



HIGHLIGHTS

BACKGROUND:

'Best value' is the basis of all U.S. Postal Service sourcing decisions and determined by an analysis of a contract solicitation's evaluation factors, weightings, and price. Review and approval of contractual actions provide oversight and an objective view of important business decisions. From October 2009 through December 2011, purchases for newly awarded contracts and task orders totaled \$4,290,251,400. Of this amount, we identified \$1,582,017,870 as competitive purchases.

Our objective was to determine whether contracting officials provided adequate evidence that they assessed evaluation factors and conducted price analyses to achieve best value in the purchasing process.

WHAT THE OIG FOUND:

Postal Service contracting officials did not provide evidence that they achieved best value when awarding contracts. We identified discrepancies with 69 of the 105 purchases reviewed, valued at \$361,558,156. Specifically, contracting officials did not maintain evidence to support an assessment of supplier past performance, supplier capability, price or cost analysis, or required review and approvals for 60 purchases, valued at \$327,327,782. Further, contracting officials incorrectly coded contract

information in the Contract Authoring Management System (CAMS) for nine purchases, valued at \$34,230,374.

When Postal Service contracting officials do not perform sufficient analyses and reviews during the purchasing process, they cannot ensure they get the best value. In addition, the Postal Service is at increased risk of conducting business with suppliers who lack integrity, adequate resources, or the technical skills to perform their contractual obligations. Finally, without complete files, contracting officials are unable to make informed contract management decisions.

WHAT WE RECOMMENDED:

We recommended contracting managers conduct periodic reviews of electronic and physical contract files and update the contract file transfer process to require receiving contract officials to certify that contract files contain required documentation. Finally, we recommended that management direct contracting officials and higher level approvers to ensure the accuracy of CAMS information and adhere to Supplying Principles and Practices to obtain appropriate written approval prior to submitting or approving contract actions.