate a commercial motor vehicle.

Figure 3. Percentage Completed Driver Training



Source: Learning Management System.

Furthermore, all drivers’ training records must be entered into LMS.²⁸ New drivers must complete the Safe Driver Program Training, which consists of initial, refreshers, and improvement training. The program combines web-based driver training, vehicle familiarization, skills course, and controlled driving. The program trains drivers to integrate safe driving practices in their daily activities. On-the-job instructors are responsible for ensuring new drivers receive 24 hours of orientation and training when they arrive at their duty station.

These conditions occurred because site management placed emphasis on operational matters and was not focused on maintaining digital personnel files in Postal Service systems. Instead, management kept hardcopy training records in the employees’ personnel files; and they disregarded the VITAL system’s alert notifications for expiring or expired licenses or DOT physical due dates. Additionally, invalid driver’s license expiration dates and DOT physical due dates were present in VITAL

²⁶ Handbook EL-804, *Safe Driver Program*, Section 142, Responsibilities, June 2013.

²⁷ Handbook EL-804, *Safe Driver Program*, Section 151, General Principles, June 2013.

²⁸ Handbook EL-804, *Safe Driver Program*, Section 145.1, Newly Hired Drivers, June 2013.

because the VITAL system did not contain controls to exclude unreasonable dates.

These issues could be avoided with good practices and controls. For example, a good practice identified at one site visited included periodically checking drivers' licenses and DOT medical cards during dispatch. For example, when a driver would pick up scanners and keys at the dispatch office, supervisors would check the driver's license and medical card, when applicable. This practice allowed site management to quickly verify and obtain information necessary to update driver information in VITAL.

If management does not ensure drivers' license and physical documentation is current and training records are maintained, there is an increased risk the Postal Service could be liable for accidents and injuries caused by unlicensed and/or untrained drivers. For example, on two separate occasions, PVOs assigned to the pilot locations drove 13-foot-tall trucks under a bridge with only an 11-foot clearance, resulting in significant damage to the trucks.

Recommendation #9

We recommend the **Vice President, Logistics**, develop a process to ensure site management monitors the accuracy of drivers' license expirations and Department of Transportation physical due dates in the Vehicle Information Transportation Analysis and Logistics system.

Recommendation #10

We recommend the **Vice President, Logistics**, coordinate with the Information Technology group to develop controls that prohibit users from entering invalid dates into the Vehicle Information Transportation Analysis and Logistics system.

Recommendation #11

We recommend the **Vice President, Logistics**, verify drivers received required safe driver training; and enforce policies that require managers and supervisors to maintain training records in the Learning Management System.

Postal Service Response

Management did not indicate agreement or disagreement with the finding, disagreed with recommendations 9 and 10, and partially agreed with recommendation 11.

Regarding the finding, management stated there is always room for improvement in their record keeping process.

Regarding recommendation 9, management stated there is a process for site managers to monitor the accuracy of drivers' license expirations and DOT medical cards located in the VITAL User Guide section 7.0, Employees page.

Regarding recommendation 10, management stated they disagreed with the recommendation as written but will work with architect IT to determine requirements and cost/benefits. The target implementation date is October 31, 2025.

Regarding recommendation 11, management stated they will issue a standup talk enforcing the documentation of required safety driver training and maintenance of training records in LMS. The target implementation date is June 13, 2025.

OIG Evaluation

The OIG considers management's comments partially responsive to recommendation 11 and nonresponsive to recommendations 9 and 10. We view the disagreements on recommendations 9 and 10 as unresolved and will pursue them through the audit resolution process.

Regarding recommendation 9, while management stated there is a process in place, there is nothing in Section 7.0 of the VITAL User Guide that details a process for site managers to monitor the accuracy of drivers' license expirations and DOT medical cards and our audit results show the risk of unreliable system data.

Regarding recommendation 10, management offered an alternative action, which does not meet the intent of the recommendation. During meetings with management, representatives from IT stated the actions in the recommendation

were doable. Therefore, we will pursue this through the audit resolution process to ensure proper controls are implemented in the VITAL system.

Regarding recommendation 11, management's response partially implements the recommended actions. While they discussed reinforcing training documentation requirements, they did not address the need to verify current drivers received the required training. We will verify all actions have been taken before we close the recommendation.

