Contract Authoring Management System Utilization and Controls

AUDIT REPORT
Report Number 22-088-R23 | July 3, 2023

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Highlights

Background

The Contract Authoring Management System (CAMS) is a web-based, commercial off–the-shelf application used by the Postal Service for documenting contract actions, such as task orders and modifications. CAMS supports contract creation, administration, and reporting through milestones, templates, notifications, and related controls. The U.S. Postal Service's Supplying Principles and Practices and other supplemental guidance help instruct staffs' use of CAMS.

What We Did

Our objective was to determine if the Postal Service has effective controls for maintaining accurate and complete data in CAMS; if there are manual controls within CAMS that can be automated; and if there are data options within CAMS that are not being utilized effectively.

What We Found

While the Postal Service had effective controls for maintaining accurate financial data in CAMS, controls for ensuring complete information were not effective. We reviewed 205 task orders related to 52 contract award files and found both the contract award files and task orders were missing one or more required supporting documents; and documentation for seven task orders were stored on an internal shared drive. The missing documents in CAMS resulted from policy ambiguity or insufficient oversight regarding which documents should be completed and included in the contract file. The extent to which contract files do not contain required documents or that required documents are not stored in CAMS threatens the efficacy of Postal Service contract administration and oversight.

We also found that while the Postal Service used data options effectively, opportunities to automate additional manual controls within CAMS existed. As of March 2023, the Postal Service has been surveying CAMS users twice a year to identify additional automation opportunities and help prioritize which items to develop. Therefore, we are not making a recommendation regarding this issue.

Recommendations

We recommended management update policies to define which documents are required and reinforce oversight requirements through communication and training; update policies to ensure required contract documents are stored in an applicable contract system; and implement a standardized process for all portfolios to ensure all required supporting documents for task order files are uploaded in CAMS.

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 3, 2023

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

[signature: Amanda H. Stafford]

FROM: Amanda H. Stafford
Deputy Assistant Inspector General
for Retail, Marketing, & Supply Management

SUBJECT: Audit Report – Contract Authoring Management System Utilization and Controls (Report Number 22-088-R23)

This report presents the results of our audit of Contract Authoring Management System (CAMS) Utilization and Controls.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Shirian Holland, Audit Director, Infrastructure and Supply 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 Contract Authoring Management System (CAMS) Utilization and Controls (Project Number 22-088). Our objective was to determine if the Postal Service has effective controls for maintaining accurate and complete data in CAMS; if there are manual controls within CAMS that can be automated; and if there are data options[1] within CAMS that are not being utilized effectively. See Appendix A for additional information about this audit.

Background

Since 2005, the Postal Service's Supply Management team has employed CAMS as its contracting system to document contract actions[2] and maintenance. CAMS is a web–based commercial off-the-shelf application that supports contract creation, administration, and reporting through milestones, templates, notifications, and related controls. CAMS also updates the financial data in the accounts payable system for the contract award. As of July 2022, there were 471 total users[3] — including 216 buyers and 111 contracting officers (CO) who are the primary users as contracting personnel.

Buyers and COs[4] are Postal Service employees, found throughout the organization, who perform contract maintenance to ensure contract changes are up to date and fully documented in the contract file. Buyers perform administrative tasks, such as preparing, completing, and uploading contract documents, and conducting contract actions, such as closeout. COs review and approve actions within the contract.

In 2011, Supply Management Infrastructure (SMI), which is a strategic support portfolio within Supply Management, created a team to conduct compliance reviews that are management or OIG driven. These reviews identify whether the minimal required documents are included in the contract file. The team consists of four members who regularly conduct five types of reviews, which include newly awarded competitive[5] and noncompetitive[6] contract awards, competitive simplified purchases, contract closeout, and contracts for Surface Transportation.[7] Additionally, each portfolio within Supply Management has an Analysis & Research Team (ART) that conducts a sample of similar reviews of contract file documentation for task orders on a quarterly basis to assist portfolio managers.[8]

