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Postal Employees Guide to Contract Postal Units

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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 CPU's 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.

1-3.2 St. Louis Accounting Service Center

The St. Louis Accounting Service Center (ASC) is responsible for payment of all CPU contracts.

1-3.3 The CPU Team

The CPU team is made up of the following people:

- a. CPU coordinator (usually a retail specialist).
- b. Contracting Officer (CO) at the Denver CMC.
- c. Architect/Engineer (A/E). (The A/E may provide limited support through the Facility Service Office (FSO) if necessary.)
- d. Contracting Officer Representative (COR).
- e. All of these individuals have a role to play and must work together to ensure that the CPU will be established correctly and opened in a timely manner.

1-4 Contract Types and Terms

There are several different types of CPUs. There are two types of contracts for CPUs: performance-based percentage payment (PB) and firm-fixed price (FF). See [Exhibit 1.4](#) (below) for information on these contracts.

For the full text of these contract documents, see [Exhibit 7.1](#), "CARS Performance-Based Percentage Payment CPU Solicitation/Award Document"; [Exhibit 7.2](#), "Performance-Based Percentage Payment CPU Solicitation/Award Document"; and [Exhibit 7.3](#), "Firm-Fixed Price CPU Solicitation/Award Document."

Exhibit 1.4 Types of Contracts for CPUs

| Issue | Performance-Based Contract | Firm-Fixed Price Contract |
|------------------|---|---|
| When Used | If CPU revenue is expected to be \$100,000 or more per year. | If CPU revenue is expected to be less than \$100,000 per year. A Headquarters - Retail Access Channel-approved deviation is required for all firm-fixed price contracts. Exception of r CPO, minimum-rate, public service, seasonal, or temporary (emergency) |
| Supplier Payment | The CPU supplier is paid a percentage of the revenue that it receives from the sale of postal products and services each month. Payment may be a straight or split percentage of all sales or a flat fee plus percentage of identified | The supplier is paid a fixed annual rate in 12 equal monthly installments. All payments are made Using Electronic Funds Transfer (EFT). |

| | | |
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| | sales. All contract payments are made using electronic funds transfer (EFT). | |
| Brand Identity Requirement | Yes | Yes |
| Term of Contract | This contract is for an indefinite term and is subject to termination by either party with 120 days' written notice (unless the contract is terminated with a 1 days written notice to protect the Postal Service's interest. | This contract is for an indefinite term and subject to termination by either party with 120 days' written notice (unless the contract is terminated with a 1 days written notice to protect the Postal Service's interest. |

1-5 Competition

1-5.1 Overview

Generally, the competitive purchasing method should be used to obtain CPU contracts in the most desirable locations. However, in some cases, the business and competitive objectives of the Postal Service will best be met by awarding CPU contract(s) using the noncompetitive purchase method. This is especially true under these conditions:

- a. The Postal Service has established business relationships with retailers that already have a history of superior performance because they are operating successful CPUs in some of their other retail locations.
- b. The proposed CPU is the only supplier capable of providing or willing to provide the service needed. If the CPU purchase team decides to use the noncompetitive purchasing method, the rationale for the decision must be documented in a business case and submitted for approval in accordance with MI SP-S2-2007-1, *Noncompetitive Purchases* (see [Exhibit 6.2](#)). The approval must be included in the contract file. See chapter 6 for a thorough discussion of competitive and noncompetitive purchasing.

1-5.2 Authority

The Vice President of Retail at Headquarters and Vice presidents of Area Operations, or the designee, has the authority to approve the establishment of CPUs based on demonstrated need and value to the consumer and the Postal Service.

1-5.3 Retail Service Agreements

There may be situations when a national chain or large regional chain contacts Headquarters directly or is contacted concerning the CPU program through Headquarters marketing efforts. Also, if a field person should be contacted by a company that has five or more locations, then that contact information needs to be sent to Retail Access Channels at Headquarters. Districts are not

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.

-
- c. Any products or services that the contracting officer determines are similar to, or competitive with, delivery and parcel services offered by the Postal Service.

Fax service and copy service are examples of products that are *not* similar to, or competitive with, those of the Postal Service.

1-6 Access for Persons with Disabilities

Ensure that all Post Offices, including CPUs, are readily accessible to all unless the facility cannot reasonably be configured. Whenever possible, suppliers under consideration for a CPU contract award should already be in a location accessible to the disabled or in a location that will be made accessible as a condition of contract award.

If a CPU contract is contemplated with a supplier whose location is not accessible, the contracting officer must document the contract file to describe the attempts made to find suppliers with accessible locations.

Chapter 2 Determining the Need for a CPU

2-1 Benefits of a CPU

The benefits of a CPU must be considered in determining whether the CPU will be the appropriate method for providing expanded access to postal services.

2-1.1 Benefits for Customers

A CPU provides customers with the following benefits:

- a. Expanded access to postal products and services, at Postal Service prices
- b. Convenient locations.
- c. Extended hours (weekends and evenings).

2-1.2 Benefits for Suppliers

A CPU provides suppliers with the following benefits:

- a. Customer traffic to generate additional sales.
- b. Additional revenue source.
- c. Customer awareness of CPU locations.
- d. Competitive advantage.

2-1.3 Benefits for the U.S. Postal Service

A CPU provides the Postal Service with the following benefits:

- a. Cost-effective process for providing postal products and services.
- b. Reduction in wait time for Customers.
- c. Increase in customer satisfaction.
- d. Increase in Postal Service presence in high-growth retail locations.

2-2 Conditions for Requesting a CPU

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

- a. A newly developed community requires postal retail services but does not yet warrant a Postal Service facility.
- b. Present retail units are not able to serve customers efficiently because of limited space or high customer demand.
- c. Flexibility in service hours is needed.
- d. An independent Post Office or CPU has discontinued service.
- e. Other low-cost strategies for selling stamps, such as Stamps on Consignment, Stamps By Mail, or Stamps Online, have been considered and determined not feasible.
- f. There is insufficient parking and retail space with no ability to expand.
- g. Seasonal issues present special situations
- h. The Postal Service will realize service, scheduling, or other benefits from the CPU.

Chapter 3 Verifying the Need for a CPU

3-1 Introduction

After determining that a CPU will satisfy the need for expanded access, the CPU coordinator will need to document this fact. The following procedure will help the CPU coordinator build the case for the establishment of a CPU.

3-2 CPU Needs Analysis

The host Post Office must provide the CPU coordinator with a completed CPU Needs Analysis form (see [Exhibit 3.1](#)).

Consideration must be given to the retail conditions at the host Post Office or targeted station or branch on the following issues:

- a. Insufficient hours.
- b. Insufficient area coverage.
- c. Low customer satisfaction.

Provide information on the following criteria to document the need for a CPU:

- a. Demographic and geographic characteristics of the proposed area.
- b. Projected growth within the proposed area.
- c. Date and results of last Window Operation Survey (WOS).
- d. Review of retail operations.
- e. Consumer feedback.
- f. Competition: actual and projected.
- g. Increased benefit to the Postal Service if a CPU was established relating to service and cost-effectiveness.
- h. Impact on existing/nearby classified offices including transportation/collection route.
- i. Proposed days and hours of operation (should exceed Post Office hours). Two other tools for accessing needs are retail mapping and the wait time inline report.

3-3 Retail Mapping/ROAM

Retail mapping, as completed through the Retail Optimization Access Management (ROAM) program, helps to ensure that the CPUs are located in the most needed and convenient sites possible to give retail customers access to postal services. Retail mapping displays all classified facilities and existing alternate retail access by ZIP Code (see [Exhibit 3.2](#), "Retail Mapping," for a sample). Demographic projections for the coming 5 years display information on the proposed area's projected population, income, etc. (see [Exhibit 3.3](#), "Demographic and Income Profile," for a sample). With the Postal Service's continued focus on reducing cost and improving efficiency, retail mapping will be a key element providing the following benefits:

- a. Support for Postal Service strategic objectives (such as the Retail Optimization Plan) to expand alternate access channels.
- b. Reduction of reliance on "brick-and-mortar" (new construction) costs.
- c. Strong partnerships from focus on marketplace growth.
- d. Visual geographic perspective to allocate retail resources.
- e. Integration of facility planning and Retail Operations into the future success of the Postal Service.

3-4 Wait Time in Line Report

This report helps determine if there is a need to provide relief to Postal Service facilities with excessive waiting times.

Exhibit 3.1 CPU Needs Analysis Form

CPU NEEDS ANALYSIS

Date:

Phone:

Host Post Office:

Prepared by:

Title:

To initiate a request for a contract postal unit (CPU), the host post office must provide written responses to the following questions to verify the need for establishment of a CPU:

1. Explain the local retail conditions at your facility. Discuss any contributing factors that impact the retail environment (e.g., high wait times, insufficient hours, and insufficient area coverage).
2. Use a map to describe the demographic and geographic characteristics of the proposed area.
3. Use a map to indicate the projected growth within the proposed area.
4. When was the last Window Operations Survey (WOS) performed? Did the results indicate a need for additional staffing?
5. Has there been any feedback from consumers that suggests expansion of retail services within the proposed area is needed?
6. Have other alternative retail channels been considered to meet current service needs? (i.e., if recommended an alternative, why; if not recommended an alternative, why not?)
Alternative A: Stamps on Consignment
Alternative B: Stamps On Line
Alternative C: Other (Mobile Van, etc.)
7. If a CPU is not established, will the competition establish a foothold? Is there competition currently positioned in the area?
8. Describe the increased benefit that would be realized, including service, cost-effectiveness, and other impacts, if a CPU were established.
9. What would be the impact on existing/nearby classified offices (i.e., transportation/collection route, etc.)?
10. Are there any identified businesses in the proposed area that may be interested in operating a CPU? If so, give name of business, address, phone number, and contact. (Examples of suitable businesses would be grocery stores, drug stores, and gas station convenience stores.)

Exhibit 3.2 Retail Mapping

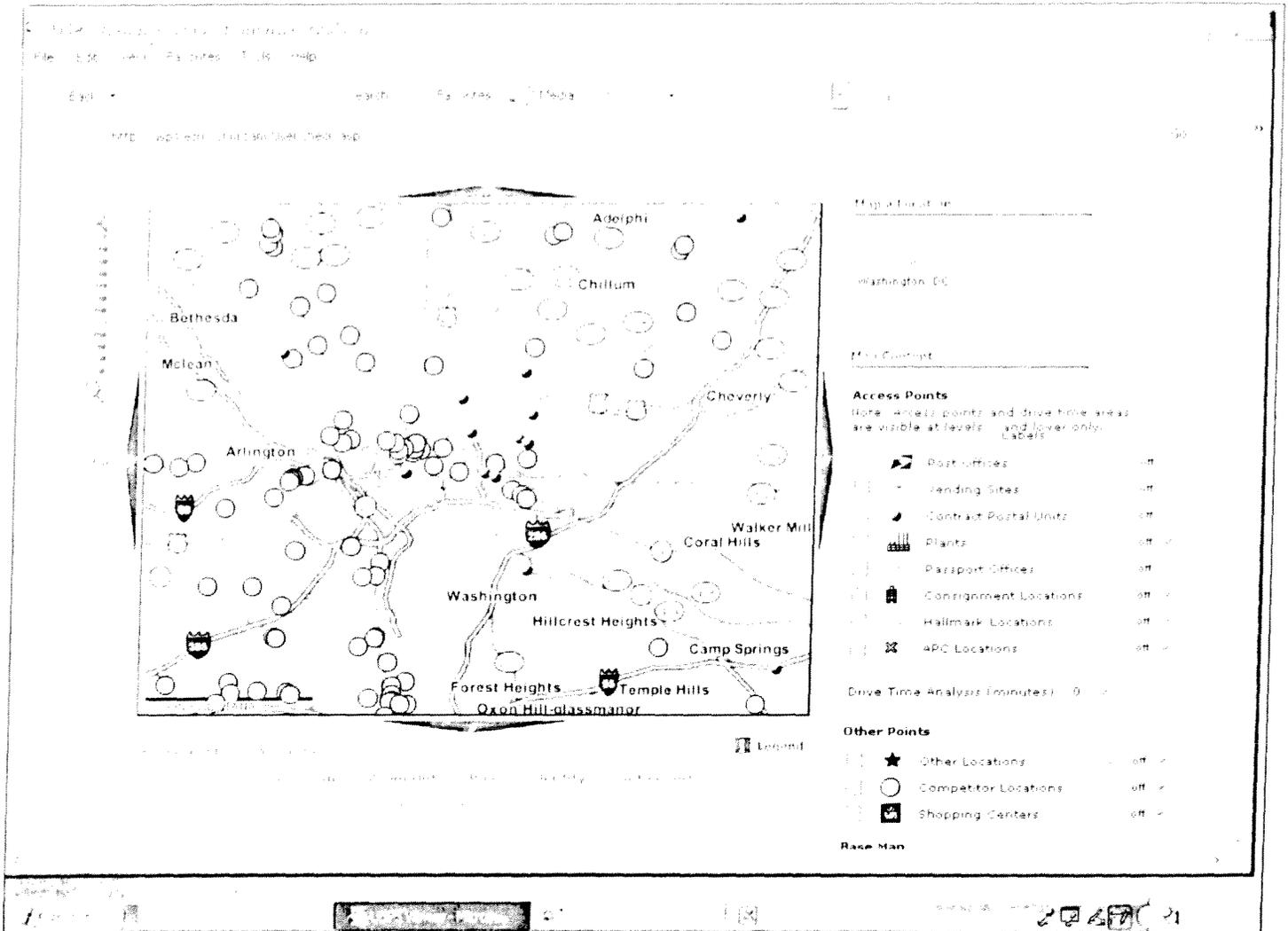


Exhibit 3.3 Demographic and Income Profile



Demographic and Income Profile

Address Query

Latitude: 38.9132317647053

320 FRENCH ST NW

Longitude: -77.924461173427

WASHINGTON DC 20001

Site Type: Single

Radius: 1 Mile(s)

| Summary | 2000 | 2005 | 2010 |
|------------------------|--------|--------|--------|
| Population | 70,720 | 71,200 | 70,884 |
| Households | 22,628 | 24,405 | 24,842 |
| Families | 10,820 | 10,881 | 10,858 |
| Average household size | 3.12 | 2.91 | 2.86 |
| Owner-occupied units | 9,120 | 10,008 | 10,468 |
| Renter-occupied units | 24,108 | 24,198 | 24,074 |
| Median Age | 33.4 | 33.5 | 34.4 |