Looking Forward

Due to the significant financial and operational impacts of insourcing transportation, it is imperative that the Postal Service conduct the proper analysis and maintain support of the analysis, so that decision-makers and oversight bodies can ensure logistical and financial priorities are achieved. In addition, as the Postal Service continues to roll out its PVO Pilot Program, management must work toward clarifying their financial, operational, and hiring goals and the methods used to track those goals. We will continue to monitor the cost impact of insourcing HCR contracts, among other issues around insourcing of transportation, during future audit projects.

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Appendix A: Additional Information

Scope and Methodology

We reviewed and analyzed nationwide PVS operations data during FY 2022 and FY 2024.

To accomplish our objective, we:

- Obtained and reviewed policies and procedures related to PVS operations.
- Obtained and analyzed data from the VITAL system, WebCOINS, Time and Attendance Collection system (TACS), Transportation Contracting Support system (TCSS), and LMS to identify trends, patterns, risk areas, and anomalies.
- Interviewed site, division, region, and headquarters employees to gain an understanding of PVS operations, HCR insourcing, and implementation of the PVO Pilot Program.
- Conducted visits of Postal Service Headquarters and the logistics segment at the following four sites:
 - Portland, OR, Regional P&DC
 - Santa Clarita, CA, P&DC
 - Oklahoma City, OK, P&DC
 - Columbus, OH, P&DC
- Gained an understanding of management's controls over PVS operations. These sites represented three of the four logistics regions, and were judgmentally selected based on their employee complement, recent implementation of the PVO program, and/or recent experience with the network modernization process.
- Reviewed the data provided by management on the 41 insourced HCR contracts. Postal Service management performed cost analysis on 44 HCR contracts to determine if the contracts should be insourced to PVS operations. Based on their analysis, management converted 41 HCR contracts to PVS operations, planned future insourcing for two HCR contracts, and will not insource one contract.

We conducted this performance audit from May 2024 through March 2025 in accordance with generally accepted government auditing standards and included such tests of internal controls as 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 February 26, 2025, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the PVS operations internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following five components were significant to our audit objective: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring. We developed audit work to ensure we assessed these controls. Based on the work performed, we identified internal control deficiencies related to PVS operations that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of LMS, VITAL, WebCOINS, TCSS, and TACS data by interviewing knowledgeable agency officials, reviewing related documentation, testing for completeness, recalculating the data, and comparing data to other related data. We could not determine whether some of the data were sufficiently reliable for the purposes of this report. Specifically, we could not verify the accuracy or completeness of Postal Service cost analysis because management did not maintain documentation to support its

estimated amounts. For instance, management provided (1) a cost comparison, which included a summary of annual costs, hours, miles, and trips for all insourced contracts and estimated amounts for future PVS operations; (2) images of HCR contract cost summaries; and (3) images in a presentation

that included some costs, mileage, and workhour amounts. We evaluated the unsupported summaries and identified discrepancies. For example, for one contract, the annual contract cost differed by \$290,552 from one summary to another.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Contract Trucking Safety and Compliance</i>	To assess the effectiveness of contract trucking safety controls, compliance, and oversight.	23-088-R24	February 27, 2024	N/A
<i>Transportation Workplace Safety and Driver Security</i>	To assess the safety and security of the U.S. Postal Service's surface transportation network.	23-055-R23	September 26, 2023	N/A
<i>The Truck Driver Shortage: Implications for the Postal Service</i>	Assess the extent to which the shortage of truck drivers in the U.S. impacts the Postal Service. Identify Postal Service initiatives to attract truck drivers and industry best practices that may help the Postal Service further mitigate challenges posed by the driver shortage.	RISC-WP-22-002	March 7, 2022	N/A

Appendix B: Management's Comments



March 11, 2025

BRIAN NEWMAN
ACTING DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: *Postal Vehicle Service Operations (24-093-DRAFT)*

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Postal Vehicle Service Operations*.

With regard to the Monetary Impact:

Management does not dispute the numbers as displayed in the tables. However, we do disagree with the concept of the report. As stated throughout our responses below, cost is not the sole deciding factor when the Postal Service looks to insource Highway Contract Route (HCR) contracts to support Pilot projects that fall under the Delivering for America Plan.