Contracting personnel activities, particularly related to CAMS, are guided by the following contracting policies and procedures:

- **Supplying Principles and Practices (*SPs and Ps*).** The *SPs and Ps* are the overarching policies for contracting personnel. The *SPs and Ps* stipulate that each contracting file for competitive awards include the following documents: solicitation, supplier proposal, contract award and modification(s), financial review,[9] other requisite documentation related to the type of contract,[10] and the Contracting Officer's Representative Letter of Appointment.[11] For noncompetitive awards the contract file does not require a solicitation[12]; however, it must include an approved justification for not utilizing a competitive purchase.[13] The *SPs and Ps* also explain how the contract files should

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1   Data options, in this context, are functionalities created and deployed within CAMS to automate contract processes.
2   Contract actions are defined as a new contract, delivery order, task order, work order, modification to, or termination of a contract.
3   There are eight other categories of users, such as system administrators, managers, and accounts payable personnel.
4   Users have multiple roles within CAMS (e.g., a user may have dual roles as a buyer and as a CO) to ensure the proper preparation, completion, and maintenance of contract documents. However, there is a separation of duties control in place that will not allow the user to act as both the buyer and CO when creating awards and solicitations.
5   Competitive purchases are made by soliciting the best qualified suppliers to ensure that the required quality and quantity of goods and services are obtained when needed and that the price is fair and reasonable when awarding contracts.
6   Noncompetitive purchases may be used with the following scenarios: sole source, industry structure or practice, compelling business interests, or superior performance.
7   Surface Transportation is a Category Management Center within the Transportation Strategy portfolio.
8   There are four portfolios within Supply Management.
9   The CO performs a financial review during contract closeout and determines whether all invoices are paid by comparing the actual expenditures to the obligated amount on the contract.
10   *SPs and Ps*, section 2-40.3 Contract File, dated September 1, 2022.
11   *SPs and Ps*, section 3-5 Appoint a Contracting Officer Representative, dated September 1, 2022.
12   *SPs and Ps*, section 2-40.3.2 Contract Files for Noncompetitive Contracts, dated September 1, 2022.
13   *SPs and Ps*, section 2-10.3.3 Noncompetitive Purchases, dated September 1, 2022.

include sufficient documentation *"to allow a third party to understand the process and business decisions that resulted in the contract award, contract modification(s), and contract expiration."* This guidance also states that COs are responsible for ensuring that contract documentation is maintained and fully documented in the contract file.[14]

- **Other Supplemental Guidance.** Supplemental guidance includes an email distribution that provides updated information about CAMS and related processes to its users, as needed (see Figure 1). This guidance provides details on how to execute tasks outlined in the *SPs and Ps.*

Supply Management's mission is to provide innovative and efficient management solutions to support the business needs of the Postal Service. To accomplish its mission, Supply Management continuously looks for opportunities to drive efficiencies in contracting processes and systems. In 2019, it created a team to automate repetitive and manual tasks completed by CAMS users and deploy data options, such as DSign. An example of automation is the use of Robotics Process Automation (RPA) to complete tasks previously performed by buyers or COs, such as uploading necessary documentation to a contract file.[15]

Finding #1: Insufficient Contract Documentation

We found the Postal Service had effective controls for maintaining accurate data in CAMS, as financial data accurately reconciled between CAMS contract files and Accounts Payable Systems reports. Specifically, we reviewed the CAMS contract file for each task order and compared financial data to the Accounts Payable Systems reports to confirm that all the financial data reconciled. However, we found controls for ensuring complete information were not effective. We reviewed 205 task orders related to 52 contract award files[16] and found both the contract award files, and task orders were missing one or more required supporting documents. Specifically,

Figure 1. Example of Supplemental Guidance for Email Distribution

From: CAMS
Sent: Monday, October 3, 2022 7:44 AM
Subject: eInvoice Suppliers

EXTERNAL EMAIL: Stop and use caution before clicking on links or opening attachments.