| Trends: 2005-2010 Annual Rate | Area | State | National |
|-------------------------------|-------|-------|----------|
| Population | +0.1% | +0.1% | +0.2% |
| Households | +0.8% | +0.8% | +0.7% |
| Families | +0.6% | +0.6% | +0.6% |
| Owner-occupied | +0.4% | +0.4% | +0.4% |
| Median household income | +5.4% | +2.1% | +2.5% |

| Households by Income | 2000 | | 2005 | | 2010 | |
|--------------------------|----------|---------|----------|---------|----------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| < \$15,000 | 3,442 | 25.1% | 3,051 | 21.4% | 3,210 | 19.3% |
| \$15,000 - \$24,999 | 4,348 | 19.1% | 3,921 | 16.4% | 3,411 | 13.8% |
| \$25,000 - \$34,999 | 4,130 | 12.4% | 3,684 | 10.8% | 3,009 | 12.1% |
| \$35,000 - \$44,999 | 4,571 | 14.5% | 5,004 | 14.6% | 4,559 | 15.2% |
| \$45,000 - \$54,999 | 5,062 | 15.1% | 5,607 | 18.5% | 5,978 | 17.0% |
| \$55,000 - \$64,999 | 2,700 | 8.0% | 3,095 | 9.0% | 3,510 | 10.2% |
| \$65,000 - \$74,999 | 2,185 | 6.4% | 3,251 | 9.4% | 3,930 | 11.6% |
| \$75,000 - \$99,999 | 904 | 2.7% | 1,062 | 3.1% | 1,321 | 4.4% |
| \$100,000+ | 945 | 2.9% | 1,451 | 4.2% | 2,168 | 6.0% |
| Median household income | \$24,884 | | \$24,481 | | \$24,191 | |
| Average household income | \$31,509 | | \$32,489 | | \$32,389 | |
| Per Capita Income | \$23,471 | | \$22,677 | | \$23,107 | |

| Population by Age | 2000 | | 2005 | | 2010 | |
|-------------------|--------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| 0-4 | 3,308 | 4.7% | 3,344 | 4.7% | 3,200 | 4.7% |
| 5-14 | 8,440 | 9.1% | 8,694 | 9.2% | 8,322 | 8.2% |
| 15-19 | 4,670 | 6.6% | 4,728 | 6.6% | 4,050 | 5.7% |
| 20-24 | 3,022 | 4.3% | 3,045 | 4.3% | 3,047 | 4.3% |
| 25-34 | 18,388 | 26.0% | 18,400 | 26.0% | 14,110 | 19.9% |
| 35-44 | 11,545 | 16.3% | 12,178 | 17.1% | 11,828 | 16.6% |
| 45-54 | 8,481 | 12.0% | 8,928 | 12.5% | 9,412 | 13.3% |
| 55-64 | 4,500 | 6.4% | 5,529 | 7.8% | 6,937 | 9.8% |
| 65-74 | 2,222 | 3.1% | 3,219 | 4.5% | 3,995 | 5.6% |
| 75-84 | 2,121 | 3.0% | 2,139 | 3.0% | 2,692 | 3.8% |
| 85+ | 810 | 1.1% | 849 | 1.2% | 1,011 | 1.4% |

| Race and Ethnicity | 2000 | | 2005 | | 2010 | |
|--------------------------------|--------|---------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| White Alone | 21,071 | 29.8% | 20,650 | 29.1% | 20,370 | 28.9% |
| Black Alone | 28,730 | 40.6% | 24,086 | 33.8% | 21,107 | 29.9% |
| Hispanic or Latino | 251 | 0.4% | 213 | 0.3% | 300 | 0.4% |
| Asian Alone | 2,987 | 4.2% | 3,775 | 5.3% | 4,811 | 6.8% |
| Two or more races | 1,102 | 1.6% | 1,412 | 2.0% | 1,102 | 1.6% |
| White (not Hispanic or Latino) | 20,820 | 29.4% | 20,437 | 28.8% | 20,069 | 28.4% |
| Two or more races | 2,781 | 3.9% | 2,726 | 3.8% | 3,411 | 4.8% |
| Hispanic or Latino (any race) | 2,187 | 3.1% | 1,774 | 2.5% | 2,790 | 3.9% |

Data by Census Bureau, American Factfinder

Source: U.S. Census Bureau, 2000 Census of Population and Housing, B2001-001, 2000 and 2010



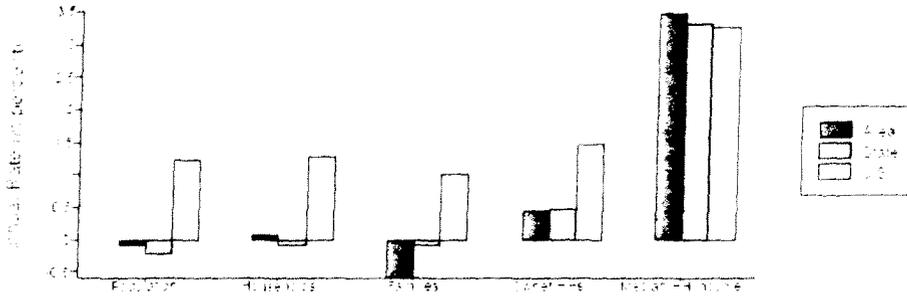
Demographics and Income Profile

Ad Hoc Query
 121 FRENCH ST NW
 WASHINGTON, DC 20001

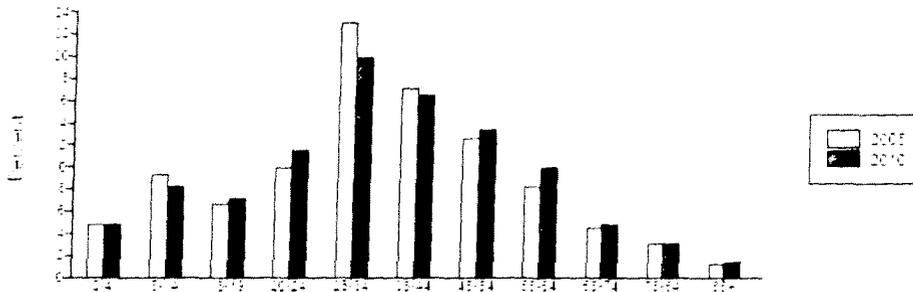
Site Type: Office

Latitude: 38.914237647053
 Longitude: -77.024406117427
 Radius: 1 Miles

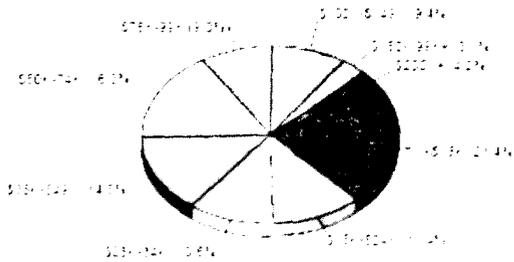
Trends 2005-2010



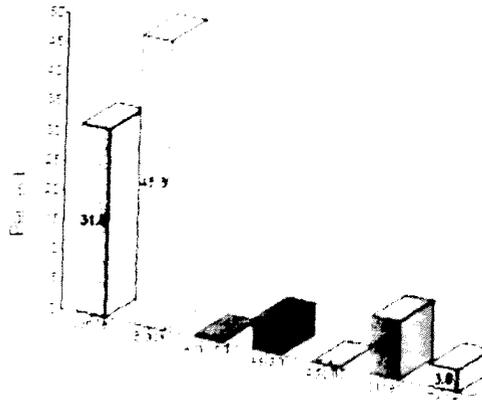
Population by Age



2005 Household Income



2005 Population by Race



2005 Population - Hispanic: 1.0%

Chapter 4 Design the CPU

CPU Design and Construction Requirements (D&CR)

4-1 Overview

It is important to present a "branded image" to the consumer in a private retail location that can be associated with the Postal Service. This chapter discusses the requirements for a "build-out" — the Postal Service term for branded design used in CPUs.

4-2 Purposes of the CPU D&CR Attachment (Attachment 5)

The following are purposes of the Design and Construction Requirements (D&CR) Attachment (Attachment 5):

- a. Assure the finished CPU build-out is functional and presents a uniform image to the public.
- b. Define what equipment and supplies are needed for build-out.
- c. Establish responsibilities.
- d. Assure that it is included in the solicitation.

See also [Exhibit 4.1](#), "Attachment 5: CPU Design and Construction Requirements."

4-3 D&CR Attachments

4-3.1 Overview

The D&CR Attachment contains three parts:

- a. Part A — Responsibility Schedule (see section 4-3.2).
- b. Part B — Signage Requirements (see section 4-3.3).
- c. Part C — Build-Out Requirements (see section 4-3.4).

4-3.2 Part A — Responsibility Schedule

Listed below are important aspects of Part A:

- a. Part A is always a mandatory part of the D&CR.
- b. "Equipment" includes office equipment, furniture and casework, interior and exterior signage, connectivity requirements, and miscellaneous items. (See [Exhibit 4.1](#), "Equipment Description and Price List.")
- c. The schedule identifies responsibilities and establishes quantities.
- d. The schedule requires that a quantity be indicated for each item. If an item is not required the box must be marked N/A. Normally, responsibilities remain the same from CPU to CPU.
- e. The schedule is not an order form.
- f. Items are not ordered until a contract is awarded and a CPU design is approved.
- g. Ordering is covered in
- h. Chapter 8 of this publication.
- i. Review notes in the Responsibility Schedule.

The Responsibility Schedule is included in the solicitation.

4-3.3 Part B — Signage Requirements

Listed below are important aspects of Part B:

- a. Part B is mandatory *unless* a deviation to omit it has been approved by Retail Access Channels at Headquarters.
- b. CPU signage is critical to maintaining a uniform Postal Service CPU image.
- c. The Signage Requirements sheet ([Exhibit 4.3](#), "Transworld Signs") lists the following:
 - 1) Postal Service sign type (interior or exterior, illuminated or not).
 - 2) Sign size.
 - 3) Order number.
 - 4) Quantity.
 - 5) Lamps.
 - 6) Shipping weight and shipping size.
- d. Normally, the Postal Service provides signs and the supplier installs and maintains them.
- e. The supplier is responsible for obtaining building permits/approvals.
- f. The Signage Requirements sheet lists all available CPU signs.
- g. Only the "Quantity" column needs to be completed.
- h. The Signage Requirements sheet is not an order form.
- i. Signage is not ordered until a contract is awarded and approvals are obtained. Ordering signage is covered in Chapter 8 of this publication (Also see [Exhibit 4.4](#), "Signage Order Form – General Information").

The Signage Requirements sheet is included in the solicitation.

4-3.4 Part C — Build-Out Requirements

Listed below are important aspects of Part C:

- a. Part C is mandatory *unless* a deviation to omit it has been approved by Retail Access Channels at Headquarters. (For an overview of build-out requirements, see Part C in [Exhibit 4.1](#)).
- b. The supplier is always responsible for design and build-out.
- c. Design and construction must comply with:
 - 1) Postal Service requirements (see [Exhibit 4.5](#), "CPU Workstation," [Exhibit 4.6](#), "CPU Construction Requirements," and [Exhibit 4.7](#), "Direct Vendor CPU Signage Catalog").
 - 2) All applicable building codes.

4-4 Reasons for Imposing Design Responsibility on the Supplier

Listed below are reasons for imposing design responsibility on the supplier:

- a. CPUs are constructed in the supplier's space.
- b. Space is occupied by non-Postal Service employees.
- c. Many other high-liability issues can arise.

4-5 Prototype Drawings and Postal Service Branding

Listed below are important aspects of prototype drawings and Postal Service branding:

- a. Postal Service–provided prototype drawings are mandatory.
- b. A consistent Postal Service image for the CPU is required.
- c. The objective is to have the completed CPU look like the prototype.
- d. Determine whether a one-counter or two-counter design is needed.
- e. The supplier's space constraints can impact design.
- f. Materials and finishes need to comply with Postal Service standards if this is new construction (see Exhibit 4.8, "Standard Finishes and Materials Schedule").
- g. Typically, the Postal Service provides all of the signage, cabinetry, and workstation(s) to the supplier to attain the desired result.

4-6 The Finished Product

Listed below are important aspects of the finished product:

- a. Do not get involved with the "means or methods."
- b. The supplier is responsible for attaining the required finished result.
- c. The supplier must accomplish the work in compliance with applicable codes.

4-7 Design Requirements

Listed below are important aspects of the design requirements:

- a. There is no mandatory requirement for professional design services.
- b. The supplier is responsible for:
 - 1) Determining whether a permit is required.
 - 2) Obtaining all permits found to be required.
 - 3) Retaining professional services if needed to obtain permits.

The Postal Service does not review the design for code compliance. The Postal Service does review the design for layout, finishes, materials, and signage for compliance with the contract — i.e., the Postal Service looks to see if the result will appear like one of the prototype drawings.

4-8 Design Submittal

Listed below are important aspects of the design submittal:

- a. There are three different options for a supplier's design submittal:
 - 1) Case I: Full compliance.
 - 2) Case II: Substantial compliance.
 - 3) Case III: Deviation.
- b. The prototype drawings help simplify the supplier's design.
- c. They also encourage full (or substantial) compliance with the prototype.

- 1) Full compliance: With full compliance, the supplier chooses a prototype drawing and provides a finish schedule.
- 2) Substantial compliance: With substantial compliance, the supplier provides a marked-up prototype drawing and a finish schedule.
- 3) Deviation: With a deviation request, the supplier prepares drawings and a finish schedule for postal service approval.

4-9 Postal Service Design Assistance

Listed below are important aspects of Postal Service design assistance:

- a. The supplier is contractually responsible for design (see Exhibit 1.9, "Supplier Pre-Acceptance Inspection Checklist").
- b. It is important to provide design assistance from the Facilities Service Office (FSO) if required.
- c. The Postal Service accumulates experience over a large number of CPUs.
- d. The Postal Service can assist the supplier by doing the following:
 - 1) Recommending the appropriate prototype.
 - 2) Suggesting locations for the CPU within the store.
 - 3) Giving an orientation of the CPU at the suggested location(s).
 - 4) Assuring the type and location of signage is most effective.
 - 5) Suggesting a path to collect mail from the CPU.
 - 6) Evaluating truck access and handicapped parking.

floor, ceiling, or lighting is unacceptable, notify the supplier.