As for the findings:

Finding #1: Insourcing Highway Contract Routes

Management did not always insource HCR contracts to provide the lowest total cost to logistics operations. Additionally, management did not assess actual cost savings or realized efficiencies after insourcing contracts.

Management disagrees with the finding. As we rollout and expand the PVO Pilot, there are many other factors that will determine how and when we will insource HCR contracts. Cost is not always the deciding factor.

Finding #2: Postal Vehicle Operator Pilot Program Rollout

Management did not effectively execute the PVO Pilot Program rollout at the 11 pilot sites. Specifically, management did not: (1) timely onboard or train managers and supervisors; (2) always adhere to the agreed-upon number of drivers or the full-time to part-time percentage ratios stated in the MOUs; or (3) make CDL training available to interested PVOs, as agreed.

Management disagrees with this finding. We effectively executed the rollout of the 11 pilot sites. There are detailed project plans and tracking that takes place prior to implementation and post implementation. Attrition happens with both craft and EAS employees and adjustments are made during the process. Training is provided and

tracked, and we will continue to reinforce. CDL training is a negotiated process with APWU and is currently being discussed with the Union.

Finding #3: Support Staff

Management disagrees with the findings in the Support Staff section of the audit. There must be enough work to support the creation of support staff positions. In most cases the support work can and should be performed by the PVS craft employees while there is down time in their routes. If/when enough work exists to create a full time position, we will authorize support staff.

Finding #4: Records Management

Management acknowledges that there is always room for improvement in our record keeping process.

Following are our comments on each of the eleven (11) recommendations.

Recommendation 1:

We recommend the **Vice President, Logistics**, clarify guidance for making insourcing decisions and develop more detailed cost comparison analysis and maintain records in support of insourcing decisions.

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

The Postal Service already has a comprehensive, well-defined process for making insourcing decisions that aligns with Article 32.2. This process includes thorough cost comparisons and adheres to established financial and operational evaluation criteria. USPS management consistently maintains records to support insourcing decisions and ensures compliance with contractual obligations. While we appreciate the intent of this recommendation, we believe our current approach sufficiently addresses these concerns and does not require further clarification.

Additionally, insourcing decisions are made with a comprehensive perspective that extends beyond short-term cost comparisons. Factors such as service reliability, operational flexibility, workforce stability, and long-term cost efficiency are weighed alongside financial calculations. While we acknowledge the audit's perspective, we believe that our current approach sufficiently balances financial responsibility with operational effectiveness.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 2:

We recommend the **Vice President, Logistics**, insource highway contract routes when economically advantageous to the Postal Service and implement a waiver process when cost is not a main factor to insource.

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

Management will not implement a waiver process. As stated in recommendation #1, factors such as service reliability, operational flexibility, workforce stability, and long-term cost efficiency are weighed alongside financial calculations.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 3:

We recommend the **Vice President, Logistics**, develop a process to monitor and evaluate the operational efficiencies received from insourcing highway contract route contracts to determine if the expected benefits are being realized.

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

A comprehensive monitoring and evaluation process for insourced highway contract routes is already in place. The HQ Logistics Implementation team actively tracks and reviews key operational performance indicators, including cost per mile, utilization rates, schedule adherence, and workforce efficiency, throughout the insourcing lifecycle. Additionally, post-implementation reviews are conducted to ensure that the insourcing decision delivers the expected benefits.

The Postal Service has provided the OIG with extensive documentation detailing these established processes, demonstrating our commitment to transparency and continuous operational oversight. Given the existing mechanisms, management believes that an additional process to monitor and evaluate operational efficiencies is unnecessary.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 4:

We recommend the **Vice President, Human Resources**, require employees to complete the Postal Service Supervisor Program within one year of their initial appointment to a supervisory position, and refresher training at least every three years, and maintain appropriate records of completion.

Management Response/Action Plan:

Management **Agrees** with this recommendation.