CAMS
Contract Authoring and Management System

eInvoice Suppliers

The list of suppliers registered to submit invoices through eInvoice as of Friday is available at the following link, eInvoice Suppliers. Contracting Officers and Buyers MUST use eInvoice for all new awards in place of paper invoices per the SMLT regardless whether or not the supplier has been established for eInvoice. If the supplier is not registered, it may be registered after the award is released. Additionally, Contracting Officers and Buyers must consider using eInvoice for all modifications for existing awards where the supplier is submitting paper invoices.

Please use the current Supplier Maintenance Form, which is available on the Electronic Invoicing Home Page on Postal Blue or in the Quick Links on the CAMS Home Page.
(Note: "SMG Employee" is the name of the employee in the "Supplier Maintenance Group" that enters the supplier information into the Accounts Payable system, ▓▓▓▓▓▓▓)

CMC/Office/Portfolio	# New Suppliers	# Suppliers

Source: Supply Management CAMS Users Distribution Email.

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14   *SPs and Ps*, section 3-6.1 Contract Maintenance, dated September 1, 2022.
15   Robotics Process Automation is a form of automation that allows software robots to utilize an application's user interface to mimic human actions without system modification or human intervention.
16   These task orders were associated with 52 contracts that were awarded and closed during fiscal years (FYs) 2019 through 2021.

We found 17[17] contract award files (33 percent) were missing one or more of the following:

- Contracting Officer's Representative delegation letters and/or signature (9)

- Signed contract award and/or modification via a Postal Service Form 8203 (7)

- Supplier proposal (5)

- Solicitation of requirements for competitive contract awards (2)

- Noncompetitive contract award recommendation (1)

For the task orders, we found the following missing supporting documents for 100 task orders (49 percent):[18]

- Signed contract award and/or modification(s) via a Postal Service Form 8203 (94)

- Documentation to support invoices were paid and expenditures matched the planned budget, as part of the financial review (10)

For seven task orders, the missing documentation was stored on an internal shared drive. If the contract file does not contain required or sufficient documentation or is maintained in a location that is accessible only to specific individuals (e.g., a shared drive), there is no way to trace and verify information when performing new contract actions.

These contracting documentation deficiencies resulted from the following:

- **Missing documents from contracts in CAMS.** The COs we spoke with confirmed that supporting documents were missing from contract files for these 100 task orders in CAMS. For example, the contract files for two of the task orders did not include a documented modification to decommit excess funds.[19]

  These deficiencies were caused by policy ambiguities or insufficient oversight regarding

> ❝These deficiencies were caused by policy ambiguities or insufficient oversight regarding what documents should be completed and maintained in the files.❞

what documents should be completed and maintained in the files. As mentioned earlier, the *SPs and Ps* specifically mention some required documents, such as the solicitation, supplier proposal, contract award and modification(s), and financial review. The *SPs and Ps*, however, also stipulate a broader documentation requirement that the contract file should contain project-related plans, reports, and any other pertinent documentation. Additionally, the contract files must be closed out and archived by the CO at the end of the project and include sufficient documentation that allows a third party to understand the decision that was made.[20] This ambiguity is then exacerbated by the fact that the supplemental guidance also mentions other required documents not explicitly listed in the *SPs and Ps*. For example, the *SPs and Ps* require a financial review as part of closing activities, whereas the supplemental guidance specifically requires the creation of a modification to decommit excess funds over $200 as part of the financial review.[21] As a result of this policy ambiguity and either not enforcing or lacking knowledge of existing requirements, the COs did not ensure contract documentation was fully maintained or documented in the contract file.

Postal Service contracting staff we spoke with attributed these documentation deficiencies to this policy ambiguity or lacked awareness of these policy requirements. As a best practice, we also found the COs in the Facility Services category management center repurposed the Contract Award File Review checklist, developed by the SMI compliance team, as a control to help ensure new employees include the required documents in CAMS (see Figure 2). The checklist is not required or a common practice throughout Supply Management but could be considered for such use to ensure consistency and completeness for all contract files.