4-10 Design Assistance vs. Design Responsibility

Listed below are important aspects of design assistance vs. design responsibility:

- a. Maintain supplier design responsibility.
- b. In practice, the design is usually simple. Most facilities can readily adapt a prototype drawing.
- c. Further clarification on all construction and responsibility issues is in the D&CR.

Exhibit 4.1 CPU Design and Construction Requirements

**CPU Design and Construction Requirements
Attachment 5**

Table of Contents

SUMMARY – OVERVIEW OF ATTACHMENT 5

Part A – Responsibility Schedule

Responsibility Schedule, Order Information, Cost Data

Part B – Signage Requirements

Signage Requirements Sheet
Drawings of USPS CPU Standard Signage

Part C – Build-out Requirements

• **Design Requirements**

Postal Branding and the USPS Plan Prototype Drawings
Construction Documents
Supplier Submission of Design Documents
 Case I Submission – Full Compliance
 Case II Submission – Substantial Compliance
 Case III Submission -- Deviation Required
 Case I, II, III – Mandatory Submission Requirements
Standard Finishes and Materials Schedule
CPU Workstation – Dimensional Information
CPU Casework – Dimensional Information

• **Construction Requirements**

General
Generic Scope of Work

• **Supplier Pre-Acceptance Inspection Checklist**

Checklist

• **Selected Plan Prototype Drawing**

CPU Design and Construction Requirements (D&CR) -Attachment 5-

Summary – Overview of Attachment 5

The CPU D&CR (Attachment 5) includes the information necessary to assure the finished CPU build-out is fully functional and that it presents a uniform Postal image to the public. It defines what equipment and supplies will be needed for the CPU build-out, and shows which party (USPS or the Supplier) is responsible for providing, installing, and/or maintaining it. The D&CR consists of three parts as described below.

Part A – Responsibility Schedule

- Part A is always a mandatory part of Attachment 5.
- "Equipment" includes mailing system, office equipment, furniture and casework, interior and exterior signage, and office supplies.
- The Responsibility Schedule :
 - Provides a brief description of equipment, where to order from and approximate cost.
 - Quantities of equipment
 - USPS ordering information – PSIN Numbers
 - Party responsible for providing the equipment
 - Party responsible for installing the equipment
 - Party responsible for maintaining the equipment

Part B – Signage Requirements

- Part B is a mandatory part of Attachment 5 unless new CPU signage is not required (i.e., existing CPU signs are present at the site), or a deviation has been approved to omit signage.
- CPU signage is an important aspect of CPU Design Standards and compliance with the recommended and mandatory signage identified herein should be strictly followed to reflect a uniform USPS CPU image.
- The "Signage Requirements" sheet lists the USPS sign type (interior or exterior, illuminated or not), sign size, order number, sign quantity, shipping weight and shipping size.
- The "Responsibility Schedule" in Part A establishes who is responsible for providing, installing, and maintaining the signage. In the great majority of cases, the USPS will provide the signage and the Supplier will install and maintain the signage.
- As reflected in the Responsibility Schedule, the Supplier is always responsible for obtaining building permits and all other permits and approvals that are required for placement of exterior and window CPU signage.
- Following the Signage Requirements Sheet are drawings of all available Standard USPS CPU signs which the Supplier may need to obtain approval from the landlord, local building departments, and/or other entities having jurisdiction over sign type and placement at the facility.

Part C – Build-Out Requirements

Complying with the Build-Out Requirements of Part C is a mandatory part of Attachment 5 unless there is no build-out required (space already built out in a manner consistent with CPU design requirements and acceptable to the USPS Retail Specialist or Architect –Engineer if required).

Design Requirements

- The ideal CPU build-out would appear identical in every manner to a Standard CPU Design. Deviating from the Standard Design degrades customer recognition, customer confidence and it results in less benefit to the Supplier, the USPS and the customer.

- To ensure that all CPU's reflect a uniform image, Part C specifies requirements for the CPU Build-Out including size, layout, materials, finishes, colors, signage, and lighting levels.
- The CPU Supplier must prepare and submit his proposed CPU design to the USPS for approval.
- The CPU Design shall provide for not less than 80 foot-candles of light at the surface of the workstation counter top.
- The CPU Design shall provide electrical outlets as required for all electronic equipment, but not less than one duplex outlet for every 4' of counter (length) space.
- The design shall provide for not less than 6'-0" clear net floor width (measured perpendicular to the counter) in front of the CPU counter and mail drop for customer circulation.

Construction Requirements

- A generic scope of work for build-out of the CPU is provided for Supplier reference.

Supplier Pre-Acceptance Inspection Checklist

- When the build-out is complete, the contract requires the Supplier to obtain approval of the build-out from the USPS (usually the District Retail Specialist or Architect-Engineer if required) before the USPS will proceed with training and allow the CPU to open.
- It is in the best interest of the Supplier to verify all work is complete before calling for USPS inspection, since disapproval would require a subsequent inspection which may result in a delay in opening.
- The Supplier must complete and submit the Pre-Inspection Checklist to the USPS when calling for final inspection. The list is intended to help the Supplier make sure the build-out will be acceptable to the USPS on the first inspection.

The Latest Version of Attachment- A, Equipment Description and Price List, is available on BlueShare, <http://supply.blueshare.usps.gov/sites/cpac/default.aspx>

Exhibit 4.3 Signage Requirements

| Sign Type | Sign Size (Apprx) | Order No. | Quantity | Lamps | Unit Cost 02/1/08 | Ship Wt | Shipping Size |
|--|--|-----------|----------|--------|----------------------|---------|------------------|
| Order one of the following four exterior signs: | | | | | | | |
| Exterior - Illuminated - Wall mount | 6' 4" x 3' 5" x 9" | CPU-C2A | | F60T2 | TBD | 270 | 7'x4'x1' |
| Exterior - Illuminated - Wall mount | 4' 4" x 2' 4" x 9" | CPU-C3A | | F48T2 | TBD | 180 | 5'x3'x1' |
| Exterior - Illuminated - Wall mount | 5' 4" x 5' 4" x 9" | CPU-C2B | | F60T2 | TBD | 310 | 6'x6'x1' |
| Exterior - Illuminated - Wall mount | 4' 4" x 4' 4" x 9" | CPU-C3B | | F48T2 | TBD | 195 | 5'x5'x1' |
| Order one of the following two window hung signs: | | | | | | | |
| Interior - Illuminated - Double sided - window hung | 3' 4" x 3' 4" x 9" | CPU-D2B-2 | | F30T12 | TBD | 150 | 4'x4'x1' |
| Interior - Illuminated - Double sided - window hung | 2' 4" x 2' 4" x 9" | CPU-D3B-2 | | F20T12 | TBD | 120 | 3'x3'x1' |
| Order all of the following signs and plaques: | | | | | | | |
| Interior - Sintra - | 3' 0" x 1' 8" x 5/8" | J2-C1 | | n/a | TBD | | |
| Interior - Mail Drop ID Plaque ("MAIL") at letter drop | 2" x 10" | J7-A1 | | n/a | TBD | | Packaged |
| Interior - Mail Drop Security Plaque -at letter drop | 3" x 5" | J7-B1 | | n/a | TBD | | Together |
| Interior - Collection Times Plaque -at mail drop | 11" x 12" | J7-C1 | | n/a | TBD | | |
| Interior - Available Services Plaque w/kit - at CPU | 11" x 12" | J7-D1 | | n/a | TBD | | |
| Hours of Operation | | J7-E1 | | | TBD | | |
| Interior - Vinyl Window Graphic - Double Sided | 8" x 8" | CPU-J4B-2 | | n/a | TBD | 120 | 8'4"x2'1"x10" |
| Freight | Cost of above units | | | TBD | | | |
| Notes: | Lift Gate charges - (this is an extra charge) | | | Yes | | TBD | |
| | | | | No | | | |

- Refer to Attachment 5, Part A, Responsibility Schedule to determine who is responsible for providing (ordering and paying for), installing, and maintaining the signs.
- Prior to ordering exterior signs or illuminated window signs, all approvals and permits required by Landlords, Building and Zoning regulations, covenants, and other parties having jurisdiction over sign type, appearance or placement shall be obtained by the CPU Supplier.
- For current item costs refer to the CPAC blue share website: <http://www.cpacsigns.com/Signs/Signs%20and%20Plaques%20and%20Hours%20of%20Operation%20and%20Signs>. Transworld will quote shipping charges after receipt of order.
- No double face illuminated exterior CPU signs are listed, available, or planned at this time.
- The signage is delivered in protective crates that are substantially larger and heavier than the sign alone. The approximate shipping weight and crate size are shown so proper arrangements for delivery and acceptance of the signage at the CPU can be made. If no dock is available at the CPU, it may be necessary to specify a delivery truck with a rear lift to allow delivery to grade.
- Shipping dates are 15 days after receipt of order.
- The U.S. Postal Service has a contract for all CPU signage through which all signage orders must be placed. The companies are referred to as Direct Vendors. The current Direct Vendor for CPU signage is Transworld Signs.
- For interior sign and plaque layout, refer to any of the typical USPS Standard CPU Layout elevations.
- All illuminated signs are manufactured for U.S. Standard 110-120V AC with amp draw ranging from 0.6 amps to 2.0 amps.
- Lamp type for illuminated signs is shown for information only. Signs are shipped with lamps. Lamps are "Daylight high output"

Transworld Signs
 555 Hall Ave East
 Renfrew ON
 K7V 4A3
 Toll free #
 Phone 888-830-8030
 Fax 888-254-0043
 Phone 613-432-8520
 Fax 613-432-8578

Exhibit 4.4 Signage Order Form — General Information

Instructions: Form may be completed manually on a hard copy or by computer as an Excel spreadsheet

1. Direct Vendors:

Transworld Signs, Inc.
 555 Hall Avenue E.
 P.O. Box 236
 Renfrew, Ontario K7V 4A3
 888-830-8030
 Fax: 613-432-8578

2. The General Information Form must be completely filled out before a sign order is placed with the direct vendor. **Signage Order Form — General Information**

| | |
|------------------------------------|----------------|
| | |
| FMS Project Number (if applicable) | Finance Number |

| |
|---------------------|
| |
| Sub-location Number |

Order Agent Information

| | |
|------------|------------------------|
| | |
| Print Name | Required Delivery Date |

| |
|--------|
| |
| Street |

| | | |
|------|-------|-------|
| | | |
| City | State | ZIP+4 |

| | |
|-----------------------------------|--|
| | |
| TEL: Area Code + Telephone Number | FAX: Area Code + Fax Number instructions |

| | |
|---|--------------------------------|
| | |
| Ship to: Physical Site Location: | Physical Site Location: |

| | |
|--|-----------|
| | |
| Attention Line: Contract Postal Unit Site Name | Attention |

| | |
|-------------|---|
| USPS | |
| | Name of Contract Postal Unit/Postal Facility |

| | |
|--------------|--------------|
| | |
| Street, Room | Street, Room |

| | |
|-----------------------|-----------------------|
| | |
| City, State, ZIP Code | City, State, ZIP Code |

| | |
|-----------------------------------|-----------------------------------|
| | |
| TEL: Area Code + Telephone Number | TEL: Area Code + Telephone Number |

| | |
|-----------------------------|-----------------------------|
| | |
| FAX: Area Code + Fax Number | FAX: Area Code + Fax Number |

Exhibit 4.6 CPU Construction Requirements

**CPU Design and Construction Requirements (D&CR)
-Attachment 5-
Part C - CPU Build-Out Requirements**

Design Requirements

➤ **Postal Branding and the CPU Design**

- ◆ Using a USPS Plan Prototype Drawing in conjunction with the "CPU Schedule of Standard Finishes and Materials", will attain a high level of USPS Postal Branding which provides the most benefit to the CPU Supplier, the Customer and the Postal Service.
- ◆ Experience has shown that customer draw, loyalty, and long term success of the CPU is highly dependent upon maintaining the Postal Branding accomplished by adhering to the Plan Prototype Drawing and Finishes.
- ◆ Ideally, the finished CPU will appear identical to one of the USPS Plan Prototype Drawings.

➤ **Construction Documents**

- ◆ The Responsibility Schedule in Part A of this Attachment identifies the CPU Supplier as the party responsible for preparing construction documents for the CPU.
- ◆ Construction Documents consist of the drawings and specifications needed to obtain USPS approval of the proposed CPU, and to the extent required, permit, bid, and construct the CPU build-out.
- ◆ Many factors, such as variations in local building codes, type and size of facility the CPU is to be constructed in, and the extent of building modifications necessary to accommodate the CPU, will determine whether a building permit is required. It is the CPU Supplier's responsibility to determine if any permits are required, and obtaining such permits when needed.
- ◆ If permits are required, some jurisdictions require detailed plans and specifications to be prepared by a professional architect or engineer in order to apply for a permit. It is the Suppliers responsibility to take whatever action(s) are necessary to obtain the permit, which may include retaining professional design services.
- ◆ Independent of the need for preparing drawings and specifications for a permit, the Supplier is obligated to prepare and submit drawings and specifications to the USPS to show compliance with the USPS CPU requirements identified herein.
- ◆ The drawings and specifications required by the USPS are much simpler and less detailed than what permit documents typically need to be. The documents for submission to the USPS are simply to show how the CPU will be incorporated into the building floor plan, and to demonstrate that the basic size and appearance are consistent with the USPS Plan Prototype Drawing and Finish Schedule.
- ◆ The USPS does not perform building code compliance reviews or issue construction permits. USPS review is strictly for CPU functional and USPS CPU Branding compliance. Approval by the USPS does not imply code compliance nor does it replace the need for any code compliance reviews or local permits that may be advisable or required.
- ◆ Ideally, the Supplier has adequate space suitably located within the store to construct a CPU in exact compliance with one of the USPS Plan Prototype Drawings.
- ◆ The Suppliers obligation to create detailed drawings becomes more burdensome if the Supplier cannot accommodate a Plan Prototype Drawing layout. In those cases, the Supplier needs to submit sufficiently detailed drawings and specifications to fully

convey the Supplier's intended layout and finishes. The USPS will review the design for functional and corporate branding requirements.

- ◆ Use of USPS Plan Prototype Drawing and the Finish and Material Schedule is strongly recommended. It not only simplifies and expedites the Suppliers drawing submission and USPS approval process, but also results in a CPU with the look of a genuine USPS postal facility which has repeatedly proven to be of key importance to customer confidence and the long term success of CPU's.

