



**Contract Management Data –
Transportation Contract Support System**

Report Number CA-AR-12-005

BACKGROUND:

The U.S. Postal Service uses the Transportation Contract Support System (TCSS) to manage transportation contracts and related activities. As of December 1, 2011, TCSS contained 16,993 highway contract routes (HCRs), valued at about \$2.8 billion. The audit objectives were to assess the integrity of data in TCSS to support the contract administration process and determine whether contract funding was properly approved prior to entering into contractual agreements.

WHAT THE OIG FOUND:

TCSS contained accurate data for all of the HCRs we reviewed. Because of the high accuracy rate from our sample, we determined TCSS data is sufficiently accurate to support the transportation contract administration process. In fact, we found several best practices that can be used to better ensure data validity in other systems maintaining contract management data. For example, contract specialists use a checklist and data verification form to help ensure that adequate supporting documentation is maintained and that data is entered correctly in TCSS.

Our audit determined that contracting officers (CO) signed HCRs without obtaining the necessary funding approval. Specifically, Postal Service

COs did not ensure that contracts valued at about \$48 million had appropriate funding approval documentation prior to contract signing. Of the 196 randomly selected contracts we reviewed, 184 (93.9 percent) did not have proper funding approval documentation prior to entering into the contractual commitments. Without prior funding approval, the Postal Service might not have the funds necessary to pay its obligations. Proper authorization to fund contracts also aids in complying with Sarbanes-Oxley requirements and overall controls over Postal Service purchases to prevent fraud.

However, in response to a prior audit report, Postal Service officials have recently implemented policy changes that should prevent this from happening in the future. We noted that nine of the 11 more recent contract actions did have the required prior funding approval. Management also provided other documentation they have used to track the contract funding process.

WHAT THE OIG RECOMMENDED:

Because of the implementation of our prior recommendation regarding contract funding approvals, we are not making a recommendation.