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17 Out of the 17 contract awards, 6 were missing multiple documents.
18 Out of the 100 task orders, 4 were missing multiple documents.
19 CAMS distribution email, titled "*Closeout and Decommitting Funds*," dated April 21, 2017, (originally sent August 7, 2013) requires the creation of a modification to decommit excess funds that are greater than $200 when closing out a contract. To ensure the excess funds were appropriately decommitted for these task orders, we reconciled the commitment balance to the Accounting Service Center's Enterprise Data Warehouse report and confirmed that the excess funds were decommitted.
20 *SPs and Ps*, section 5-14 Closeout Contract, dated September 1, 2022.
21 *SPs and Ps*, section 5-14 Closeout Contract, dated September 1, 2022, and *CAMS Communication: Close-out and Decommitting Funds*, dated April 21, 2017.

Figure 2. Excerpt from Competitive Contract Award File Review Checklist

COMPETITIVE CONTRACT AWARD FILE REVIEW CHECKLIST					
CMC:		CO WARRANT AUTHORITY:			
CONTRACTING OFFICER:		SOLICITATION #:			
BUYER:		REVIEW DATE:			
CONTRACT NUMBER:		REVIEWER:			
SUPPLIER NAME:		SYSTEM:			
COMMITMENT AMOUNT:		AWARD DATE:			
	Overall Original SM Compliance %		**0.0%**	**Remediated Compliance %**	**0.0%**
	# of Required Data Elements Missing or Inadequately Addressed		12	# of Required Data Elements Missing or Inadequately Addressed	12
REF.	**POLICY**	**DOCUMENTATION DESCRIPTIONS**	**ORIGINAL COMPLIANCE %**	**REVIEWER COMMENTS**	**REMEDIATED COMPLIANCE %**
A04 - Basic Contract	3-1.1	**Basic Contract Signed** - The basic contract includes terms and conditions that include Clauses 4-1 and 4-2, supplier completed Provision 4-3, and contract documents dually-signed by the Contracting Officer and Supplier PS 8203 form. **Note:** if these documents are not dually signed there should be evidence in the file that confirms offer by the Supplier and acceptance by USPS.	0.00%		0.00%
A01 - Award Notifications	3-1.1	**Successful Supplier Notification** Documentation should be an award notification letter but can be substitued with a copy of a dually-signed offer and acceptance contract document (i.e., PS8203).	0.00%		0.00%

Source: Supply Management Compliance Review Checklist.

- **Completed but stored outside of CAMS.** We found supporting documents for seven task orders were stored outside of CAMS. Buyers and COs we spoke with confirmed that they maintained supporting documents outside of CAMS, saving them to a separate shared drive.

These deficiencies occurred because neither the *SPs and Ps* nor the supplemental guidance specify that all required contract documents be stored in CAMS—the system of record. Specifically, the *SPs and Ps* state that supporting documents should be maintained in a contract file, but do not clearly stipulate they should be stored in CAMS.[22]

Updating or clarifying these related policies would help enhance CAMS utilization and effectiveness. The extent to which contract files do not contain required documents or that required documents are not stored in CAMS threatens the efficacy of Postal Service contract administration and oversight. For example, any required contracting documents stored on an internal shared drive rather than in CAMS would prevent contractor personnel or third-party reviewers from knowing or accessing that information.

> **Recommendation #1**
>
> We recommend the **Vice President, Supply Management** update policies to more clearly define which documents are required in the task orders files and reinforce oversight requirements through formal communication and mandatory trainings.

> **Recommendation #2**
>
> We recommend the **Vice President, Supply Management** update the Supplying Principles and Practices and supplemental guidance to ensure required contract documents are stored in the applicable contracting system.

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22 *SPs and Ps*, section 2-40.3 Contract File, dated September 1, 2022.

> **Recommendation #3**
> We recommend the **Vice President, Supply Management** implement a standardized process for all portfolios to include a completed Contract Award File Review checklist, signed by the contracting officer, in the contract file to ensure all required supporting documents for task order files are uploaded in the Contract Authoring Management System.