➤ **Supplier Submission of Design Documents**

◆ **Case I Submission - Full Compliance**

- In this case, the Supplier has adequate space and a facility layout to build-out the CPU in full compliance with a Plan Prototype Drawing.
- The Supplier can simply "submit" back to the USPS a copy of the Plan Prototype Drawing and Finish and Material Schedule he proposes to build-out.
- Submit the items common to all cases identified following the Case III requirements.

◆ **Case II Submission - Substantial Compliance**

- In this case, the Supplier has adequate space and a facility layout to build-out the CPU so closely matched to a Plan Prototype Drawing that any proposed deviation would not be perceptible from a customer's perspective.
- The Supplier can submit back to the USPS a copy of the Plan Prototype Drawing and Finish and Material Schedule he proposes to build-out with any deviations clearly identified.
- Examples of minor deviations would be changes in dimensions by several inches due to available space or configuration constraints, mirror images of Plan Prototype Drawings, reducing the width of the handicap counter by several inches due to overall width constraints, or any deviation that would not substantially alter functionality of the CPU and would appear visually the same as a Plan Prototype Drawing from the customers perspective.
- Submit the items common to all cases identified following the Case III requirements.

◆ **Case III Submission – Deviation Required**

- In this case, the Supplier has the greatest burden of proof to demonstrate to the USPS that significant deviation from the Plan Prototype Drawing is warranted due to available space, building layout, or other significant material characteristics of the space.
- The Supplier must prepare and submit plans and specifications to include a dimensioned floor plan and elevations with the same level of detail and completeness as that shown on the USPS Plan Prototype Drawing, which includes, but is not limited to:
 - Floor plan fully dimensioned showing cabinetry, CPU workstations, millwork, letter/bundle drop, sack racks, doors and door hardware.
 - Interior elevations showing all walls, slatwall, colors, CPU signage (sign type, size, location, position), ceiling type, wall heights, floor finishes, lighting.
 - Position of all Point of Service (POS) and other electronic equipment and electrical outlets for same.
 - Location of broadband connection or hub.
 - Complete Finish and Material Schedule with specifications for all materials and finishes.
 - Explicit notification of any and all proposed CPU features that differ, conflict with, or deviates from the Solicitation Requirements.
- Submit the items common to all cases identified following the Case III requirements.

- Examples of deviations requiring a Case III submission would include: the proposed use of non standard CPU counters, omission of slat wall, change of color scheme, significant dimensional deviation(s), omission of standard CPU signage, or any change that would significantly alter functionality of the CPU or cause the CPU to not appear like the Plan Prototype Drawing to a customer.

- ◆ **Case I, Case II., or Case III Mandatory Submission Requirements**
 - Regardless of whether Case I, Case II, or Case III, the Supplier's submission to the USPS for approval must always include the following:
 - An overall building plan (simple line diagram) showing entrances exits overall dimensions, and the dimensioned CPU location and orientation within the space.
 - Location of broadband connection or hub.
 - A statement advising the USPS that the build-out will be performed in accordance with applicable building codes.
 - A statement advising the proposed space for the CPU is free of asbestos and lead based paint.
 - A sketch showing proposed exterior and/or window signage when signage is shown to be provided by the USPS in the Responsibility Schedule in Part A of this attachment.
 - A statement advising the USPS the Supplier has obtained all necessary approvals and permits for installation of the CPU signage.
 - A proposed schedule for the build-out once a notice to proceed is provided by the Postal Service.

STANDARD FINISHES AND MATERIALS SCHEDULE

| ITEM | DESIGNATION | MANUFACTURER | PATTERN/COLOR |
|---|------------------------|--|--|
| Wall Paint (White - main color) | P-1 | Benjamin Moore #968 ICI (Glidden) #50YY 83-057 Pittsburgh Paints #2531 | White N/A Colonial White |
| Detail/Accent Paint (Light Gray) | P-2 | Sherwin Williams SW#1234 Benjamin Moore #1612 ICI (Devoe) #1H51G | Evening Shadow Base1 Catkin |
| Detail/Accent Paint (Blue) | P-5 | ICI (Glidden) #50BG 62-007 ICI (Devoe) # 1BL9A Benjamin Moore #819 | N/A Chippendale N/A |
| Detail/Accent Paint (Medium Gray) | P-6 | ICI (Glidden) #72BB 07/288 Sherwin Williams SW#1232 ICI (Devoe) #1M51E | N/A Dublin Gray Dauphine |
| Resilient Flr Tile (Accent tile color) | VCT-1 | Armstrong #51903 (Std. Excelon, Imperial Texture) | Blue Gray |
| | | Congoleum AL-33 Kentile #15453 Tarkett Express. #2064 | Iron Gray Pumice Blue Smoke Gray-Wht/Bk |
| Resilient Floor Tile (Main tile color) | VCT-2 | Armstrong #51915 (Std. Excelon, Imperial Texture) | Charcoal |
| | | Mannington #102 Armstrong #61 | Stone Gray Graphite Gray |
| Vinyl Base (4" per FS SS-W-40, type 2) | VB-1 | Allstate #33 VPI #35 | N/A Graphite |
| Ceiling Tile (2' x 2' x 1/4", angled tegular edge, white, lay in type) | ACT-2 | Armstrong #584 Celotex #454 USG #76775 | Angled Tegular Cirrus Cashmere Softone Eclipse |
| Light Fixture (Recessed 2' x 2', two lamp, sixteen cell parabolic fluorescent troffer). To be used at ceiling areas and behind/over workstations. | R3 | Metalux 2P3GX-2U6T8S44MI-EB81 | [277] [120] |
| Electrical trim | All | Std. Switches, Plugs & outlets | White |
| Slatwall Panel 42" wide | C206 | Goer or FixturWorld | PL-1 Nevamar #S-7-27T "Smokey White" |
| Slat Wall Panel 48" wide | C216 | Goer or FixturWorld | PL-1 Nevamar #S-7-27T "Smokey White" |
| Sack/Tub Storage Cabinet | C425 | Goer or FixturWorld | Top- PL-3 Formica #85961-58 "Express Blue" Base Cab - PL-4 Wilsonart #4142-60 Grey Glaze |
| Workstation (Standard) | 7400Cland/or 7400CR | Baker Manufacturing Co | Top- PL-3Formica #85961-58 "Express Blue" Panels - PL-4 Wilsonart #4142-60 Grey Glaze |
| Handicap Accessible Counter | 7400PS | Baker Manufacturing Co | Top- PL-3Formica #85961-58 "Express Blue" Panels - PL-4 Wilsonart #4142-60 Grey Glaze |

Construction Requirements

General

- ◆ The Responsibility Schedule in Part A of this attachment identifies the CPU Supplier as the party responsible for accomplishing the CPU build-out in compliance with the solicitation requirements and the USPS approved design prepared by the Supplier.
- ◆ The USPS does not address the means or methods by which the Supplier accomplishes the work.
- ◆ Whether the Supplier uses professional builders or accomplishes the build-out through the use of in-house staff (or a combination thereof), the build-out must comply with applicable building codes and be performed using a standard of care consistent with common construction practice.
- ◆ The following Generic Scope of Work is provided as a guide to the Supplier, to help identify many of the tasks that need to be performed, as well as providing some detailed information about the build-out not available elsewhere.

Generic Scope of Work

- ◆ The Contract Postal Unit shall be constructed in compliance with applicable building codes to attain a completed layout and appearance using the materials and finishes shown in the Supplier prepared, USPS approved CPU Design Documents and the solicitation.
- ◆ Furnish all labor, materials, and equipment necessary to complete the work that is not explicitly provided, installed or maintained by the USPS in the Responsibility Schedule in Part A of this attachment.
- ◆ All work shall be performed using the best work practices of the industry.
- ◆ All work areas shall be kept clean of debris on a daily basis.
- ◆ Obtain and pay for all necessary insurance permits, licenses, and approvals required.
- ◆ Perform all required alterations including but not limited to, the construction, assembly and installation of all walls, floors, ceilings, fixtures, equipment, furnishings, millwork cabinetry, signage, finishes, materials, mechanical and electrical work required.
- ◆ All work shall be completed in a timely and efficient manner.
- ◆ Work shall include receiving, storing, unpacking, assembly, and installation of USPS provided and Supplier installed material, equipment, and signage, identified in the Responsibility Schedule in Part A of this attachment.
- ◆ Legally dispose of (off site) all construction debris, packaging, and crates.
- ◆ Install all interior and exterior CPU signage shown to be Supplier installed in the Responsibility Schedule, including all related electrical work necessary to power illuminated signs.
- ◆ Clean all surfaces and use the generic Pre-Acceptance Inspection Checklist in Part C of this attachment to perform a pre-inspection compliance review to assure all work is complete.
- ◆ Submit (fax, mail, or email) a completed copy of the Pre-Acceptance Inspection Checklist to the USPS which will serve as notification to the USPS that the build-out is complete, has passed the Suppliers personal inspection and is ready for the final USPS build-out acceptance inspection.
- ◆ Complete punch list items identified by the USPS acceptance inspection.

| | | | | | |
|----|--|--|--|--|--|
| | design. | | | | |
| 14 | CPU wall construction appears visually complete, properly, properly finished, and in compliance with design. | | | | |
| 15 | Dropped fascia wall (over counter line around CPU) appears visually complete, properly finished, and in compliance with design. | | | | |
| 16 | Painted surfaces appear to have correct colors, are professional in appearance, and compliant with the design. | | | | |
| 17 | The 3-0" by 1'8" USPS Rectangular Sintra (sign J2-C1) is installed in compliance with the design (normally on dropped fascia wall, centered on CPU). | | | | |
| 18 | N/A | | | | |
| 19 | Electrical outlets are present as required for CPU equipment. | | | | |
| 20 | Door locks and hardware are complete and functional. | | | | |
| 21 | Safe is present as required. | | | | |
| 22 | Ceiling is complete, clean, properly aligned, professional in appearance, proper color, and compliant with the design. | | | | |
| 23 | Lighting is complete, compliant with the design, and provides at least 80 foot-candles to the CPU counter-top surfaces. | | | | |
| 24 | Floor is complete, clean, free of trip hazards, and compliant with design. | | | | |
| 25 | USPS illuminated window sign (D2B-2 or D3B-2) is present, properly located and supported, powered (wiring is professional, neat, and complete), and illuminated at time of inspection. | | | | |
| 26 | USPS Exterior signage is present, properly located; installation appears professionally done, and illuminated at time of inspection. | | | | |
| 27 | Double-sided Vinyl Window graphic (J4B-2) is present and properly located. | | | | |

Chapter 5 Identifying Prospective CPU Suppliers

5-1 Overview

The following techniques can be used to create interest in becoming a prospective CPU supplier.

5-2 Local Sourcing

5-2.1 Letter of Interest

This is a letter from the postmaster delivered to retailers in a targeted area (see [Exhibit 5.1](#), "A Post Office in Your Store?"). The letter explains to the retailer the criteria necessary to become a prospective CPU supplier.

5-2.3 Newspaper Advertisements

Another way of creating interest in the business community is by placing an ad in the local paper. The ad should provide basic information regarding the nature of a CPU and the geographic area being targeted.

5-2.4 Community Interest News Articles

The CPU coordinator can ask the Customer Relations Coordinator (CRC) and/or the postmaster for assistance in contacting the local newspaper to write a community interest story (see [Exhibit 5.2](#), "Community Interest News Story"). The reporter could interview the CPU coordinator and/or the postmaster for background information regarding the need for alternate retail access. To add interest to the story, photos could be taken of other CPUs (with build-outs). Often these articles generate sufficient interest to enable a CPU supplier presentation to be scheduled.

5-2.5 Chamber of Commerce

Many local businesses are members of the chamber of commerce. The chamber is usually very aware of community needs and concerns and would be a good potential source for interested retailers. The COR (who is sometimes a postmaster) and/or the CPU coordinator could ask to attend a chamber meeting to give an overview of the CPU program and performance-based contract.

5-2.6 Community Associations

Many residential developments have community associations that meet on a regular basis. If the community is in an area of high growth, the local postmaster probably has received requests from the community for a Postal Service presence. The COR and/or the CPU coordinator could ask to attend a community meeting to give an overview of the CPU program and performance-based contract.

5-2.7 "Cold Calls"

If the efforts noted in sections 5-2.1 to 5-2.6 fail to generate interest, it might be necessary to make "cold calls" — i.e., to talk with prospective CPU suppliers without a previous introduction. This is done by "walking the preferred area" and talking to retailers directly to gain their interest. If the store owner/manager is not available, leave a business card and ask for an appointment. Use Attachment 1, "Source List," to record information from these calls.

The COR must be comfortable with the presentation, and knowledge of the performance-based contract is critical.

Be prepared by having copies of Publication 296, *CPU Marketing Brochure* available as well as supplier presentation materials (such as the exhibits for Chapter 5). (For availability and ordering information for Publications 296 see the CPAC Web page located at <http://supply.blueshare.usps.gov/sites/cpac/default.aspx>.)

5-3 Reviewing Responses and Scheduling Meetings

The COR will contact the CPU coordinator after responses have been received to schedule a supplier presentation (for either a competitive or non-competitive contract). It is recommended that the presentation be held at the local Post Office. Postal Service attendees should be the COR, CPU coordinator, and architect/engineer (A/E), if available.

The benefits of bringing all potential suppliers together in one meeting include:

- a. All attendees hear consistent information and have the opportunity to ask questions.
- b. All interested parties are in attendance and competition for the contract may be generated.
- c. A single meeting saves time and travel.

5-4 Requirements for the Supplier Presentation

Prior to the presentation, the COR has discussed estimated revenue, based on the Revenue Forecast Model, the preferred area of interest, and has distributed the supplier's estimated cost worksheet. With this knowledge in mind, the presentation can begin.

You must be thoroughly knowledgeable on the performance-based contract requirements, including all attachments (see Exhibit 7.1, CARS Performance-Based Percentage Payment CPU Solicitation/Award document").

5-5 Supplier Presentation Handouts

This is a quick reference list of the handouts to gather for the supplier presentation. Before the scheduled presentation, the COR should read and become familiar with all of these materials:

- a. Source list to be used as a sign-in sheet.
- b. Publication 296, which explains what a CPU is, the benefits of a partnership with the Postal Service, the method of compensation, and which gives examples of build-out and signage.
- c. The CPU Request Package (Attachment 1) (see section 5-7.2.1), which includes the evaluation criteria.
- d. CPU Supplier Business Proposal and Information (Attachment 2) (see Attachment 2, "Attachment 2, Contract Postal Unit – Supplier Business Proposal and Information").

