

CPU CHECKLIST

This document is intended to be a quick source of information to locals that are dealing with the growth of Contract Postal Units (CPUs). We should investigate each CPU in our area to make sure it is operating within the constraints of our Collective Bargaining Agreement.

A CPU is defined in the AS-707F Handbook as a “contractor-owned and operated” facility. Chapter 2 of that Handbook also enumerates the “necessary conditions” that must be present before a CPU contract may be requested.

The APWU has long taken the position the USPS may not award CPU contracts to contractors who do not own their facilities as evidenced by a 1995 National Level dispute on case G90C-4G-C 94016795 from Enid, OK.

In contract negotiations in 1998, USPS official Peter Sgro acknowledged in a letter to Cliff Guffey on May 4, 1999 that they agreed with the APWU position and that they had notified their Area Vice Presidents of that agreement in a memorandum dated April 22, 1999.

Violations were continuing in the field. The USPS entered into a settlement agreement on another dispute we had filed in circumstances when contracts are let for a CPU to contractors who do not own the property/facility. That agreement obligated the USPS to comply with the regulations that state a CPU must only be located in “a contractor –owned and operated facility”. It also made clear a CPU may not exist on property that is owned or leased by the USPS and that, as of the date of the MOU, May 17, 2007, “competitor’s-branded products and services, including those of USP, FedEx, and DHL, may not be sold at nay newly-established CPU.”

In some areas, the USPS were would have contractor's sign leases, which would be a violation since the CPU would not be contractor-owned, but also the contractors are "passing through" all costs associated with the lease to the USPS, which makes it, essentially, a USPS leased facility. Temple, TX is an example where the USSP modified the contractor's lease numerous times, for example to make "repairs", to install "telephone services scanner line and credit card machines", for "remodeling and improvements". Many of these improper CPU contracts should be postal facilities pursuant to Article 1.1 of our CBA and clearly demonstrate the existence of duty assignments that should be posted for bid pursuant to Article 37.3.A.1.

In a clear attempt to alter the language the APWU achieved in contract negotiations on limitations that are placed on CPUs, the USPS issued a revised Publication 156 which replaces the AS-707F Handbook. This illegal unilateral change states that now CPUs must not only be "supplier-owned", they may also be "supplier-leased". That is clearly not what we bargained for in 1998. In addition, they refer to an "Alternative Contracting Process" which is not explained in any kind of detail. Publication 156 has been challenged at the national level.

If you have CPUs in your area, the following steps should be taken to ensure our CBA is not violated and that the public has access to the postal goods and services they deserve.

1. Obtain a copy of the contract between the USSP and the CPU. If the USPS is providing the lease it is clearly a violation and you should grieve it.
2. If the CPU property is not owned by the contractor, but rather is leased by the contractor with the USPS making capital improvements, such as the example provided in Temple, TX, it is a violation and you should grieve it. There is a national level dispute on that issue that is expected to be heard at the national level within the next year.
3. If the CPU provides post office boxes, it is a violation pursuant to both the AS-707F Handbook and Publication 156, and you should grieve it.

4. If the CPU is located in, or directly connected to, a room where intoxicating beverages are sold for consumption on the premises, it is a violation and you should grieve it. If alcohol is sold, but not for consumption, and other goods such as lottery tickets and tobacco are sold, it may not be appropriate to challenge under our contract but you should try to make liaisons with groups such as church or civic groups who would oppose CPUS where postal customers required to enter this type establishment for government services.
5. If the CPU sells postal money orders, it is a violation and you should grieve it.
6. If the CPU provides commercial mail receiving (private mailbox) services, it is a violation and you should grieve it.
7. If the CPU sells competitive services, e.g., delivery service similar to FedEx, UPS, Western Union, etc., it is a violation and you should grieve it.
8. If the CPU is on a military base, and there is a contract between the USPS and the military, it is a violation and you should grieve it. If the contract is between the military and the contractor it is probably not a violation.
9. If the CPU is on a college campus and is being run by the college itself as a service to students and faculty it is probably not a violation.
10. Is the CPU handicap accessible? If not, it could be a violation of the contract, you should grieve it. You should also make alliances in the community with groups that support handicap access for support.
11. Any grievance challenging CPUs should cite the following Articles as being violated.
 - Article 1, Sections 1,2,3 and 4
 - Article 7, Section 1
 - Article 19, relevant Handbook and Manual cites
 - Article 32, only if procedural violations on local notice occurred
 - Article 37, Section 3.A.1

Make sure your remedy demonstrates the harm that is being done to members of the bargaining unit when CPUs are expanding while our employees are being excessed.

In your communication to the public for support to USPS owned or leased stations instead of CPUs, be sure to stress the fact that these CPU employees are not screened like postal employees, they generally have transient and low-paid workers. They are not well trained in HAZMAT and other safety issues due to a high turnover rate.

There are a number of improper CPUs out there that are taking work from our members. It is hoped this checklist will assist you in your fight to return that work to the bargaining unit.

Mike Morris



[Home](#) | [About USPS & News](#) | [Organization Information](#) | [Doing Business With Us](#) | [Suppliers](#)
| [How to Become a USPS Supplier](#) | **Contract Postal Units**

Contract Postal Units

What is a Contract Postal Unit?

A Contract Postal Unit (CPU) is a **supplier**-owned or **supplier**-leased site operated by the **supplier**, under contract to the Postal Service™ to provide postal services to the public at Postal prices.

► Services provided at a CPU are listed below:

- Stamps
- Stamped Envelopes
- Stamped Postal Cards
- Express Mail® Service
- First Class Mail® Service
- Parcel Post®
- Express Mail International®
- Priority Mail International
- Insured Mail
- Certified Mail™
- Return Receipt
- Delivery Confirmation™
- Signature Confirmation™
- Registered Mail

Other services that may be provided are: Global Express Guaranteed Service® (GXG).