Finding 2: Automated Processes and Data Options

We found that the Postal Service used CAMS data options effectively, but opportunities exist to automate additional manual controls within CAMS. We interviewed buyers, COs, category management center personnel, and system administrators, as well as explored system functionalities through contract action demonstrations, to determine if data options are being used effectively and to identify manual controls that could be automated.

CAMS Data Options

The developer of CAMS offers several data options at an additional cost, such as an RPA that automates closeout procedures. Instead of using the developer's data options, the Postal Service created, designed, and implemented its own data options internally.

For example, the Postal Service effectively developed and deployed RPAs and DSign in CAMS, as follows:

- **RPAs.** The Postal Service increasingly uses RPAs to enhance CAMS effectiveness and productivity. RPAs are designed to perform a CAMS user's tasks. For example, buyers and COs previously had to manually create and upload modifications for approval and closeout. In January 2022, the Postal Service created an RPA that populates supplier information for a user automatically. This RPA ensures accurate supplier information such as pulling supplier specific information directly from the source system (e.g., System for Award Management)[23] instead of users having to find the suppliers'

> **"The Postal Service increasingly uses RPAs to enhance CAMS effectiveness and productivity."**

information themselves and possibly input outdated information. In December 2022, Supply Management also deployed an RPA to automate the contract closeout process. This RPA creates necessary modifications on behalf of the buyer and CO to decommit funds and route approvals to the appropriate user in CAMS.

- **DSign.** The Postal Service developed and implemented DSign capabilities in CAMS in FY 2020 to allow users to digitally sign and return contract documentation to the supplier for their review and signature without having to print and upload the document back into CAMS. This data option has proven to be effective as the number of awarded actions that were signed by COs using DSign increased substantially from 12.7 percent to 45.2 percent between FY 2020 and FY 2022.

Automating Manual CAMS Controls

CAMS operability relies on a mix of manual and automated[24] controls, and Supply Management is continuing efforts to automate some manual actions completed by users. Most recently, in March 2023, the Postal Service automated the manual re-entry of contract information, such as award type, to allow the description section of the award document to automatically populate when an award document is generated.

However, during our interviews, Postal Service officials noted additional opportunities to streamline manual processes or controls. For example, in some instances users must manually remove a "draft" watermark from the contract award when the finalized version is uploaded. The watermark cannot be removed after award, creating a risk that the final award could be erroneously stored as a draft document in the contract file. Staff also mentioned that CAMS users must manually update corresponding financial and accounting information when there is a change to a contract's funding. Automating those related controls will help to ensure these updates are accurately recorded and are consistently applied throughout the various financial and accounting systems.

In March 2023, the Postal Service began to survey all buyers and COs twice a year about potential opportunities to automate processes and enhance data options in CAMS. The Postal Service has already begun to track the results to help determine

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23 *System for Award Management* is General Services Administration's government-wide registry for suppliers doing business with the federal government.
24 Automation is the process of using technology to complete human tasks.

and prioritize which items to explore and develop. Based on these ongoing efforts, we are not making recommendations in these areas. We will, however, continue to track the progress of this survey exercise as part of our overall contracting work. The Postal Service can leverage the results to identify additional processes that can be automated and data options that would improve the accuracy and completeness of contract data and contracting staff efficiency.

Management's Comments

Management generally agreed with the findings, agreed with recommendation 1, and partially agreed with recommendations 2 and 3. Regarding finding 1, management ageed the OIG found that a certain number of documents were missing from the contract award and task order files. However, management stated that their review of those numbers were lower than the OIG's based on the OIG audit data, and that there are only 15 documents from contract award files and 95 documents from task order files missing.

Regarding recommendation 1, management stated they will update task order file guidance to more clearly define which documents are required. Management further stated they will also reinforce oversight requirements through formal communication and mandatory training. The target implementation date is February 29, 2024.