- e. CPU Bond (Attachment 3) (not applicable for CPUs that will have CARS).
- f. Compensation (Attachment 4) (see Exhibit 4.1, "Attachment 4 — Compensation").
- g. CPU Design and Construction Requirements (Attachment 5) (see Exhibit 4.1, "Attachment 5: CPU Design and Construction Requirements").
- h. A supplier cost worksheet (see Exhibit 4.1, "CPU Supplier's Estimated Cost Worksheet").
- i. Copies of all CPU contract formats are provided in the exhibits for chapter 7.

(See chapter 7 for more information).

5-6 Share Lessons Learned

Provide a sample of a blank solicitation so attendees are not overwhelmed at the size of the package.

5-7 How to Conduct the Supplier Presentation

5-7.1 Introduction and Overview

Allow about 1-1/2 to 2 hours for the presentation (for either a competitive or noncompetitive contract). Introduce the Postal Service representatives and thank all the potential suppliers for taking the time to attend. Distribute a copy of the source list and ask attendees to complete the requested information and return it to the CPU coordinator. (Source listing will be included as part of the CPU request package). Encourage attendees to ask questions.

5-7.2 Presenting Supplier Materials

These materials are essential to a successful presentation because they cover the most critical parts of the contract requirements.

5-7.2.1 CPU Request Package

The CPU request package is used as a training tool to explain the CPU solicitation process to the potential CPU suppliers.

5-7.2.1.1 Page 1

- a. Explain whether the solicitation is competitive or noncompetitive.
- b. Identify the Contracting Officer Representative (COR) and email address, the CPU coordinator, and the architect/engineer (A/E) if available.
- c. Explain that the COR has administrative oversight of the day-to-day operations of the CPU.
- d. Indicate that the supplier will receive 40 hours of training from the Postal Service. Explain that the training can be conducted off-site, on-site, or a combination of the two.
- e. Discuss that for a *competitive* contract the evaluation criteria and award factors must be considered.
- f. Explain that supplier-specific factors (past performance and capability) will be evaluated on a pass or fail basis by the evaluation committee.

- g. Explain that the proposal-specific factors are the following:
 - a. Location.
 - b. Current business volume.
 - c. Physical characteristics (handicapped accessible).
 - d. Parking and public transportation.
 - e. Staffing.
 - f. Placement of proposed CPU within the retail facility.

The COR or CPU coordinator will indicate whether the evaluation factors, when combined, are considered more important, less important, or as important as the price.

5-7.2.1.2 Page 2

Source List – This is used as a sign-in sheet at the supplier presentation.

5-7.2.1.3 Page 3

Evaluation Committee Members

CPU Coordinator enters the names, addresses, email address, and telephone numbers of the 3 committee members.

5-7.2.1.4 Page 4 – Attachment 1 - Requirements

- a. Enter the COR information under Number 1. Description
- b. Explain the Design and Construction Requirements (Attachment 5).
- c. Explain the general boundary and map for the area being considered.
- d. Indicate the days and hours of service (recommend extended hours).
- e. Recommend the services to be provided (both mandatory and optional).

5-7.2.1.4 Page 5 – 7 Part A – Responsibility Schedule

a. Explain what the USPS and the supplier's responsibilities are as far as providing the design and construction requirements. Go over who is responsible for providing, installing, and maintaining the requirements.

5-7.2.1.5 Page 8 Part B – Signage Requirements

a. Explain what signage is provided by the USPS. Go over the sizes, weights, and remind the suppliers that they will be responsible to install and maintain these signs.

5-7.2.2 CPU Supplier Business Proposal and Information (Attachment 2)

This is a critical component of the solicitation. Discuss each evaluation factor with the attendees and, if possible, provide an example. Stress that *all* the requested information must be included. If the requested information is not included, the offeror may be considered non-responsive or may receive a lower score on its evaluation.

5-7.2.3 CPU Surety Bond (Attachment 3)

Prospective suppliers should use the bond instructions and form to contact their insurance agent on the cost of getting a Postal Service surety bond. The approved sureties listing Web site is at www.usps.gov/procurement/bonding. Advise the attendees of the bond amount required.

Note: A bond is not a requirement for performance-based contracts with CARS. CPU operations cannot begin until the bond requirement is met. The bond must cover all stamp stock, accountables, and the value of postage on the meter. A bond waiver will not be approved. In lieu of a bond, the supplier may provide an irrevocable letter of credit (from a bank or credit union) or a deposit of assets (cash).

5-7.2.4 Compensation (Attachment 4)

Attachment 4 (see [Exhibit 5.5, "Attachment 4 — Compensation"](#)) indicates the performance payment percentages the supplier will request based on the sale of postal products and services. For any stamp sold in excess of current First-Class Mail postage (such as semi-postal issues — i.e., stamps that are sold to generate funds for charitable endeavors), only the amount valid for postage can be considered toward the performance payment. The intent of the performance-based CPU contract is not to allow the CPU supplier to use the CPU as a mailing agency or as a mailing services provider in order to inflate postal revenue. The COR or CPU coordinator will ensure compliance by the CPU supplier. Individual stamp transactions greater than \$1000.00 are prohibited, and such requests must be referred to the host Post Office or to the COR. CPU suppliers can purchase stamps for their own use and use the CPU to mail their own mail in what is considered to be a reasonable and customary amount. However, the sale of stamps to another retailer or individual whose sole purpose would be the resale of those stamps is prohibited. The CPU supplier cannot use the CPU to function as a mail or letter shop. Bulk mailings are prohibited.

5-7.2.5 CPU Design & Construction Requirements (Attachment 5)

Discuss design criteria and build-out and the potential suppliers' responsibilities (see [Exhibit 4.1, "Attachment 5: CPU Design and Construction Requirements"](#)). Explain what equipment and signage is provided by the Postal Service. The CPU supplier is responsible for the cost of the build-out including signage installation. Depending on complexity of the build-out, the average cost is \$8,000 to \$10,000 dollars. Exterior signage examples are provided and must meet landlord and local city or county codes and ordinances prior to beginning operations.

5-7.2.6 Compensation and Supplier Costs

Advise attendees of estimated first-year revenue from the CPU operation as indicated by the CPU Revenue Forecast model. Potential suppliers need to consider their operational costs (i.e., staffing, equipment and supply costs, telephone, bond premium (if applicable), etc.) as well as potential increased retail sales from the additional customer traffic. Provide suppliers with an estimated cost worksheet. For a noncompetitive contract or conversion to a performance-based contract, the CPU coordinator and the potential supplier may discuss the performance payment rate. However, only the Denver CMC can negotiate and commit funds for the USPS. Remind suppliers that there is no franchise fee. Provide examples of CPU success stories.

5-7.2.7 Conclude Supplier Presentation

Conclude the meeting by asking if there are any questions and thank the attendees for their interest. Provide contact information (i.e., business cards).

Exhibit 5.1 A Post Office in Your Store?



A Post Office in Your Store?

As a member of the business community, you can take advantage of a unique income opportunity. The U.S. Postal Service is seeking to form a partnership with a retailer that is interested in providing Postal products and services to the community. This partnership will help increase your market share, help increase your traffic, and provide added value for your customers. Criteria for partnership include:

- Approximately 10' x 15' square feet available within your business
- Business cannot offer private mailbox service or competitive products and services
- Handicap accessibility - parking and ramp access nearby is required.

We are looking for interested businesses within the following preferred area:

- NORTH:
SOUTH:
EAST:
WEST:

The more Postal products and services you sell, the more you earn through our percentage-based compensation plan. Contract Postal Unit suppliers tell us that many customers, who come into their business to purchase stamps and mail packages, often purchase other items offered in their stores. You will benefit from increased business sales and new business customers.

If you are interested in this opportunity, please return this form to the address shown below no later than (date) _____.

POSTMASTER

Yes, I would like more information on this exciting venture . . .

Form with fields: Contact Name, Name/Type of Business, Address, City/State/ZIP Code, Telephone

Exhibit 5.2 Community Interest News Story

U.S. Postal Service seeks locations for contract units

The U.S. Postal Service is seeking business owners willing to allow their stores to be used as satellite post offices in the Naples area.

One of the Naples busiest "contract postal unit" locations at Qwik Pack & Ship off Radio Road in the Berkshire Commons Shopping Center recently closed.

The Postal Service is looking for other businesses to help make up for the loss of service. And it wants new locations to keep up with growth.

Postal officials said business owners who agree to allow their stores to be used as contract postal units benefit in several ways: They get paid for offering the postal services and products; and the service draws more customers into their stores.

Mary Ann Knight, a retail operations specialist for the U.S. Postal Service said business owners are paid a negotiated fee that is based on the percentage of postal business done at the location.

It's supposed to be a win-win situation in which the retailer gets more people in their store and the postal service can provide services at a lesser cost. Knight said "The Postal Service can provide services without the cost of building a new facility and then having to staff it."

Jamie Herrilko, a customer service supervisor for the Naples main post office at 1200 Goodlette-Frank Road N., said contract postal units also help customers by giving them another post office location.

Herrilko said the post office tries to offer the best customer service, but it's difficult in a city such as Naples that is the second-fastest growing city in the country on a percentage basis.

She said the businesses also have to have at least a 10-foot-by-15-foot area, and they cannot offer private mailbox services or competitive products to the U.S. Postal Service.

The businesses who participate also have to be handicapped-accessible, with handicapped parking spaces.

She said the post office trains whoever is going to be handling the business at the stores.

Woody Jackemeyer, who operates a contract postal unit out of his shipping and mailing business in the Neapolitan Shopping Center in Naples said the post office location in his store does attract customers. His business is grandfathered in from the recent post office policy of not allowing contract postal locations where competing products are offered.

He said he has a full-time person who handles the postal work, and that person's salary is paid by the money he receives from the Postal Service.

Jackemeyer said the person who handles the postal business has to be knowledgeable.

"It's very, very complicated to learn all the rules of the post office and we're fortunate enough to have an employee who was here before with four years of experience," Jackemeyer said. He said the service could be difficult for those businesses who don't have enough customers to justify a full-time postal employee. He said it would be a difficult, juggling act, working the register and serving customers at the regular store and overseeing the in-house post office, unless the store was quite slow.

"It's not for everybody, believe me. It is a huge undertaking to become a contract post office," he said. "You have to know the postal rules. We're the biggest contract post office in the area, so we can devote a full-time person to that job."

Herrilko said that in most locations the business owner earns enough from the post office to pay for a full-time employee to handle the postal duties and then money on top of that. "Most (contract postal units) do run with two people," Herrilko said. "There are two separate businesses under one roof."

Those businesses interested in the program may contact Herrilko at 435-2119.

page intentionally left blank.

Exhibit 5.3 Source List

SOURCE LIST: *(It is important to include the entire ZIP+4 below)*

1. _____
Company Name

Attn:

P.O. Box/Street Address

City/State/Zip+4

Telephone Number (with Area Code)

Email Address

Date of Sales Call: _____
 Minority Owned
 Woman Owned
 Small Business

2. _____
Company Name

Attn:

P.O. Box/Street Address

City/State/Zip+4

Telephone Number (with Area Code)

Email Address

Date of Sales Call: _____
 Minority Owned
 Woman Owned
 Small Business

3. _____
Company Name

Attn:

P.O. Box/Street Address

City/State/Zip+4

Telephone Number (with Area Code)

Email Address

Date of Sales Call: _____
 Minority Owned
 Woman Owned
 Small Business

4. _____
Company Name

Attn:

P.O. Box/Street Address

City/State/Zip+4

Telephone Number (with Area Code)

Email

Date of Sales Call: _____
 Minority Owned
 Woman Owned
 Small Business

**ATTACHMENT 2
SUPPLIER BUSINESS PROPOSAL, INFORMATION AND WORKSHEET**

The supplier is required to provide the information below. The information provided will be used to evaluate your proposal. **Failure to include any of the requested information may disqualify your proposal from consideration.** All information provided must be verifiable and the Postal Service may need to meet with the supplier and/or visit the proposed contract postal unit (CPU) facility to complete this evaluation. Any addendum to this attachment must be clearly marked as such and returned with your offer.

Supplier's Proposal to meet the USPS Requirement for a CPU Contract. The Postal Service's requirement is for a contract postal facility which is convenient to our customers, in an attractive setting and staffed and managed in a way which encourages them to use it to obtain postal services. With that in mind, use the following to explain how the facility you propose at your location meets that requirement. Your proposal should address each topic as listed below.

- 1. Past Performance.** Provide at least three (3) references that will demonstrate/verify a history of satisfactory past performance. These references will be asked about your performance in the areas of quality, timeliness of performance, business relations and cost control.

| | |
|----------------|--------------|
| 1. Name | Title |
| Company | Phone |
| 2. Name | Title |
| Company | Phone |
| 3. Name | Title |
| Company | Phone |

- 2. Capability.** The supplier must provide information that it is financially sound. This information should document financial performance during the last full fiscal/accounting year and should include financial reports, profit and loss statements and balance sheets. Attach this information to this worksheet. In the space provided below, provide the name of your primary lending/banking institution, its phone number, and a point of contact.

| |
|--------------------------------|
| Financial Institution – |
| Point of contact |
| Phone |

- 3. Characteristics of your Retail Facility.**

| |
|--------------------------------------|
| Proposed CPU Name |
| Proposed CPU Physical Address |
| City, State Zip +4 |
| Business email address |

3a. Location. Location, in terms of its relationship to the customers to be served, other business, etc.

| |
|--|
| |
| |
| |
| |

3b. Current Business Volume. Provide verifiable information on current daily foot traffic, sales per square foot and other information indicative of business volume and market served.

| |
|--|
| |
| |
| |
| |

3c. Physical Characteristics. What features of your facility make it convenient and attractive to postal customers? Also, be sure to address accessibility to the handicapped (in terms of your facility and of the CPU within your facility) and if facility is not currently accessible, how it will be made accessible before service begins.

| |
|--|
| |
| |
| |
| |

3d. Parking and Public Transportation. Describe the availability and extent of on-site and other public parking (including handicapped parking), whether that parking is paid or free and the extent of availability of public transportation convenient to your location.

| |
|--|
| |
| |
| |
| |

Exhibit 5.5 Compensation

ATTACHMENT 4 – COMPENSATION

Supplier's Price Offer (Completed by supplier when submitting proposal). The supplier proposes to perform this contract at Performance Payment rate of _____ percent.