Mail deposited at a CPU after the last collection of the day will be processed on the following postal-business day.

► The CPU Supplier must meet the following criteria set forth by the United States Postal Service:

- **Supplier's** space cannot be owned or leased by the U.S. Postal Service
- A surety bond may be required
- No surcharges can be added to Postal products or services
- Cannot be staffed by postal employees
- Cannot sell competitive services
- Cannot have Post Office Boxes
- Cannot sell postal money orders
- Cannot provide commercial mail receiving (private mailbox) services
- Cannot provide third-party delivery services
- Cannot provide any products or services that the Contracting Officer determines are similar to, or competitive with, delivery and parcel services offered by the Postal Service
- Cannot be located in, or directly connected to, a room where intoxicating beverages are sold for consumption on the premises
- Contracts are competitive
- Contracts cannot be awarded to Postal Service employees or members of their immediate families
- Contracts are set up with an indefinite end date

► How do I become a Contract Postal Unit Supplier?

The need for a Contract Postal Unit (CPU) is determined by the local Post Office™. If additional retail outlets are required in a community, but it does not warrant a Postal Service facility, the local Post Office is responsible for soliciting vendor participation. An official contract is required for this program as well as some building modifications. If you are interested in becoming involved, each CPU has a local Postal Contracting Officer's Representative who oversees the CPU. If you are interested in starting a CPU, please contact your local Postmaster to see if there are any CPU solicitations being considered in your community.



May 4, 1999

Mr. Cliff C. J. Guffey
Director, Clerk Division
American Postal Workers
Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

Dear Cliff:

This letter is in response to your February 18, 1999 correspondence requesting information concerning a draft memorandum to Postal Service Vice Presidents, Area Operations from Patricia M. Gibert regarding Contract Postal Units, which you were provided during 1998 National Contract Negotiations.

Enclosed is a copy of the April 22, 1999 memorandum to Vice Presidents, Area Operations from the office of Patricia M. Gibert regarding Contract Postal Units.

If you have any questions concerning this matter, please contact Jack Green of my staff at (202) 268-8300.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter A. Sgro".

Peter A. Sgro
Acting Manager
Contract Administration APWU/NPMHU

Enclosure



1.4.4 Nonpostal Services

A CPU contractor may handle nonpostal sales and transactions if they take place in an area separate and distinct from the CPU and if the funds are kept separate. See Clause OB-596, *Nonpostal Transactions (Contract Postal Unit)*, in Exhibit C, Part 1, Section B, *Specifications/Statement of Work*.

1.4.5 Contract Type and Term

All CPU contracts must be firm fixed price contracts, subject to wage adjustment if the contractor is a minimum rate contractor, and to negotiated price increases or adjustments for underestimated revenue. All CPU contracts will run for an indefinite term, subject to termination by either party with 60 days' notice (unless the contract is terminated by the Postal Service for default). (See Clause OB-490, *Contract Duration and Termination (Contract Postal Unit)*, in Exhibit C, Part 1, Section C, *Delivery/Performance*.)

1.4.6 Utilities Reimbursement on Military Installations

The Postal Service has agreed to reimburse the Department of Defense for utility and telephone services provided at CPUs on military installations. The agreement is established on DD Form 1144, provided by the military installation to the administrative postmaster who reviews the charges and signs for the USPS. Actual monthly charges are billed on SF 1080, *Voucher for Transfers Between Appropriations and/or Funds*. Payment is handled locally by the administrative

post office (See Handbook F-1, *Post Office Accounting Procedures*).

1.5 Definitions

1.5.1 Contract Postal Unit (CPU)

A contract postal unit is a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office, that provides selected postal services to the public. There are three types of CPUs:

- a. *Contract Station (CS)*. A unit located within the corporate limits of the city, town, or village served by the administrative post office.
- b. *Contract Branch (CB)*. A unit located outside the corporate limits of the city, town, or village served by the administrative post office.
- c. *Community Post Office (CPO)*. A unit, usually located in a small rural community, that provides service because a Postal Service facility has been discontinued or otherwise deemed impractical. CPOs generally use the same name as the community.

1.5.2 Minimum Rate Contractor

A minimum rate contractor is an individual who:

- a. is self employed;
- b. operates the CPU personally more than 50 percent of the time;
- c. conducts no other primary business at the CPU location. The primary business is that which generates the greatest revenue for the contractor.

of business proposals and price proposals, using the format shown in Exhibit A, Part 3 (see 2.4);

d. (For competitive situations) A list of prospective offerors;

e. Recommended contracting officer's representative (see 2.5);

f. (For competitive situations) Names, titles, and addresses of two or more individuals who will serve as the evaluation committee;

g. (If only one interested or qualified party) Justification for noncompetitive award;

h. Cost/Benefit Analysis and Detailed Plan.

2.3 Description of Requirements

2.3.1 General

The requesting office must complete the *Requirements: Contract Postal Unit* format shown in Exhibit A, Part 2. Following are guidelines for key items.

2.3.2 Location

The requesting office must specify location, as precisely as is deemed necessary. The best potential locations are in or adjacent to existing business, working or shopping areas, and at sites where customers, including the handicapped, have convenient access to parking or mass transit.

2.3.3 Accessibility to the Handicapped

It is Postal Service policy to attempt to insure that all post offices, including contract postal units, are readily accessible to all. Contractors selected should be in locations readily accessible to the handicapped. If a contract is awarded to a contractor whose premises are not accessible, the contracting officer must document the contract file to describe the attempts made to find other contractors with accessible locations and describe the reasons for making the award.