Regarding recommendation 2, management noted there were differences between task orders and the underlying base contract award documentation. Specifically, management stated they will update guidance for task order documentation to clarify and ensure required documents are stored in the applicable contracting system. However, they do not believe that an update for the base contract file documentation is necessary as the existing policy already defines documents required in the contract file. The target implementation date is February 29, 2024.

Regarding recommendation 3, management stated there are existing policies that dictate the required supporting documentation COs should include in the contract file. Management also stated they will implement a new Task Order File Checklist for required documentation for task order files consistent with the updated guidance. However, they will not

require the new Task Order File Checklist to be signed by the CO or placed in the contract file, which is the process that they follow for the existing Contract Award File Checklist. The target implementation date is February 29, 2024.

See Appendix B for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 1 and 3 and non-responsive to recommendation 2. The corrective actions for recommendations 1 and 3 should satisfy the intent of the recommendations.

Regarding finding 1, we acknowledge management's statement that their review of the of the audit data resulted in a lower number of missing documents than the OIG's findings. However, the OIG's findings were based on our review of the contract documentation maintained in CAMS, the primary contracting system. During multiple meetings with Postal Service management, the OIG reviewed the supporting documentation provided and adjusted the number of exceptions as appropriate. Additionally, after the exit conference, the OIG reviewed and addressed the exceptions based on additional, acceptable supporting documentation that was provided, but was unable to make further adjustments due to insufficient documentation that did not meet established criteria.

Regarding management's partial agreement with recommendation 2, we acknowledge management's statements that there are differences between task order and base contract award documentation and that there are existing policies that dictate the required supporting documentation COs should include in the contract file. However, management's comments did not address the need to store required documents in the applicable system.

Regarding management's partial agreement with recommendation 3, the intent of the OIG's recommendation was to implement a best practice and standardize the checklist process utilized by other teams within Supply Management. While it is true that the checklist is not required to be stored in CAMS, the Postal Service should still consider stipulating where the checklist should be stored for consistency of access.

All recommendations require OIG concurrence before closure. We view the responses to recommendations 1 and 3 as responsive and recommendation 2 as non-responsive, and will pursue recommendation 2 through the formal audit resolution process. 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.

Appendices

Appendix A: Additional Information

Scope and Methodology

The objective was to determine if the Postal Service has effective controls for maintaining accurate and complete data in the CAMS; if there are manual controls within CAMS that can be automated; and if there are data options within CAMS that are not being utilized effectively.[25]

To accomplish our objective, we:

- Generated a CAMS report of task orders for all Supply Management portfolios (excluding the Office of Inspector General contracts) in CAMS that were awarded and closed during FYs 2019 through 2021.

- Determined a statistical sample size with a confidence level of 95 percent, as dictated by Office of Inspector General policy.

- Reviewed and analyzed financial data in the ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮ environment.

- Reviewed and analyzed the contract award files and associated task orders in CAMS.

- Reviewed the *SPs and Ps* as well as other supplemental guidance.

- Interviewed and performed walkthroughs with buyers, COs, Category Management Center management, and CAMS Administrators.

- Interviewed Accounts Payable personnel.

- Reviewed the CAMS developer's website and assessed the data options that the developer offered and compared them to the data options that the Postal Service uses.

- Performed site visits.

We conducted this performance audit from July 2022 through July 2023 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 May 26, 2023, and included their comments where appropriate.

We assessed the reliability of computer-generated data by extracting CAMS data and reviewing data the in the ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ ▮▮▮▮▮▮▮▮ environment. We determined that the data was sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit within the last five years.

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[25] We reviewed data options to address the Vice President, Supply Management request for the audit team to identify additional opportunities to streamline automated controls within CAMS.