The Performance Payment percentage shall be applied to all of the revenues the supplier receives from the services listed in Attachment 1, Section IV, Services, and the other services that are checked in Attachment 1, Section V, Other Services.

Contract Postal Unit Performance Payment Rate (Completed by Postal Service upon award). The supplier agrees to operate the CONTRACT POSTAL UNIT for _____ percent of the CPU revenue it receives from the sale of postal products and services listed in Section IV, Services, and that are checked in Section V, Other Services, of Attachment 1.

Postal Retail Product and Service Promotions and Compensation

During the contract term from time to time, on such schedule as it may establish, the Postal Service may direct the supplier to participate in promotions of one or more of the retail products and services listed in Attachment 1, Sections IV and V. During any such promotion, the Postal Service will measure the supplier's performance (expressed in terms of total revenues or percentages of revenues) against the comparable revenues of other CPU suppliers within a designated geographic unit (such as a Postal Service District or Area), all as established by the rules of the promotion. For participation in such promotion, supplier shall be entitled to receive such additional compensation as specified in the promotion's rules for its performance relative to that of the other participating CPU suppliers. The Postal Service will provide the supplier with all instructions, rules and support materials required for each promotion.

NOTE: CPU revenue is gross revenues received by the Contract Postal Unit located at the address indicated in Attachment 2, Page 2, of this contract from its customers, less all credits, allowances and refunds allowed or granted to customers. CPU revenue of any stamp sold at a rate in excess of the amount for which it is valid as postage will be based on the amount for which it is valid for postage, and not on the full face value of the stamp (such as the Breast Cancer Research semi-postal stamp).

Exhibit 5.6 CPU Supplier's Estimated Cost Worksheet

CPU SUPPLIER'S ESTIMATED COST WORKSHEET
Contract Access Retail System (CARS)

Start-Up Costs

| | |
|---------------------------------------|-----------------|
| Build-Out Cost | \$ _____ |
| Cash Register (Point of Sales System) | \$ _____ |
| Office Supplies | \$ _____ |
| Credit/Debit Equipment | \$ _____ |
| Total Start-Up Cost | \$ _____ |

Monthly Costs

Building Lease/Rent/Mortgage (If Stand Alone) \$ _____

Utilities

Broadband Access \$ _____

Insurance \$ _____

CARS Supplies* \$ _____

Stamps \$ _____

Meter Postage \$ _____

Office Supplies \$ _____

Wages \$ _____

Credit/Debit Fees \$ _____

Total Monthly Cost \$ _____

First Year Estimated Costs

Total Start-Up Cost \$ _____

Total Monthly Cost X 12 Months \$ _____

Total First Year Cost \$ _____

Annual Recurring Costs \$ _____

*CARS Supply Costs

- Label printer roll _____ Check with Retail Specialist for cost.
- Receipt paper, rolls _____ Check with Retail Specialist for cost.
- Receipt paper can be purchased at any office supply store. Make sure it complies with CARS requirements. Reference CARS Operations Manual.

~~CPU SUPPLIER'S ESTIMATED COST WORKSHEET~~
Non-CARS System CPU

Start-Up Costs

| | |
|---------------------------|--------------|
| Surety Bond | \$ _____ |
| Safe | \$ _____ |
| Cash Register | \$ _____ |
| Postage Meter Lease | \$ _____ |
| Electronic Scale | \$ _____ |
| Telephone Installation | \$ _____ |
| Office Supplies | \$ _____ |
| Sales Personnel Name Tags | \$ _____ |
| Build-Out Cost | \$ _____ |
| Total Start-Up Cost | \$ _____ |

Monthly Costs

| | |
|----------------------------|--------------|
| Postage Meter Lease | \$ _____ |
| Telephone Line | \$ _____ |
| Office Supplies | \$ _____ |
| Wages | \$ _____ |
| Total Monthly Cost | \$ _____ |

Annual Cost

| | |
|-------------|----------|
| Surety Bond | \$ _____ |
|-------------|----------|

First Year Estimated Costs

| | |
|--------------------------------|--------------|
| Total Start-Up Cost | \$ _____ |
| Total Monthly Cost X 12 Months | \$ _____ |
| Surety Bond | \$ _____ |
| Total First Year Cost | \$ _____ |

Chapter 6 Preparing the CPU Request Package

6-1 Introduction

After having justified the need for a CPU, the COR/CPU Coordinator will need to prepare a CPU request package. This is the formal package that will be submitted for processing to the Travel, Retail, and Temporary Services Category Management Center (Denver CMC) in Aurora, Colorado. The cover letter summary (see Exhibit 6-1, "Sample Cover Letter Summary") should include the following information:

- a. Background information.
- b. Current situation.
- c. Existing alternate access channels.
- d. Recommendation.
- e. Noncompetitive business case (if applicable).

The competitive purchase method is the preferred method that satisfies the business objectives of the Postal Service. However, at times when the noncompetitive purchase method better suits the business situation and the needs of the Postal Service, refer to Management Instruction SP-S2-2007-1, *Noncompetitive Purchases* (see Exhibit 6-2).

6-2 Five General Business Scenarios That Best Suit a Noncompetitive Purchase

1. **Sole Source.** This is when only a single supplier is capable of satisfying a requirement.
2. **Single Source.** This is when a single, strategic source is selected from a number of possible sources to meet Postal Service requirements for a particular class of goods or services. For example, when after conducting market research, the ***purchase/SCM team decides that a particular supplier is the best-suited to meet the U.S. Postal Service's needs.***
3. **Compelling Business Interests.** This is when a specific supplier or source can meet Postal Service needs quickly and efficiently, and the benefits of doing so outweigh those that may be realized through competition, as when the need is so urgent that competition cannot add value.
4. **Industry Structure or Practice.** This is when the industry producing or supplying the required goods or services is structured in a manner that renders competition ineffective (for example, when purchasing goods or services that are regulated, such as some utilities, or when purchasing from nonprofit or educational institutions that do not compete in the marketplace).
5. **Superior Performance.** This is when a supplier's superior performance and its contributions to the Postal Service's business and competitive objectives merit award of a particular purchase (for example, extending the term or expanding the scope of a contract when a supplier has performed at such a high level that the extension or expansion is well deserved, or when a supplier's superior performance has made such performance beneficial to Postal Service operations).

6-3 Seven areas that must be documented in a Noncompetitive Business Case

1. Purpose – the purpose of the purchase.
2. Scenarios Basis (include only those applicable)
 - a. Sole source
 - b. Single Source
 - c. Compelling Business Interest
 - d. Industry Structure or Practice
 - e. Superior Performance
3. Future Purchases – plans for future competition

4. ~~Uniqueness – the uniqueness of the good, service or source.~~
5. Market Research – other firms or products/services evaluated
6. Company Identity and History – the type of organization, prior customers, etc.
7. Estimated Cost – the cost estimate.
8. Endorsement – Vice President of the requiring organization must endorse purchases over \$250,000.

6-4 Approval for Noncompetitive Purchases

The COR must include a noncompetitive business case in the request package given to the district manager. By approving the funding document, the district manager demonstrates that he/she has read and has approved the noncompetitive request. The Denver CMC must review and approve all noncompetitive purchases prior to processing a request for a CPU contract.

6-5 Concerns for Approving Funding Documents

- a. Solicitation funding (Budget Line 3G) — submit to the Denver CMC.
- b. Furniture/signage funding (Budget Line 32) — submit to local purchasing.
- c. Order form for furniture and casework — submit to the MDC and send a copy to Retail Access Channels at Headquarters.
- d. The district manager's approval is *mandatory* on all funding documents relating to CPUs, as stated in Handbook F-66, *General Investment Policies and Procedures*, 2-6.2, "Contract Postal Units," which is reprinted here in its entirety:

"Contract postal units are post offices operated by a contractor under the jurisdiction of [a host] post office, usually in a store or other privately owned and operated place of business. At the Headquarters level, vice presidents and above have the authority to approve funding for contract postal units. They may re-delegate, in writing, portions of this authority. At the field level, the vice president, Area Operations, has the authority to establish contract units (see *Postal Operations Manual (POM)*, Issue 8, July 1998, section 123.2)."

This approval authority may be re-delegated, in writing, to the district manager, but may not be re-delegated by the district manager.

6-6 CPU Deviation Request Process

6-6.1 Approval by Headquarters

All deviation requests must be approved by Retail Access Channels at Headquarters.

6-6.2 Four Types of Deviation Requests

6-6.2.1 Overview

There are four types of deviation requests:

- a. CPU policy (see section 6-6.2.2).
- b. CPU design standards (see section 6-6.2.2).
- c. CPU contract (see section 6-6.2.4).
- d. CPU compensation (see section 6-6.2.5).

See also [Section 6-6.2.1, "CPU Deviation Request."](#)

6-6.2.2 CPU Policy

Postal Service policy requires a build-out for all new or converted performance-based CPUs. The COR must submit a deviation when the supplier does not intend to follow Postal Service policy. Adding Post Office boxes to new or existing CPUs also requires a deviation.

6-6.2.3 CPU Design Standards

The COR must submit a deviation when the supplier makes significant changes from the prototype drawings. This would include using nonstandard counters (any counter other than Postal Service–provided counters), omitting slat walls, changing color schemes, and omitting standard signage.

6-6.2.4 CPU Contract

Deviation is required when a change in the actual contract is requested. Examples are requesting a firm-fixed price contract versus a CARS performance-based contract (except for CPOs, public service, seasonal, and temporary (emergency) contracts) or deviating from using the mandatory services in the contract.

6-6.2.5 CPU Compensation

If the proposed compensation for a performance-based contract exceeds the guideline amount of 10 cents per revenue dollar, then an approved deviation is required.

6-6.3 How to Process a Deviation Form (Departure from accepted CPU Process)

Listed below are the steps for processing a deviation form:

- a. Complete one deviation request form per contract.
- b. Attach adequate justification (including drawings and photographs when necessary).
- c. Be thorough and concise.
- d. Obtain local approval authority from the district.
- e. Electronically transmit the request to the area office for approval, if required. If area approval is not required, please indicate "Not applicable" on the area signature line.
- f. If the area office approves the deviation request, the area will transmit the approved deviation request to Retail Access Channels at Headquarters for final approval. If the area office does not approve the request, the Area returns the deviation request to the district office for correction and re-submittal.
- g. Whether the Area approves or rejects the deviation request, Retail Access Channels at Headquarters returns the deviation form to the originating office (either the area office or the district office, as applicable).
- h. The area office provides the returned request to district retail office (if applicable).
- i. The district retail office will include the approved deviation in the CPU request package.

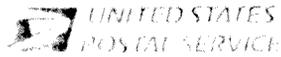
Note: If the area office requires that it must review and approve the original CPU request package before it is sent to the Denver CMC, follow the local procedures.

6-7 CPU Request Package Checklist

6-7.1 Overview

There is a CPU request package checklist () that explains the required elements for all types of contracts. Submit all required elements electronically to the Denver CMC.

Exhibit 6.1 Sample Cover Letter Summary



Date

Retail Operations
District

Names of Recipients

RE: Request to Solicit for Replacement CPU in St. Petersburg Southeast CPU

The attached eBuy for \$7,650 is the Postmaster's recommendation and request for approval of a competitive solicitation to establish a CPU in the southeastern portion of St. Petersburg, delivery zone 33705. The supplier will be required to do the build-out and install signage at an NTE rate of 8.5 percent.

Background

- Zone 33705 presently has limited retail access with no Post Offices or CPUs.
- The targeted area is densely populated with zero growth.
- Zone 33705 had two CPUs – both were terminated at the request of the suppliers.
- Several local businesses have expressed interest in operating a CPU.
- The Postmaster continues to receive complaints from local officials and city representatives about the lack of postal services in the Southside area.
- A new CPU recently opened in zone 33712 (several miles from the targeted area).
- LDC 45 workhours were – 1758 to Plan in FY 06; retail productivity is up \$11.83 per hour
- Estimated first-year revenue is \$190,000.
- I recommend approval of the Postmaster's request for this CPU location.

Name
Retail Specialist



Management Instruction

Noncompetitive Purchases

This management instruction provides purchase supply chain management (SCM) teams with guidance on whether to purchase goods or services competitively or noncompetitively and established procedures for the endorsement and approval of noncompetitive purchases.

Scope

The following procedures apply to all noncompetitive purchases of supplies, services, and equipment; design, construction, and related services; and mail transportation and related services. Information about noncompetitive purchases of real estate and related services is provided in Handbook RE-1, Postal Service Facilities Guide to Real Property Acquisitions and Related Services.

Determining the Purchase Method

In most cases, the competitive purchase method is best suited to meet the business objectives of the Postal Service. Competition brings market forces to bear and allows comparisons of the relative value of competing proposals and prices. However, there are business situations in which the noncompetitive purchase method better suits the Postal Service's business objectives.

Determining the appropriate purchase method is part of purchase planning and is discussed in the Determine Extent of Competition topic in Task 3, Develop Sourcing Strategy, and the Develop and Finalize Sourcing Strategy topic in Task 4, Perform Solicitation-Related Activities, both of which are found in Process Step 2, Evaluate Sources, of the Postal Service's Supplying Practices.

Whether the noncompetitive purchase method is the most effective business practice will depend on the particular purchase. As discussed in the Supplying Practices, a general business best practice is to identify instances in which the noncompetitive method may best suit Postal Service business objectives and therefore prove the most effective. The five business cases described below:

- 1. Sole Source: This is when only a single supplier is capable of satisfying a requirement.

| | |
|-----------|--------------------|
| Date | Jul 30 2007 |
| Effective | Jul 30 2007 |
| Source | 013841010001 |
| Observers | W. F. H. 118100010 |
| Unit | Equip. Management |

Alicia M. Brownell

Judith A. Blonien
vice President
Supply Management

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| | |
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| Endorsement | 3 |
| Approval Authorities | 3 |
| Emergencies | 3 |
| Noncompetitive Business Case Template | 4 |
| Attachment - Noncompetitive Business Case (Required Format) | 5 |

2. **Single Source.** This is when a single strategic source is selected from a number of possible sources to meet Postal Service requirements for a particular class of goods or services. For example, when offering continuing market research, the purchase GCM team decided that a particular supplier is the best suited to meet the U.S. Postal Service's needs.
3. **Emerging Business Needs.** This is when a need for a good and source can meet Postal Service needs quickly and efficiently, with the benefit of doing so outweighing those that may be realized through competition, so when the need is so urgent that competition cannot add value.
4. **Industry Structure or Practice.** This is when the industry producing or supplying the required goods or services is structured in a manner that renders competition ineffective. For example, when purchasing goods or services that are regulated such as commodities or when purchasing from a nonprofit or educational institution that do not compete in the marketplace.
5. **Superior Performance.** This is when a supplier's superior performance and its contribution to the Postal Service's business and competitive objectives merit award of a particular purchase, for example, extending the term or expanding the scope of a contract when a supplier has performed at such a high level that the extension or expansion is well-justified, or when a supplier's superior performance has made such performance beneficial to Postal Service operations.