2.3.4 Hours of Service/Operation

2.3.4.1 General. Hours of operation and hours of service are not the same. Hours of

service are the times when the CPU is open for business. Hours of operation include hours of service as well as additional time needed to ensure that all contract work activities (opening and closing the CPU, completing reports, etc.,) can be performed.

2.3.4.2 Service. To determine the number of hours, days of the week, and times of day that a CPU will be open, the requesting office must consider the following factors:

a. Peak demand periods in the area to be served;

b. Customer convenience;

c. Need for hours of service outside those of nearby classified units;

d. Restrictions imposed by the physical location.

2.3.4.3 Operation. The requesting office must estimate the amount of time needed for administrative activities in specifying the proposed CPU's hours of operation. Any midday closing must also be specified (these are not included in either hours of operation or hours of service). The establishment of hours of operation must be carefully considered if most offerors are expected to be minimum rate. Minimum rate contractors who are paid the FLSA minimum wage may not exceed the hours of operation specified in the contract, nor may they work more than 40 hours in any given week.

2.3.5 Estimated Revenue

The requesting office must consider all pertinent information in arriving at this figure, including retail analysis data, profiles of the population serviced, and data on the walk-in revenue of retail units currently serving the selected area. The estimate is critical to the success of the CPU award process as it is needed in order to:

a. Project the value of the CPU to the Postal Service (and thus determine what should be the maximum contract award price);

b. Provide interested offerors with a reasonable baseline from which to develop their price proposals.



American Postal Workers Union, AFL-CIO

1300 L Street, NW, Washington, DC 20005

Greg Bell, Director
Industrial Relations
1300 L Street, NW
Washington, DC 20005
202-842-4273 (Office)
202-331-0992 (Fax)

Initiate National Dispute

March 5, 2009

Via Facsimile and First Class Mail

National Executive Board

William Burrus
President

Cliff "C. J." Guffey
Executive Vice President

Terry Stapleton
Secretary-Treasurer

Greg Bell
Industrial Relations Director

James "Jim" McCarthy
Director, Clerk Division

Steven G. "Steve" Raymer
Director, Maintenance Division

Robert C. "Bob" Pritchard
Director, MVS Division

Sharyn M. Stone
Central Region Coordinator

Mike Gallagher
Eastern Region Coordinator

Elizabeth "Liz" Powell
Northeast Region Coordinator

William "Bill" Sullivan
Southern Region Coordinator

Omar M. Gonzalez
Western Region Coordinator

Mr. Doug Tulino
Vice President, Labor Relations
U.S. Postal Service, Room 9014
475 L'Enfant Plaza
Washington, D.C. 20260

Re: APWU No. HQTG20092

Dear Mr. Tulino:

On March 13, 1995, case #90C4G C94016793 was appealed to national arbitration from a Step 4 appeal under the pre-1998 Article 15 procedures. In accordance with the June 3, 2004 Memorandum of Understanding "Re: Review of Pre-1998 Grievances Referred or Appealed to the National Level," all grievances appealed under the pre-1998 Article 15 process that had not been settled, withdrawn or remanded pending the outcome of a national dispute were considered remanded as of Sept. 30, 2004 to the parties at Step 3 for further processing or to be scheduled for arbitration, as appropriate.

Please be advised, the APWU has made an interpretive review of the issue(s) in this case, and in accordance with the provisions of Article 15 of the collective bargaining agreement, and of the June 3, 2004 Memorandum of Understanding, the American Postal Workers Union is initiating a dispute at Step 4 of the grievance procedure concerning the following interpretive issue:

This dispute involves Contract Postal Units (CPUs) and facilities that must be staffed by bargaining unit employees. The Union contends that CPUs may not exist when the Postal Service has the use of the property by consignment or other special agreement, for example, on military bases, in National Parks, and in government buildings. More broadly stated, when a facility providing postal services is indistinguishable from a postal customer services facility, it must be staffed in accordance with the National Agreement.

Under the National Agreement, a facility which provides postal services for customers is one covered by Article 1.3 of the National Agreement – that is, it provides customer services within the meaning of Article 1.4 – and therefore must be staffed by employees as defined in Article 7. Duty

assignments which exist in these facilities must be posted for bid for full-time and part-time regulars in accordance with Article 37. Where there is not enough work for a full-time assignment or to combine into a bid assignment, Article 7 requires the Postal Service to assign the work to part-time employees with a flexible schedule – PTFs. Only when there is not enough work to meet the contractual minimum for a PTF (that is, two hours per pay period), may the Postal Service employ casuals to perform clerk craft duties in accordance with Article 7 of the National Agreement. Unless the Postal Service can demonstrate that a given facility is a legitimate CPU, the Postal Service must staff the facility in accordance with Articles 1, 7 and craft articles of the National Agreement.

It is the APWU position that Handbook AS-707 does not apply in these cases because the CPUs are not owned as well as operated by the contractor. The definition of a CPU is found in Section 1.5.1: "A contract postal unit is a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office that provides selected postal services to the public" (emphasis added). The Postal Service itself recognizes that CPUs may not exist on property owned or leased by the Postal Service. The same rationale applies to the situations described in this letter.

In accordance with the provisions of Article 15, Section 2, of the National Agreement, "[T]he parties shall meet at the National level promptly, but in no event later than thirty (30) days after initiating such dispute in an effort to define the precise issues involved, develop all necessary facts and reach agreement." If the parties are unable to resolve this issue, it will be placed back on the arbitration docket based on the original appeal date of March 13, 1995, in accordance with the June 3, 2004 Memorandum.

Please contact Cliff Guffey, case officer, to discuss this dispute at a mutually scheduled time.