Appendix B: Management's Comments

June 23, 2023

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response to Draft Audit Report – Contract Authoring Management
System (CAMS) Utilization and Controls
(Project Number 22-088-DRAFT)

Thank you for the opportunity to review and provide comments to the Office of Inspector
General's (OIG's) draft audit report entitled, "*Contract Authoring Management System (CAMS)
Utilization and Controls* (Project Number 22-088-DRAFT)," dated June 5, 2023. Management
has reviewed the report along with its findings and recommendations. Management generally
agrees with the findings and recommendations; however, agrees in part with respect to
recommendations 2 and 3 for the reasons discussed below. Management is appreciative of the
OIG's consideration and implementation of requested changes to the report raised during
discussions and meetings with the OIG on this project, as well as the opportunity to provide
missing documents and to point out the location of documentation initially reported as missing.

Management Response to Finding #1: Insufficient Contract Documentation
The OIG found that the Postal Service had effective controls for maintaining accurate financial
data in CAMS, however controls were not effective for ensuring and maintaining accurate and
complete supporting documentation. Management agrees that during the review of 205 task
orders related to 52 separate contract award files, the OIG found that a certain number of
documents were missing from contract award and task order files. Management's review of
these numbers are lower than the OIG's findings based on the OIG audit data, and are only 15
documents from contract award files and 95 documents from task order files.

OIG Recommendations

Recommendation #1: We recommend the Vice President, Supply Management, update
policies to more clearly define which documents are required in the task orders files and
reinforce oversight requirements through formal communication and mandatory trainings.

Management Response #1: Management agrees with this recommendation. Management will
update task order file guidance to more clearly define which documents are required.
Management will also reinforce oversight requirements through formal communication and
mandatory training.

Target Implementation Date #1: February 29, 2024

Responsible Official #1: Director, Supply Management Infrastructure, Supply Management

Recommendation #2: We recommend the Vice President, Supply Management, update the
Supplying Principles and Practices, and supplemental guidance, to ensure required contract
documents are stored in the applicable contracting system.

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WWW.USPS.COM

Management Response #2: Management agrees in part with this recommendation based on the differences between "task order" and the underlying "base contract award" documentation. Management agrees and will update guidance specifically for "task order documentation" to clarify and ensure required documents are stored in the applicable contracting system.

Management does not view that an update for the "base contract" file documentation is necessary as the existing policy already defines documents required in the contract file (see SPs and Ps: 2-18.8 Indefinite-Delivery Contracts (IDC); 2-40.3 Contract File; 2-41 Obtain Selected Reviews and Approvals; and 4-1 Ordering). These references also contain information related to Indefinite Delivery Contracts (IDC) deliver orders/task orders (DO/TOs), which includes such documents as those at issue in this audit (e.g., supplier proposal/quote, executed DO/TO (unilaterally or bi-laterally signed, as applicable for orders issued by a contracting officer, etc.).

Target Implementation Date #2: February 29, 2024

Responsible Official #2: Director, Supply Management Infrastructure, Supply Management

Recommendation #3: We recommend the Vice President, Supply Management, implement a standardized process for all portfolios to include a completed Contract Award File Review checklist, signed by the contracting officer, in the contract file to ensure all required supporting documents for task order files are uploaded in the Contract Authoring Management System.

Management Response #3: Management agrees in part with this recommendation. As stated in the previous response to Recommendation 2, existing policies already instruct contracting officers as to the required supporting documentation in the underlying contract file. Additionally, SM has an existing Contract Award File Checklist used by contracting officers, Analysis and Research Teams, SM's Compliance Team, and Purchasing and Supply Management Specialists. To supplement this tool, we will implement a new Task Order File Checklist for required documentation for task order files consistent with the updated guidance incorporated from Management Response #2 above. Similar to current utilization of the Contract Award File Checklist, we will not require it to be signed by the contracting officer or placed in the contract file.

Target Implementation Date #3: February 29, 2024

Responsible Official #3: Director, Supply Management Infrastructure, Supply Management

E-SIGNED by MARK GUILFOIL
on 2023-06-23 13:50:38 CDT

Mark A. Guilfoil
Vice President, Supply Management

cc: Manager, Corporate Audit Response Management

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

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