The purchase GCM team should reach the competitive/noncompetitive decision by consensus; if consensus cannot be reached, the contracting officer, as business leader of the purchase GCM team, has final responsibility for making the competitive/noncompetitive decision.

Documenting the Purchase Method Decision

When the purchase GCM team determined that noncompetitive purchasing is the most effective business practice for a particular purchase, the business scenario and rationale for the decision must be documented in a business case and included in the contract file.

The extent and detail of the business case will depend on the particular purchase, its complexity, and its potential dollar value. But in all cases the following must be addressed (see the attached template for more detail):

1. Purpose — the purpose of the purchase

2. Demands Basic include only those applicable to:
 - a. Single Source
 - b. Single Source
 - c. Dominating Business Interests
 - d. Product Structure or Practice
 - e. Superior Performance
3. Future Purchased — plans for future competition
4. Uniqueness — the uniqueness of the good, service, or practice
5. Market Research — other firms or products/services evaluated
6. Company Identity and History — the type of organization and/or customers, etc.
7. Estimated Cost — the estimated cost

Endorsement and Approval

Endorsement

If the estimated value of the noncompetitive purchase is expected to exceed \$150,000, the vice president of the organization requesting the purchase must endorse the purchase. SCM team's business case. If the request for the noncompetitive purchase will be made via eBuy, the VP may show his or her endorsement of the business case by annotating the Notes section of the eBuy requisition.

Approval Authorities

The vice president, Supply Management, must review and approve all noncompetitive purchases valued at more than \$10 million. The Supply Management Portfolio manager (the Facilities, Mail, Equipment, Services, Supplies, and Transportation Portfolio) may approve noncompetitive purchases of lesser value and may delegate some of this approval authority to subordinate managers and contracting officers in a manner consistent with their delegation.

Emergencies

When an emergency condition directly affect the safety or well-being of Postal Service personnel or may stop or seriously impede Postal Service operations, a contracting officer may approve an oral request for a noncompetitive purchase within his or her delegated noncompetitive approval authority. The requesting organization must follow up by addressing the appropriate elements of the noncompetitive business case (see below) and sending it to the contracting officer. The contracting officer must include the noncompetitive business case in the contract file.

Noncompetitive Business Case Template

Attached is a noncompetitive business case template. The template is to be used by all purchase COM teams in preparing the noncompetitive business case. The contracting officer must include a copy of the noncompetitive business case along with evidence of its approval in the contract file.

ATTACHMENT Noncompetitive Business Case (Required Format)

Instructions: The noncompetitive business case should cover each of the areas listed below. The questions under each area are intended to provide guidance on the type of information needed to justify the business case. Many individual questions throughout the below did not apply to the purchase, and date "not applicable," but each question must be considered. The depth of coverage depends upon the purchase's dollar value, importance, extent, long-term impact, etc. Additional topics may be added if necessary to support the request.

1. Purpose

What is the purpose of the purchase? What Postal Service needs will be met? What will be the benefit to the Postal Service? Is the item for test and evaluation or for functional or operational use? If for test and evaluation, what is the plan for purchase of additional quantities if the tests are successful?

2. Basis (Include only those applicable to your situation)

- a. *One Source*. This is when only a single supplier is capable of satisfying a requirement.
- b. *Single Source*. This is when a single strategic source is selected from a number of possible sources to meet Postal Service requirements for a particular class of goods or services. For example, when after conducting market research, the purchase SIGM team decided that a particular supplier is the best-suited to meet the U.S. Postal Service's needs.
- c. *Compelling Business Interests*. This is when a specific supplier or source can meet Postal Service needs quickly and efficiently, and the benefit of doing so outweighs those that may be realized through competition, and when the need is so urgent that competition cannot add value.
- d. *Industry Inactive or Restricted*. This is when the industry producing or supplying the required goods or services is structured in a manner that renders competition ineffective (for example, when purchasing goods or services that are regulated, such as some utilities, or when purchasing from nonprofit or educational institutions that do not compete in the marketplace).
- e. *Superior Performance*. This is when a supplier's superior performance and its contributions to the Postal Service's business and competitive objectives merit award of a particular purchase (for example, extending the term or expanding the scope of a contract when a supplier has performed at such a high level that the extension or expansion is well-merited, or when a supplier's superior performance has made such performance beneficial to Postal Service operations).

3. Future Purchases

Describe plans to develop competition for subsequent purchases. Is there a specification adequate for competition? If not, what is being done to develop one? Describe the plan and proposed metrics.

4. Uniqueness

What is unique about the goods or services that are available only from the recommended source? Explain if the item patented, copyrighted, or otherwise protected? Is the Postal Service better served to award a noncompetitive purchase for a protected item rather than to extend the rights to infringe and pay reasonable compensation to the owner of the rights?

5. Market Research

List one or more similar products/services evaluated. State why the approach or product does not satisfy Roots Service's needs. What is the product or had been designed? Estimate number of companies involved with similar products/services. Estimate whether source a manufacturer or dealer? Is the product/service available? How long has it been on the market? How did you learn about the product/service?

6. Company Identity and History

Briefly define the type of organization and customers and contracts, and whether it had previously contacted with the Roots Service.

7. Estimated Cost

What is the estimated cost of the item or service? Estimate any costs, such as maintenance, software, total contract cost, if computer software is to be purchased, estimate cost of maintenance, upgrading, etc. What type of licensing arrangement does the company require? Estimate savings to the Roots Service over useful life of the product or result of the service. If modification of the item is required, estimate the cost of modification. What is the impact upon the Roots Service if the request is not approved?

8. Endorsement

The vice president of the requiring organization must endorse the non-competitive approval submittal case for purchases over \$250,000.

Exhibit 6.3 CPU Request Package Checklist

| <p align="center">CARS PERFORMANCE-BASED</p> | <p align="center">PERFORMANCE-BASED (Deviation Required)</p> | <p align="center">FIRM-FIXED PRICE (Deviation Required)</p> |
|--|---|---|
| <p><input checked="" type="checkbox"/> Approved eBuy for Solicitation \$\$</p> | <p><input checked="" type="checkbox"/> Approved eBuy for Solicitation \$\$</p> | <p><input checked="" type="checkbox"/> Approved eBuy for Solicitation \$\$</p> |
| <p><input checked="" type="checkbox"/> Competitive or Noncompetitive (include Noncompetitive Business Case, if applicable)</p> | <p><input checked="" type="checkbox"/> Competitive or Noncompetitive (include Noncompetitive Business Case, if applicable)</p> | <p><input checked="" type="checkbox"/> Competitive or Noncompetitive (include Noncompetitive Business Case, if applicable)</p> |
| <p align="center">FILL IN INFORMATION FOR THE FOLLOWING:</p> | <p align="center">FILL IN INFORMATION FOR THE FOLLOWING:</p> | <p align="center">FILL IN INFORMATION FOR THE FOLLOWING:</p> |
| <p><input checked="" type="checkbox"/> CARS Request Package</p> | <p><input checked="" type="checkbox"/> Performance-Based Request Package</p> | <p><input checked="" type="checkbox"/> Firm-Fixed Request Package</p> |
| <p><input type="checkbox"/> CPU Coordinator</p> <p><input type="checkbox"/> District Architect/Engineer</p> <p><input type="checkbox"/> COR's Email Address Only</p> <p><input type="checkbox"/> Finance Number (Admin Office)</p> <p><input type="checkbox"/> Evaluation and Award Factors</p> <p><input type="checkbox"/> Source List</p> <p><input type="checkbox"/> Evaluation Committee Members</p> <p><input type="checkbox"/> Attachment 1 - Requirements</p> | <p><input type="checkbox"/> CPU Coordinator</p> <p><input type="checkbox"/> District Architect/Engineer (if available)</p> <p><input type="checkbox"/> COR's Email Address Only</p> <p><input type="checkbox"/> Finance Number (Admin Office)</p> <p><input type="checkbox"/> Evaluation and Award Factors (leave blank if noncompetitive)</p> <p><input type="checkbox"/> Source List</p> <p><input type="checkbox"/> Evaluation Committee Members</p> <p><input type="checkbox"/> Attachment 1 - Requirements (Fill in all highlighted areas)</p> | <p><input type="checkbox"/> CPU Coordinator</p> <p><input type="checkbox"/> District Architect/Engineer (if available)</p> <p><input type="checkbox"/> COR's Email Address Only</p> <p><input type="checkbox"/> Finance Number (Admin Office)</p> <p><input type="checkbox"/> Evaluation and Award Factors (leave blank if noncompetitive)</p> <p><input type="checkbox"/> Source List</p> <p><input type="checkbox"/> Evaluation Committee Members</p> <p><input type="checkbox"/> Attachment 1 - Requirements (Fill in all highlighted areas on both pages)</p> |
| <p><input type="checkbox"/> Design and Construction Requirements/D&CR (Attachment 5)</p> | <p><input type="checkbox"/> Design and Construction Requirements/D&CR (Attachment 5)</p> | <p><input type="checkbox"/> Design and Construction Requirements/D&CR (Attachment 5)</p> |
| <p><input checked="" type="checkbox"/> PART A – Responsibility Schedule (3 pages)</p> | <p><input checked="" type="checkbox"/> PART A – Responsibility Schedule (4 pages)</p> | <p><input type="checkbox"/> CPU Deviation Request (required to use FF contract format and if PO Boxes will be in CPU)</p> |
| <p><input checked="" type="checkbox"/> PART B – Signage Requirements (1 page)</p> | <p><input checked="" type="checkbox"/> PART B – Signage Requirements (1 page)</p> | <p><input checked="" type="checkbox"/> Mapping</p> <p><input checked="" type="checkbox"/> CPU Needs Analysis</p> <p><input checked="" type="checkbox"/> Wait Time In Line Report</p> |
| <p><input type="checkbox"/> Plan Prototype Drawings check appropriate box below:</p> <p><input type="checkbox"/> one counter?</p> <p><input type="checkbox"/> two counters?</p> | <p><input type="checkbox"/> Plan Prototype Drawings check appropriate box below:</p> <p><input type="checkbox"/> one counter?</p> <p><input type="checkbox"/> two counters?</p> | <p><input type="checkbox"/> CPU Deviation Request (required to use PB contract format and if PO Boxes will be in CPU)</p> <p><input checked="" type="checkbox"/> Mapping</p> <p><input checked="" type="checkbox"/> CPU Needs Analysis</p> <p><input checked="" type="checkbox"/> Wait Time In Line Report</p> |
| <p><input checked="" type="checkbox"/> CPU Deviation Request (if applicable)</p> | <p><input checked="" type="checkbox"/> CPU Deviation Request (required to use PB contract format and if PO Boxes will be in CPU)</p> | <p><input type="checkbox"/> CPU Deviation Request (required to use FF contract format and if PO Boxes will be in CPU)</p> |
| <p><input checked="" type="checkbox"/> Mapping</p> | <p><input checked="" type="checkbox"/> Mapping</p> | <p><input checked="" type="checkbox"/> Mapping</p> |
| <p><input checked="" type="checkbox"/> CPU Needs Analysis</p> | <p><input checked="" type="checkbox"/> CPU Needs Analysis</p> | <p><input checked="" type="checkbox"/> CPU Needs Analysis</p> |
| <p><input checked="" type="checkbox"/> Wait Time In Line Report</p> | <p><input checked="" type="checkbox"/> Wait Time In Line Report</p> | <p><input checked="" type="checkbox"/> Wait Time In Line Report</p> |
| <p><i>Note: A Deviation, Mapping, CPU Needs Analysis, and Wait Time in Line Report are NOT REQUIRED For the following firm-fixed contracts:</i></p> <ul style="list-style-type: none"> - Community Post Office - Public Service - Seasonal - Temporary Emergency | | |

Exhibit 6.4 CPU Deviation Request

CPU DEVIATION REQUEST
(Procedures for a deviation in a CPU Contract)

There are four (4) types of deviations that will be considered when implementing a CPU contract. They are:

TYPES OF DEVIATIONS:

1. CPU Policy

This is a request for a change in CPU policy. An example would be contracting for a CPU that would require NO BUILDOUT. It is Postal policy that there will be a defined retail design accompanied by exterior and interior retail signage as described in CPU Design and Construction Requirements (Attachment 5), in every CPU. The supplier usually pays for the construction and the Postal Service provides the case work. A deviation request is required if you do not intend to follow this policy. Another example is adding P.O. Box service to a new or existing CPU. This also will require a deviation.

2. CPU Design Standards

This is a request for a deviation to the design standards established by the Headquarters Retail Design office. A deviation is NOT required for minor changes in CPU Design, such as counter types and locations, as long as the changes reflect positively for the U. S. Postal Service.

3. CPU Contract

This is a request for a change in the actual contract. An example would be requesting to use the firm fixed price contract rather than the preferred CARS performance based contract.

4. CPU Compensation

This is a request for compensation that exceeds the compensation guideline of 10%.

PROCESS:

To complete the deviation process, send a letter requesting the change along with justification/supporting information to the applicable office. Be sure that the justification is adequately documented and that all signatures are acquired.

DEVIATION FOR A CONTRACT POSTAL UNIT (CPU)

CPU NAME/LOCATION: _____

DEVIATION REQUEST FROM:

Check all that apply:

Name/Title: _____
Address: _____
City/State/Zip: _____
Phone: _____

- CPU Policy
- CPU Design Standards
- CPU Contract
- CPU Payment

JUSTIFICATION: Attach justification for deviation request, including supporting information and attachments, as necessary, along with approval signatures as noted below.