Sincerely,


Greg Bell, Director
Industrial Relations

APWU #: HQTG20092

Dispute Date: 3/5/2009

Case Officer: Cliff Guffey

Contract Article(s): 1.3 and 1.4 Art. 7

cc **Resident Officers**

File

GB/bw

Chapter 2

Submitting Requests for Contracts

2.1 Determining the Need for a Contract

2.1.1 Area Review

Before submitting a request for a CPU contract, the administrative post office must verify the need for the CPU based on the following indicators:

- a. Studies of the operating efficiency of existing retail service points (classified units and self service postal centers);
- b. Retail analysis surveys, window transaction counts, and customer service card responses;
- c. Local financial and other reports;
- d. Community market or growth surveys, if available.

2.1.2 Necessary Conditions

A CPU contract may be requested when one or more of the following conditions is present:

- a. A newly developed community requires retail services, but does not yet warrant a Postal Service facility;
- b. Present retail units are not able to serve customers efficiently because of either limited space or high customer demand;
- c. There are no retail units located in an area of high customer demand;
- d. Flexibility in service hours is needed;
- e. Only limited retail services are necessary;
- f. An independent post office has been closed;
- g. The Postal Service will realize service, scheduling, cost, or other benefits from the CPU.

2.1.3 Cost/Benefit Analysis and Detailed Plan

The local administrative post office must perform a cost/benefit analysis to determine if there

is any advantage to be gained by entering into the contract. To ensure that a sound management decision is made, a detailed plan must also be prepared. The analysis must demonstrate the benefits to the Postal Service. Those benefits may be service oriented or public relations oriented as well as economic. The plan must address the following, as a minimum:

- a. Proposed location of the CPU in the facility;
- b. Proposed hours of operation;
- c. Types of operations to be performed at the CPU;
- d. Any Postal owned property to be supplied;
- e. Bonding requirements;
- f. Estimated number of customers;
- g. Administrative and auditing costs.

2.2 Required Format

2.2.1 Form 7381

Requesting offices must submit their requests for CPU contracts on Form 7381, *Requisition for Supplies, Services, or Equipment*. See Exhibit A, Part 1.

2.2.2 Necessary Elements

In addition to the other information required by Form 7381, each request must include, on Form 7381 or an attachment, the following elements:

- a. A detailed description of the contract requirements, prepared using the format shown in Exhibit A, Part 2 (see 2.3);
- b. An estimate of anticipated revenue (see 2.3.5);
- c. (For competitive situations) Indication of the relative weight of the criteria to be used in evaluating proposals, and the relative importance

transients, and for other customers who are not permanently located. Mail endorsed "Transient, to be called for, general delivery" or with other suitable words will be placed in the general delivery case to be delivered to the addressee upon request at a retail service counter and with proper identification. Persons living permanently in cities having carrier delivery service and who have good and sufficient reasons satisfactory to the postmaster may receive their mail at general delivery retail service counters.

141.3 **Firm Holdout Service**

Customers who normally receive 50 or more letters on the first delivery trip and who request to pick up mail may be provided *firm holdout service*. Firm mail may be a direct holdout or may be withdrawn from the carrier's case. For each customer, employees complete a Form 3801, *Standing Delivery Order*. Indicate on the form the type of mail (that is, letter, parcel post, special delivery, or all mail the firm will pick up) and obtain the signature of each firm employee or the designated agent authorized to pick up the mail. Carriers cannot make a first delivery to customers receiving holdout service, but may make subsequent delivery of mail where such service is provided by multiple trip routes. This service does not withdraw established service.

No charge is made for firm holdout service under these provisions.

In all other cases, customers requesting to call for their mail will be afforded service in accordance with DMM 841, 842, or 843.

141.4 **Post Office Box and Caller Services**

141.41 **General**

Post office box and caller services are premium services provided for the convenience of customers for a fee. This service is divided into two basic parts: post office box service and caller service.

141.42 **Post Office Box Service**

141.421 **General**

Post office box service consists of delivery to post office boxes rented by customers for a fee. ~~These boxes are located at postal facilities~~ of any kind, subject to customer demand and the Postal Service's ability to provide them. They are arranged in different configurations and must follow certain equipment and numbering requirements (see 141.423).

141.422 **Configurations**

Post office box service is provided through the following configurations:

- a. A *post office box unit* is any number of post office box sections that comprise the total post office boxes in a facility that is under one particular five-digit ZIP Code.
- b. Any configuration of standard-sized boxes having the same overall dimensions as an assembly of the smallest size configured two high and six wide is a *post office box module*.
- c. Five post office box modules arranged vertically comprise a *post office box module unit*. (In some cases, this will exceed 72 inches in height.)

SOLICITATION, OFFER, AND AWARD
CONTRACTOR OPERATIONS (CS), BRANCHES (CB), OR COMMUNITY POST OFFICES (CPO)
 (Negotiated Contract)

1. ISSUED BY MSC Procurement, Property and Supply 1760 West 2100 South, Room 265 Salt Lake City, UT 84199-9520 For Information Call (No Collect Calls) 801-524-6249		2. SOLICITATION NO.	3. CONTRACT NO. 497786-83-E-0020
		4. DATE SOLICITATION ISSUED August 1, 1983	
		5. RETURN OFFER TO ISSUING OFFICE BY (Date) (Time)	

6. Sealed offers will be received at the issuing office (Block 1) until the date and hour specified in Block 5. Offers must be submitted in original and two copies. Offers should be identified by Form 7377, attached, completed and affixed to the lower left hand corner of the envelope. (See paragraph 8 on reverse of this form concerning Late Offers, Modifications, and Withdrawals).

