

POSTAL REGULATORY COMMISSION

OFFICE OF INSPECTOR GENERAL



FINAL EVALUATION REPORT

FOLLOW-UP REVIEW OF PRC CONTRACTING PRACTICES: ACQUISITION PLANNING POLICIES (REPORT #11-1-A01)

**EVALUATION REPORT #17-01-A04
September 29, 2017**

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Introduction

Background

On September 27, 2011 the Postal Regulatory Commission Office of Inspector General (PRC-OIG) issued an inspection report entitled *PRC Contracting Practices: Acquisition Planning* (Report Number 11-1-A01). We initiated this follow-up review to determine if the Postal Regulatory Commission (PRC) took appropriate actions to implement recommendations 3 and 4 from our prior inspection report.

PRC's Secretary and Chief Administrative Officer is responsible for, among other duties, procurement and supply, serving as the contracting officer as well as approving acquisition plans. To maintain public confidence in the PRC, it is important that the PRC obtains reasonable prices, monitors contract performance and ensures items are received in a timely manner.

Title 39 United States Code, Section 410, exempts the PRC from federal laws dealing with public or federal contracts, property, officers, employees, budgets or funds. Similarly, the provisions of Chapters 5 and 7 of Title 5 exempt the PRC from the competition rules that govern most other civilian agency procurements.

During our inspection, we reviewed 24 contract files. We noted that 20% of the total files were not required to have an acquisition plan, since the PRC did not have a policy in place. The acquisition plan is a contracting tool which captures the necessary objectives and tactics used to obtain the best value for the PRC in the most effective, economical and timely manner.

Recommendation 3: Develop a policy to ensure quality assurance reviews are completed on the contract files.

We reviewed PRC training records from January 2009 through December 2010. The PRC did not provide annual contract training requirements that were in effect from January 1 to July 14, 2009. According to PRC's purchasing policy effective July 15, 2009, contracting officials were required to enroll and complete required contracting courses. We did not find any training records showing that PRC staff and management completed this training.

Recommendation 4: Revise the current PRC purchasing policy to ensure adequate training is completed, tracked, and documented for contract personnel.

Objective, Scope and Methodology

The objective of this follow-up review was to determine if recommendations 3 and 4 made in our 2011 inspection report were implemented.

To accomplish our objectives, we reviewed and evaluated PRC Purchasing Policy and training materials.

We conducted this review between September 8 and September 29, 2017 in accordance with the Council of the Inspectors General on Integrity and Efficiency's January 2012 *Quality Standards for Inspections and Evaluations*. We believe that the documentation obtained provides a reasonable basis for our conclusions based on our objectives.

Results

The follow-up review found that the PRC has effectively implemented recommendations 3 and 4 that we identified in our prior inspection report.

Recommendation 3:

The Commission implemented a Purchasing Policy on September 8, 2011 which includes:

- Statutory Authority for Commission Purchasing;
- Commission and Staff Responsibilities;
- Qualifications and Training;
- Contract Methodologies; and
- Contract Planning, Strategies and Procedures.

The PRC also implemented a contracts standard operating procedure for quality assurance reviews on September 20, 2011.

Recommendation 4:

The Commission updated PRC Purchasing Policy on September 8, 2011 to strengthen the annual training requirements. In addition, they implemented a contract training log on August 24, 2011 that requires that all training is completed and documented.

These policy changes address the recommendations made in our 2011 inspection report.

We do not offer any further recommendations.