Management agrees with the requirement for employees to complete Postal Service Supervisor program within one year of their initial appointment to a supervisory position. Currently, all Supervisors Logistics Operations are auto assigned to the USPS Supervisor Program (USP). The USP is a one-year program featuring continuous learning webinars and a 12-hour functional technical segment focused on the logistics career path. Once an individual is promoted into the Supervisor Logistics Operation position, the Employee Development team schedules training appropriately. Management does not agree with refresher training at least every three years. However, management will track and adjust

schedules and staffing accordingly to allow supervisors to complete refresher training if request.

Target Implementation Date: 10/31/2025

Responsible Official:

Joseph Bruce, VP Human Resources

Recommendation 5:

We recommend the **Vice President, Logistics**, develop and share documentation to communicate lessons learned from the challenges faced during the Postal Vehicle Operator Pilot Program to site management at future pilot sites.

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

The Postal Service already has structured processes in place for capturing and disseminating lessons learned from the Postal Vehicle Operator (PVO) Pilot Program. Management continuously evaluates pilot site performance, gathers feedback from operational teams, and refines strategies to enhance future implementations.

Additionally, knowledge-sharing occurs through ongoing internal reviews, and cross-functional stakeholder collaboration meetings. Specific challenges and best practices identified in the PVO pilot rollout have already been incorporated into planning and execution improvements for future sites. As such, we do not find it necessary to develop a separate process solely for lessons learned, as this function is inherently integrated into our existing evaluation and continuous improvement processes.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 6:

We recommend the **Vice President, Logistics**, coordinate with Human Resources to include specific requirements in the job announcements for Postal Vehicle Service operator positions (i.e. starting as part-time flexible or working outside of normal business hours).

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

Management does not agree with the recommendation to include specific requirements in job announcements for Postal Vehicle Service operator positions such as, "Starting as part-time flexible or working outside of normal business hours." Probable work hours, variable schedules, and possibilities for conversion to full-time are discussed with potential employees during the interview phase of the hiring process. An attempt to include such information in a job announcement would unnecessarily hinder the external hiring process and negatively impact the applicant pool for these types of positions.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 7:

We recommend the **Vice President, Logistics**, develop and make available the training to obtain a commercial driver's license to interested postal vehicle operators.

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

Management does not agree with this recommendation and request it be stricken from this audit as this is a union negotiated item that cannot be developed without all parties agreeing.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 8:

We recommend the **Vice President, Logistics**, determine complement and work toward hiring the number of schedule examiners vehicle runs and dispatch coordinators needed at nationwide Postal Vehicle Service sites.

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

Management does not agree with this recommendation and request it be stricken from this audit as this is a union negotiated item that cannot be developed without all parties agreeing.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 9:

We recommend the **Vice President, Logistics**, develop a process to ensure site management monitors the accuracy of drivers' license expirations and Department of Transportation physical due dates in the Vehicle Information Transportation Analysis and Logistics system.

Management Response/Action Plan:

Management **Disagrees** with this recommendation.

There is a process developed for site managers to monitor the accuracy of drivers' license expirations and DOT medical cards located in VITALS User Guide section 7.0, Employees page.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 10:

We recommend the **Vice President, Logistics**, coordinate with the Information Technology group to develop controls that prohibit users from entering invalid dates into the Vehicle Information Transportation Analysis and Logistics system.

Management Response/Action Plan:

Management **Agrees** with this recommendation.

Logistics doesn't agree with the recommendation as written but logistics will work with architect IT to determine requirements and cost/benefits to determine a decision.

Target Implementation Date: 10/31/2025

Responsible Official: Lisa Adams, Executive Manager Policy and Performance

Recommendation 11:

We recommend the **Vice President, Logistics**, verify drivers received required safe driver training; and enforce policies that require managers and supervisors to maintain training records in the Learning Management System.

Management Response/Action Plan:

Management **Agrees** with this recommendation.

Management will issue a stand up talk enforcing the documentation of required safety driver training and maintenance of training records in the Learning Management System.

Target Implementation Date: 06/13/2025

Responsible Official:

Lisa Adams, Executive Manager Policy and Performance

E-SIGNED by ROBERT CINTRON
on 2025-03-14 17:15:59 EDT

Robert Cintron
VP, Logistics

E-SIGNED by Joseph Bruce
on 2025-03-14 17:50:47 EDT

Joseph R. Bruce
VP, Human Resources

cc: *Corporate Audit & Response Management*

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