7. All offers are subject to the General Provisions for Contract Stations, Contract Branches, and Community Post Offices (Form 7369) and to all other provisions, representations, certifications, and specifications attached hereto or incorporated herein by reference which will become a part of any ensuing contract, whether or not all such pages are returned with the offer. Attachments are listed in Block 12, below.

REQUEST FOR PROPOSAL

8. The United States Postal Service has a requirement for a Contract Station to be located as follows: * in the township of St. George, UT 84770. (CS, CB, or CPO)

PUBLIC SERVICE CONTRACT

9. The hours, operation, and the specific postal service functions to be performed by the Contractor are delineated on Form 7311, Specifications Requirements for Contract Stations, Contract Branches, and Community Post Offices, dated 7/22/83.
10. To respond to this Request for Proposal; (a) complete all portions of the Representations and Certifications (b) prepare a written proposal stating hours and days of the week the contract unit will be open, how the contract unit will be staffed, and all information required to permit your proposal to be evaluated in accordance with the Evaluation and Award Criteria, (c) sign and date the offer portion of this Solicitation form in Blocks 17 and 18; and (d) return the entire package to the address in Block 1.
11. The evaluation and award criteria contained in Form 7308 will be used to evaluate each proposal. Each offeror's attention is invited to the fact that factors other than the annual price proposed may control award. N/A
12. This solicitation consists of:
 a. Form 7368, Solicitation, Offer, and Award
 b. Form 7310, Representations and Certifications
 c. Form 7369, General Provisions
 d. Form 7311, Specification Requirements
 e. ~~Form 7308, Evaluation and Award Criteria~~
 f. ~~Form 7325, Performance Bond~~ 7298 Contract Unit
 g. ~~Form 7322, Surety Bond~~ Surety Bond

OFFER

13. In compliance with the requirements of this solicitation, the undersigned offers to operate the contract unit, subject to all the terms and conditions of this document and its attachments, for the annual price of \$ not to exceed \$100.00. Minimum Rate offerors only, as defined in paragraph 1 on reverse of this form, shall complete the following: Price per hour \$ _____.

14. Are you a Minimum Rate offeror? ☐ Yes ☐ No
 NOTE: Offerors by Minimum Rate offerors will be evaluated in accordance with paragraph 2 on reverse of this form, to assure that they meet or exceed the hourly wage rate required by the Fair Labor Standards Act.

15. In compliance with the above, the undersigned offers and agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified in Block 5 above, to furnish the specified service at the price contained in the proposal submitted in response to this solicitation. The contract unit will be located at:
HURST STORES, INC.
 (Name of business, if any)
160 N. 500 W.
 (Street Address)
ST. GEORGE UTAH 84770
 (City, State and ZIP Code)

16. Acknowledgement of Amendments. The offeror acknowledges receipt of Amendments to the Solicitation for offers and related document numbers dated as indicated:

AMENDMENT NO.	DATE

17. DATE OF OFFER <u>AUGUST 9, 1983</u>	18. SIGNATURE OF OFFEROR <u>David G. Clove D.P.</u>	19. NAME OF PERSON AUTHORIZED TO SIGN (Type or print) <u>DAVID G. CLOVE D.P.</u>	20. TELEPHONE NO. <u>(801) 673-6141</u>
21. OFFEROR/CONTRACTOR NAME <u>HURST STORES, INC.</u>	22. STREET ADDRESS (If other than Block 15)	23. CITY, STATE AND ZIP CODE (If other than Block 15)	

NOTE: Offers must set forth full, accurate, and complete information as required by this Solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001. Award will be made on this form, or by other official written notice.

AWARD (To be completed by USPS)

24. This contract has been assigned the contract number entered in Block 3. All correspondence between the contractor and the Contracting Officer shall reference the contract number.

25. The contract is for an indefinite term, subject to the termination provisions of Clause 3, Form 7369.

26. This contract shall become effective upon execution by the Contracting Officer. Prior to contract award, the Contractor shall furnish proof of issuance of a performance bond (see Clause 17, Form 7369) for the amount specified in Item 3 of Form 7311.

27. NAME OF CONTRACTING OFFICER (Type or print) HOWARD L. BUCK MSC Manager/Postmaster	28. USPS BY (Signature of Contracting Officer) <u>Howard L. Buck</u>	29. AWARD DATE October 1, 1983
ANNUAL PRICE \$100.00	MONTHLY PAYMENT	APPLICABLE TO MINIMUM RATE CONTRACTOR <input checked="" type="checkbox"/>
ANNUAL HOURS	HOURLY RATE	

* Describe the required location by inserting the name of the community, the geographic location within the community, e.g., within that portion of town between 5th and 8th Streets and Fillmore Street and Oak Street (if possible include a city or town map with area identified); the name of the shopping center and city; etc.

Publication 156

Postal Employees Guide to Contract Postal Units

June 2009

Chapter 1 CPU Overview

1-1 Introduction

Contract Postal Units (CPUs) have been an historic part of the provision of postal services in the United States. The purpose of this document — Publication 156, *Postal Service Employees Guide to Contract Postal Units* — is to provide a ready reference guide for this important program. It is intended to assist each member of the team that is responsible for implementing and managing a CPU. This publication guides CPU team members through the complete process involved in opening and managing a CPU, including justification, package request, solicitation, and contract award. It also addresses constructing, opening, managing, evaluating, and training employees of a CPU. Execution of this program will require a funding commitment from the district manager or other authorizing office. Changes to this publication will make it impractical to keep it up-to-date in hard copy. Therefore, updates will be made and posted on Blueshare, <http://supply.blueshare.usps.gov/sites/cpac/default.aspx>. This publication will also be available on the Postal Service PolicyNet Web site, <http://blue.usps.gov/cpim>; click on *Pubs*. Please access these pages for the latest updates.

Note: "This publication does not establish any legal rights of CPU suppliers. The legal rights of CPU suppliers and those wishing to become CPU suppliers are provided within the terms of contracts and solicitations for contracts with the Postal Service."

1-2 Definitions

Term Definition

Contract Postal Unit.

A CPU is a **supplier-owned or supplier-leased site** operated by the supplier, under contract to the Postal Service, to provide postal services to the public at postal prices. The contract for a CPU must be competed, unless a noncompetitive justification is submitted and approved pursuant to Management Instruction (MI) SP-S2-2007-1, *Noncompetitive Purchases* (see [Exhibit 6.2](#)).

Community Post Office

A Community Post Office (CPO) is a firm-fixed price contract unit that provides postal services in small communities where an independent Post Office has been discontinued. A CPO usually bears its community's name and ZIP Code. The contract for a CPO must be competed unless a noncompetitive justification is submitted and approved pursuant to MI SP-S2-2007-1, *Noncompetitive Purchases* (see [Exhibit 6.2](#)). Additional information on CPOs appears in chapter 12.

Minimum-Rate Contract

A minimum-rate supplier is an individual who provides postal services to the public. In addition, a minimum rate supplier must meet the following criteria:

- a. Is the offeror an individual?
- b. Will the offeror personally operate the CPU more than 50 percent of the time?
- c. Will the CPU be operated in a facility devoted exclusively to CPU service?
- d. If there is another business operated at the CPU site, will the CPUs revenues exceed the other commercial activity's revenues?

(If questions a, b, and c are all "Yes" or questions a, b, and d are "Yes", this is a minimum rate CPU).

The minimum rate that the supplier must be paid is the current federal minimum wage rate. A minimum-rate firm-fixed price contract must be competed unless a noncompetitive justification is submitted and approved pursuant to MI SP-S2-2007-1 (see Exhibit 6.2).

Public Service Contract

A public service firm-fixed price contract is based on a supplier's proposal to the Postal Service to operate a CPU for community convenience or business reasons. Payment under this firm-fixed price contract may not exceed \$100 per year. Public service CPUs may be considered only when they would serve the best interests of both the customer and the Postal Service. A public service contract does not have to be competed and a non-competitive justification is not required.

Seasonal Contract

A seasonal firm-fixed price contract is used in areas where the seasons dictate the need for a CPU. The contract states the hours of operation per the various seasons of the year (i.e., open during winter months in a ski resort area or open during winter months in a warm weather area). The supplier is paid an agreed-upon firm-fixed rate. This contract must be competed unless a noncompetitive justification is submitted and approved pursuant to MI SP-S2-2007-1, *Noncompetitive Purchases* (see Exhibit 6.2).

Temporary (Emergency) Contract

When a previously established CPU contract is terminated on short notice and the lack of a CPU creates a hardship on the community, the host Post Office may request that a temporary (emergency) firm-fixed price contract be awarded. The supplier is paid an agreed-upon firm-fixed rate, and the contract time period may not exceed 6 months. This contract must be competed unless a noncompetitive justification is submitted and approved pursuant to MI SP-S2-2007-1, *Noncompetitive Purchases* (see Exhibit 6.2).

Contract Access Retail System (CARS)

A CARS mailing system is provided by the Postal Service to the CPU for weighing, metering, and calculating postage on mail pieces. Only CPUs under a performance-based percentage payment contract that do not have Post Office boxes or sell postal money orders will qualify for a CARS system.

Alternative Contracting Process

Alternative contracting is a contracting process developed by the Denver CMC for use by district retail specialists. This process allows district retail specialists who have been delegated the relevant authority, in writing, by the Denver CMC to issue CPU solicitations and award contracts under specific situations outlined in the delegation of authority. Following contract award, the contract file is sent to the Denver CMC, which administers the contract.

1-3 Personnel and Offices

1-3.1 Travel, Retail, and Temporary Services Category Management Center (Denver CMC)

The Contracting Officer (CO) for all CPUs is located at the Travel, Retail, and Temporary Services Category Management Center (Denver CMC) in Aurora, Colorado.

allowed to pursue relationships with this type of company without approval from Headquarters. In these situations Headquarters will provide assistance to the area or district when meeting with the potential supplier, provide a broad overview of the program, and ascertain the interest in becoming a CPU supplier. If interest is indicated and a need exists for CPUs in locations operated by the national or regional chain, then local Postal Service authorities will begin the solicitation process. Implementation of CPUs will be based on need and value to the customer and the Postal Service.

1-5.4 Requisition Approval

District managers and district managers only, have the authority to approve requisitions for CPUs. This authority may not be delegated below the district manager level.

1-5.5 Contract Award

Only designated contracting officers who possess a certificate of appointment may award CPU contracts.

1-5.6 Restrictions and Special Considerations

1-5.6.1 Location

The CPU must not be located in, or directly connected to, a room where intoxicating beverages are sold for consumption on the premises.

1-5.6.2 Contracts with Postal Service Employees

CPU contracts may not be awarded to Postal Service employees or members of their immediate families. Contracts may be awarded to retired or former Postal Service employees or their family members, subject to restrictions on post-employment activities of Postal Service employees as imposed by law.

1-5.7 Post Office Box Service

A CPU should not provide Post Office box service. Providing this service at a CPU location makes a commitment to the customer as to the availability of a delivery service. This commitment can have an adverse effect on the flexibility of relocating or closing the CPU if there is a change in market conditions.

1-5.8 Non-postal Services

CPUs must provide Postal Service products and services, exclusively. The supplier may not, in the CPU or in any part of the supplier's premises in which the CPU is located, offer directly or by subcontract, lease, or sublease or otherwise provide the following:

- a. Commercial mail receiving (private mailbox) services.
- b. Third-party delivery services.



UNITED STATES
POSTAL SERVICE

Mr. Cliff J. Guffey
Assistant Director
Clerk Craft Division
American Postal Workers
Union, AFL-CIO
1300 L Street, N.W.
Washington, DC 20005-4128

Re: G90C-4G-C 94016795
CLASS ACTION
ENID OK 73701

Dear Mr. Guffey:

Recently, we met to discuss the above-captioned grievance at the fourth step of our contractual grievance procedure.

The issue in this grievance concerns the contract postal unit (CPU) located at the LeMesa Station, Enid OK.

The Union contends that the Postal Service cannot award CPU contracts to contractors who do not own their facilities. Furthermore, the Union contends that bargaining unit employees have been improperly assigned to conduct audits, pick up mail and service equipment (i.e., vending machines and post office boxes) at the CPU.

It is the position of the Postal Service that there has been no violation of the National Agreement. Contract postal units have a long history in the Postal Service. They were established to provide postal services in locations not large enough to warrant a post office or in locations which could provide additional and useful service to the public in a cost efficient manner. Sections 2.1.2 and 2.1.3., Handbook AS-707F, Contracting for Contract Postal Units. CPU's have been established in airports, colleges and universities, pharmacies and grocery stores. Moreover, it has never been a contractual requirement for the contractor of a CPU to own the facility.

LABOR RELATIONS



May 17, 2007

Mr. Cliff Guffey
Executive Vice President
American Postal Workers
Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

RE: Q00C-4Q-C 0610364
Washington, DC 20260-4100

Dear Mr. Guffey:

Recently, we met to discuss the above-referenced case which is currently pending arbitration at the national level.

The interpretive issue presented is whether there is a violation of the national agreement, specifically Articles 1, 7, and 19, when contracts are let for a Contract Postal Unit (CPU) to contractors who do not own the property/facility.

1. The Postal Service will comply with the requirements of the existing Handbook AS-707F, Section 1.5.1, which defines a CPU as "a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office."
2. A contract postal unit may not be located on property which is owned or leased by the Postal Service.
3. As of the date of this MOU, competitor's-branded products and services, including those of UPS, FedEx, and DHL, may not be sold at any newly-established contract postal unit. Any exceptions to this exclusivity requirement may be evaluated and approved by Headquarters Retail Access Channels (or its successor).

Please sign and return the enclosed copy of this decision as your acknowledgment of the agreement to close Case Q00C-4Q-C 0610364 in its entirety and remove it from the pending national arbitration list.

A handwritten signature in black ink, appearing to read "John W. Dockins", written over a horizontal line.

John W. Dockins
Manager
Contract Administration (APWU)
USPS

A handwritten signature in black ink, appearing to read "Cliff Guffey", written over a horizontal line.

Cliff Guffey
Executive Vice President
American Postal Workers Union,
AFL-CIO

Date: 5-17-07



CONTRACT/ORDER MODIFICATION

1. MODIFICATION NO.: M12 TO CONTRACT/ORDER NO.: 489990-92-B-0862

2. a. Date Issued: 05/15/01
c. Finance No: 488885

b. Request No.: 01-01589

3. Contractor:

Rebecca or John Martin
Temple Contract Station
PO Box 4301
Temple TX 76505-4302

4. Issued By:

Purchasing & Materials Service Center
P O Box 667190
Dallas TX 75266-7190

Attn:
SSN: 74-2651192
(254) 760-9710

FOR INFORMATION CALL:
Lynne Hale
(214) 819-7121
ACO CODE: 483083

5. The above numbered contract/order is modified as set forth in Block 6, by administrative change (such as changes in paying office or accounting and fiscal data).

6. DESCRIPTION OF MODIFICATION: (CONTRACT POSTAL UNIT)

THE PURPOSE OF THIS MODIFICATION IS TO ISSUE A ONE-TIME PAYMENT FOR THE REIMBURSEMENT FOR REPAIRS AT THE SUBJECT CPU IN THE AMOUNT OF \$7,678.10.

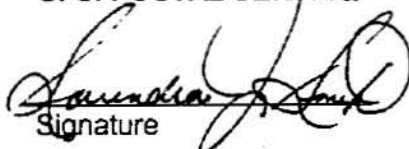
Admin. Post Office: Postmaster, Temple TX 76501

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is changed, see ABOVE, Block 6.

Previous Grand Total:	\$ 191,880.57
Value of Modification:	\$ 7,678.10
One-Time Payment:	(-) \$ 7,678.10
New Grand Payment:	\$ 191,880.57

8. U. S. POSTAL SERVICE


Signature

5/16/01
Date

Saundra J. Smith
Name of Contracting Officer

ATTACHMENT 1

REQUIREMENTS: CONTRACT POSTAL UNIT

I. DESCRIPTION

1. Administrative Post Office. The Contract Postal Unit will report to the Postmaster at:

MAIN POST OFFICE
401 NORTH MAIN STREET
TEMPLE, TX, 76501-9998

The contracting officer will assign a contracting officer's representative (COR) who will be responsible for directing the operation of the Contract Postal Unit.

2. Type of Contract Postal Unit

/X/ Contract Station / / Contract Branch / / Community Post Office
(See Clause OB-589, Definitions (Contract Postal Unit), in Section G.)

3. Area/Location (identify general boundaries and attach map or sketch)

→ MARKET PLACE SHOPPING CENTER
3100 BLOCK OF SOUTH 31ST STREET
TEMPLE, TEXAS

4. Operation Date 10/01/92 or within 10 days after award, whichever is later, subject to provision of Contract Postal Unit bond and availability of USPS property. If the contract postal unit is to be operated on a seasonal basis the opening date will be _____ and the closing date will be _____ each year of operation.

5. Hours

Day	Total Operating Hours		Service Hours (Open to the Public)		Midday Closing (if any)	
	From	To	From	To	From	To
Monday	7:00 AM	5:30 PM	8:00 AM	5:00 PM		
Tuesday	7:00 AM	5:30 PM	8:00 AM	5:00 PM		
Wednesday	7:00 AM	5:30 PM	8:00 AM	5:00 PM		
Thursday	7:00 AM	5:30 PM	8:00 AM TO	5:00 PM		
Friday	7:00 AM	5:30 PM	8:00 AM	5:00 PM		
Saturday	7:00 AM	12:30 PM	8:00 AM	12:00 NOON		
Sunday						

Total Operating Hours per Week 58 Total Operating Hours per Year 2911

Comments: _____

6. Size: Floor Space: 4,200 square feet
Wall Space : for PO Boxes (if required)

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

PAGE OF PAGES

1 1

1. MODIFICATION NO. M 013 CONTRACT/ORDER /AGREEMENT: 489990-92-B-0862

2. a. DATE ISSUED: 11/30/2001

b. PR NO.: 02-00534

c. FINANCE NO.: 488885

d. TIN/SSN: 74-2651192

3. SUPPLIER:

REBECCA OR JOHN MARTIN

TEMPLE CONTRACT STA

P O BOX 4301

TEMPLE

TX 76505-4301

ATTENTION:

(817) 773-8007

4. ISSUED BY:

U. S. POSTAL SERVICE

PURCHASING & MATERIALS SERVICE CTR

P O Box 667190

Dallas TX 75266-7190

FOR INFORMATION CALL:

Lynne W. Hale

(214) 819-7121

lhale@email.usps.gov

ACO CODE: 483083

5. The above numbered contract/order/agreement is modified as set forth in Block 6, by supplemental agreement entered into pursuant to authority of **MUTUAL AGREEMENT**

6. DESCRIPTION OF MODIFICATION:

RE: CPU- SOUTH TEMPLE CS, TEMPLE TX 76505

THE PURPOSE OF THIS MODIFICATION IS TO INCREASE THE ANNUAL RATE BY \$783.36 TO COMPENSATE FOR TELEPHONE SERVICES SCANNER LINE AND CREDIT CARD MACHINES FOR ONE YEAR.

ADMIN POST OFFICE: POSTMASTER, TEMPLE TX

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA ☐ is not, ☒ is changed, see ABOVE

Previous Grand Total: \$191,880.57

Value of Modification: \$783.36

New Grand Total: \$192,663.93

The supplier ☐ is not ☒ is required to sign and return an original and 1 copy(ies) of this modification to the Issuing Office (See Block 4).

8. SIGNATURES: SUPPLIER

Rebecca Martin 12-5-01
Signature Date

Rebecca Martin
Name of Person Authorized to Sign

Contractor
Title

U.S. POSTAL SERVICE

Sandra J. Smith 12-11-01
Signature Date

Sandra J. Smith
Contracting Officer

Nora



DALLAS PURCHASING SERVICE CENTER

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

-
1. MODIFICATION NO.: M06 TO CONTRACT NO.: 489990-92-B-0862
2. a. DATE ISSUED: 12/29/94 b. REQUEST NO.: 95-1469
c. FINANCE NO: 48 8885
-

3. CONTRACTOR:
REBECCA/JOHN MARTIN
TEMPLE CONTRACT STATION
P O BOX 4301
TEMPLE TX 76505-4301

4. ISSUED BY:
Purchasing Service Center
P. O. Box 667190
Dallas TX 75266-7190

:
(817) 773-8007

FOR INFORMATION CALL:
Barbara B Reagor
(214) 819-7109
ACO CODE: 320

5. The above numbered contract/order is modified as set forth in Block 6, by administrative change (such as changes in paying office or accounting and fiscal data).

6. DESCRIPTION OF MODIFICATION:

THE PURPOSE OF THIS MODIFICATION IS TO ISSUE A ONE-TIME PAYMENT FOR
REMODLING AND IMPROVEMENTS AT THE TEMPLE CONTRACT STATION, TEMPLE TX
CONTRACT NO. 489990-92-B-0862
TIN: 74-2651192

RE: WILLIAM MORRIS
POSTMASTER
401 NORTH MAIN STREET
TEMPLE TX 76501-9998

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is changed, see ABOVE, BLOCK 6.

Previous Grand Total	:	\$134,606.77
Value of Modification	:	\$ 16,050.81
One-Time Payment	:	(-) \$ 16,050.81
New Grand Total	:	\$134,606.77

8. U.S. POSTAL SERVICE

Barbara B. Reagor
Signature

12/29/94
Date

Barbara B. Reagor
Name of Contracting Officer

00706

COPY: CONTRACTOR/CUSTOMER/RETAIL SPECIALIST/FILE

COPY



April 22, 1999

VICE PRESIDENTS, AREA OPERATIONS

It has come to our attention that there are Contract Postal Units (CPUs) that may not have been established in compliance with the current guidelines as outlined in Handbook AS-707F. As currently defined in Handbook AS-707F, Contracting for Contract Postal Units, a CPU is, "a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office."

In order to correct any misapplication of the current process and comply in the future, please review CPU contracts in your area to ensure that they are in compliance with our current procedures.

CPUs offer an opportunity to provide cost efficient postal services under prescribed circumstances (see Section 2.1.2 of the AS 707F). Adherence to our current handbooks and manuals in establishment of these contracts is essential.

Thank you for your cooperation.

A handwritten signature in cursive script, appearing to read "Patricia M. Gibert".

Patricia M. Gibert