RECOMMENDED:

District Retail Manager

Date

District Customer Relations Manager

Date

Area Customer Relations Manager

Date

REVIEW AND APPROVAL:

Reviewed by:

CPU Program Manager
Retail Access Channels
475 L'Enfant Plaza SW
Room 7540
Washington DC 20260-7540

RECOMMENDATION: Approved Disapproved

COMMENTS: _____

SIGNATURE: _____

DATE: _____

Chapter 7 Processing the CPU Request Package

7-1 Introduction

The CPU coordinator has now prepared the CPU request package and submitted it to the Denver CMC. This chapter explains how the Denver CMC will process the package. It will also discuss responsibilities of the different team members involved in this process.

7-2 Performance-Based CPUs

7-2.1 Request Package Denver CMC Review Process

Is it complete? If not, the Denver CMC will return the package for completion. Here are some of the most common errors:

eBuy is received with no attachments

The requester will receive a call or email from the Denver CMC stating that the Ebuy was received with no attachments and to email the rest of the documents to our office. You **MUST** annotate the eBuy requisition number in the email or in the subject line. If we can't match up the attachments with the eBuy, this will delay the processing of your request.

eBuy is received with attachments, but it is still missing something

The request will be assigned to a purchasing specialist for processing. You will receive an email requesting what is missing and who you should return it to.

Email or mailed package is received with request/attachments, but no eBuy

Either via email or through regular mail, the package will be returned with instructions to send it again with the eBuy through the proper procedures.

Received everything; however, some information is missing or incorrect

This will be sent back to the requester for corrections and return.

7-2.2 Solicitation Issuance

The Denver CMC generates the solicitation document, which contains all of the requirements for the CPU. (For the full text of these solicitation documents, see Exhibit 7.1, "CARS Performance-Based Percentage Payment CPU Solicitation/Award Document"; Exhibit 7.2, "Performance-Based Percentage Payment CPU Solicitation/Award Document"; and Exhibit 7.3, "Firm-Fixed Price CPU Solicitation/Award Document.")

Copies of the solicitation are provided to the following:

- All suppliers on the source list

The following receive an email from Denver CMC stating the solicitation has been mailed to the sources that were provided and gives you the return date of the solicitation.

- COR
- CPU Coordinator
- Architect/Engineer, if applicable

7-2.3 Evaluation of Competitive Proposals

The Denver CMC will send the evaluation package to the evaluation committee chairperson.

The evaluation package will include the following:

- a. A copy of each proposal.
- b. A copy of the evaluation and award factors.
- c. A cover letter with instructions on how to evaluate proposals (see Exhibit 7-1, "Sample Guidelines for Completing the Evaluation Worksheet").
- d. A worksheet to be completed for each proposal (see Exhibit 7-5, "Evaluation Worksheet for Performance-Based CPU or Firm-Fixed CPU").
- e. A Non Disclosure Agreement that must be signed by each evaluation committee member
- f. A final rating worksheet completed by the committee chairperson indicating for each proposal whether it was considered acceptable or unacceptable.
- g. The chairperson will distribute the evaluation packages to the committee members during their first meeting and will discuss the evaluation process

Recommended members of the evaluation committee are the following:

- a. COR.
- b. CPU coordinator.
- c. Manager of Post Office Operations.
- d. Other Postal Service operational personnel (e.g., a neighboring postmaster).

7-2.4 Business Evaluation

7-2.4.1 Overview

The evaluation committee will evaluate supplier business proposals in accordance with supplier-specific factors and proposal-specific factors.

7-2.4.2 Supplier-Specific Factors

The following supplier-specific factors are a pass or fail assessment. Offers that do not pass these evaluation factors are not considered further.

- a. Past Performance: Prospective suppliers are to provide references that will demonstrate a history of satisfactory past performance in the areas of quality, timeliness of performance, business relations, financial stability and cost control.
- b. Supplier Capability: Prospective suppliers are to provide information to demonstrate financial stability and ability to perform under the contract. Supplier needs to demonstrate the ability to purchase, in advance, the adequate stamps and meter postage to properly serve the postal customer. Financial information to be provided includes financial reports, profit and loss statements, and balance sheets.

7-2.4.3 Proposal-Specific Factors

Offerors that pass supplier-specific factors will be evaluated on proposal-specific factors (see below).

The CPU coordinator will indicate in the request package submitted to the Denver CMC the maximum point assignment for each proposal-specific factor, except for handicapped accessibility, which is pass or fail. Offerors that do not propose facilities that are handicapped accessible, or that do not adequately demonstrate how the facility will meet the applicable accessibility standards before service begins, will not be evaluated further. The offeror should know the value of factors. If the proposed CPU will be in a location provided by the facility, as in the case of a military installation, college campus, or a CPU that will be housed in the exact location as where the previous CPU was located, then factors a. and b. below do not apply and will not be evaluated.

- a. Characteristics of the supplier's retail facility:
 - 1) Location.
 - 2) Current business volume.
 - 3) Physical characteristics (including accessibility to the handicapped, which is pass or fail).
 - 4) Parking and public transportation.
- b. Characteristics of the proposed CPU within the supplier's retail facility.
- c. Staffing.

The evaluation committee must keep in mind the maximum points assigned to each of the above proposal-specific factors and to rate the proposals accordingly. For example, if an offeror has provided minimal staffing information, he/she would not be disqualified but would receive a low score for this factor.

Each committee member completes an independent, individual evaluation for each proposal. The committee then reconvenes to discuss the evaluations, compare proposals, and finalize point assignments. The committee chairman will then transfer the numeric average for each evaluated proposal to the final rating worksheet. Proposals considered unacceptable are also documented on the final rating worksheet.

7-2.5 Price Evaluation

The CPU coordinator will indicate in the request package submitted to Denver CMC if price is considered more important, less important, or as important as proposal-specific factors.

Under the competitive process, only the Denver CMC is authorized to negotiate the price of a proposal with the offeror. Under the noncompetitive process, the district may discuss the price of a proposal with the offeror. As long as they make it clear that the Denver CMC is the only office that is authorized to commit funds for the Postal Service. The District's discussion is ONLY to ascertain if the supplier is interested. The District cannot commit, promise, or finalize any price with the supplier. Remember, if the compensation offer exceeds the recommended guideline of 10 cents per revenue dollar, Retail Access Channels at Headquarters must approve a deviation request.

If the offer selected for award is higher than the funded amount on the approved funding document, the Denver CMC will contact the CPU coordinator for additional funding and to discuss other options.

7-2.6 Contract Award

After reviewing the evaluation committee's worksheets and evaluating price proposals, the Denver CMC will prepare a best-value determination, assign a contract number, and award the contract. Prior to or at the time of award, the Denver CMC must receive the 4-digit Unit ID (if an AIC contract) for this CPU and the agreed upon site name for the supplier. If we are awarding a CARS CPU, the 4-digit Site ID is generated by CPUT. The Denver CMC establishes payment information in the Contract Postal Unit Technology (CPUT) system.

~~The contract number must be used when communicating with the supplier, COR, CPU coordinator, and the Denver CMC. Copies of the contract award, award letter, and COR appointment are distributed to the following people:~~

- a. Successful supplier.
- b. COR.
- c. CPU coordinator.
- d. Architect/engineer (A/E) (if applicable).

CPU coordinator should verify CPUT information for accuracy.

Unsuccessful offerors will receive notification (Sorry Charlie letters) of contract award by the Denver CMC. All documents related to the contract award and all future documents regarding this CPU will be kept in a CPU file for the life of the contract.

In addition to the contract award, award letter, and COR appointment, the supplier receives the following:

- a. CARS CPU Profile Form. This must be completed and returned to the CPU Coordinator.
- b. Pitney Bowes CARS/CPU Authorization Agreement Form. This must be completed and returned to the CPU Coordinator with a copy of a voided check.

Note: CARS will not be ordered until the above forms are completed and received by your CPU Coordinator.

- c. CPU Stamp Order and CPU Stamp Write-in Forms. To be used to order stamps from Kansas City.
- d. USPS Guidelines for Ordering Stamps from Kansas City via ACH Debit. This specifies the policy and procedures for ordering stamps, stamped paper products, and postage.

Supplier and Payee Electronic Funds Transfer (EFT) Enrollment Form This is the form to complete for direct deposit, electronic funds transfer (EFT), of your payments for operation of the CPU. See Exhibit 8.5.

- c. Instructions to submit drawings to the CPU coordinator within 15 days. The CPU coordinator will forward the drawings to the Facilities Service Office (FSO) for approval (if applicable). Once the drawings are approved, the CPU coordinator will notify the Denver CMC. The Denver CMC will issue the supplier a Notice to Proceed with copies to the CPU coordinator and A/E (if applicable).
- d. Instructions to work with the COR, CPU coordinator, and A/E (if applicable) to ensure compliance with contract requirements.

The CPU Coordinator completes the "CPU Information and Certification Form" (see Exhibit 8.6) and notifies the Denver CMC, via email, of the following information:

- a. Completion of all site specifications and training.
- b. Operational start date.
- c. Four-digit unit ID (if AIC reporting unit).
- d. Finance number.
- e. Type of Business

After receipt of the CPU Information and Certification Form, the Denver CMC enters the operational start date and the type of business in CPUT.

7-2.7 Appointment of COR

7-3.2 Contract Records Responsibility

7-3.2.1 Overview

Record keeping is the joint responsibility of the Denver CMC, the COR, and the CPU coordinator.

7-3.2.2 Official Contract File — Denver CMC

The following are included in the official contract file:

- a. The original request package.
- b. The original contract document.
- c. The original unsuccessful business proposals.
- d. The original modifications.
- e. A copy of the surety bond, letter of credit, or record of deposit of assets (see 7-3.1d).
- f. A copy of the COR appointment.
- g. A copy of all correspondence relating to the contract.

Denver CMC will retain the CPU file for a 6-year period after contract termination.

7-3.2.3 COR's Administrative File

The following is included in the COR's administrative file:

- a. A copy of the contract.
- b. Copies of modifications.
- c. The original surety bond, letter of credit, or record of deposit of assets (see 7-3.1d).
- d. The original COR appointment.
- e. A copy of the property/equipment form signed by the supplier and the COR.
- f. A copy of all correspondence to and from the supplier.
- g. The original reviews, audits, and records of phone calls and other meetings or conversations regarding contract performance.
- h. A copy of the supplier's training record.
- i. The original monthly reports of operations (minimum-rate contracts only).

The COR will retain the CPU file for a 3-year period after contract termination.

7-3.2.4 CPU Coordinator's Administrative File

The following is included in the CPU coordinator's administrative file:

- a. A copy of the request package.
- b. A copy of the contract.
- c. Copies of modifications.
- d. A copy of the surety bond, letter of credit, or record of deposit of assets (see 7-3.1d).
- e. A copy of the COR appointment.
- f. A copy of the property/equipment form.
- g. A copy of all correspondence to and from the supplier.
- h. Copies of reviews, audits, and records of phone calls and other meetings or conversations regarding contract performance.

The CPU Coordinator will retain the CPU file for a 3-year period after contract termination.

Exhibit 7.1 CARS Performance-Based Percentage Payment CPU Solicitation/Award Document

Solicitation/Offer/Award for CARS (CONTRACT ACCESS RETAIL SYSTEM)
Performance-Based Contract Postal Unit (CPU)

*****FOR OFFICIAL USE ONLY*****

| | | | |
|---|------------------|--|----------------------------|
| 1 Contract No. 2BCPAC-08-B- | | 2 Request No. | 3 Solicitation No. |
| 4a For information Call Name: Purchasing Specialist | 4b Telephone No. | 4c Fax No. | 4d e-Mail |
| 5 Issued By Travel, Retail and Temporary Services US Postal Services – CPAC 3300 S Parker Rd., Ste. 400 Aurora CO 80014-3500 | 6 Soc.Ec Code | 7 UNSPC 8014170300 | 8 Admin Office Finance No. |
| 9 CPU Site ID | | | |
| 10 Supplier (Name and Mailing Address) Individual or Company Name _____ DBA (if applicable) _____ Address/P.O. Box: _____ City, State, Zip+4: _____ Contact Name: _____ Telephone No.: _____ Fax No.: _____ e-Mail Address: _____ | | 11 CPU Physical Location CPU Site Name <i>(to be completed at time of award)</i> _____ CPU Physical Address _____ City, State, Zip+4: _____ Contact Name: _____ Telephone No.: _____ Fax No.: _____ e-Mail Address: _____ | |
| 12a. Taxpayer Identification No. (TIN) or Social Security No. (SSN) | | 12b. Parent TIN (if applicable) | |
| 13a. COR Administrative Office Name | | 13b. COR Office Address and Phone number | |

14 General Description of Requirement

- a) The supplier must provide dedicated space, services and equipment in compliance with the terms and conditions of this contract and all attachments hereto.
- b) The supplier must provide the postal goods and services specified herein in accordance with the provisions of the Domestic Mail Manual (DMM) and International Mail Manual (IMM) concerning those goods and services, including its mailing rates and service fees. The supplier may not impose a surcharge for services provided, or increase or decrease the rates and fees established in the DMM or IMM.
- c) The supplier must follow the procedures set out in Publication 116, Contract Postal Unit Operations Guide

15 Compensation – The Postal Service will pay the supplier a percentage of the revenue received from the sale of postal products and services, in accordance with the payment rate or rates set out in Attachment 4, Compensation

16a. The supplier is required to sign this document and return to the issuing office. The supplier agrees, subject to the terms and conditions specified herein, to provide and deliver all items identified above and on any additional pages.

| | |
|--|--|
| 16b. Signature of Person Authorized to Sign | 17a. Signature of Contracting Officer |
| 16c. Printed Name and Title of Person Authorized to Sign | 17b. Printed Name of Contracting Officer |
| Date Signed | Award Date |

Note: The supplier agrees that if this proposal is accepted by the Postal Service within sixty (60) calendar days from the solicitation return date, a binding contract will result. The supplier must set forth full, accurate and complete information as required by this document. The penalty for making false statements in proposals is prescribed in 18 U.S.C. 1101.

PART 1 – CONTRACT POSTAL UNIT SCHEDULE

1.1 CONTRACT POSTAL UNIT OPERATION

The supplier agrees to operate a Contract Postal Unit (CPU) in a facility operated by a supplier, at a supplier-owned or leased site, under contract to the Postal Service to provide specified Postal Services and supplies to the public, the terms and conditions established herein. Days and hours of operation will be coordinated with the designated postal official listed in Attachment 1, who will serve as the Postal Service point of contact with the supplier. A copy of the notice of appointment defining this individual's authority will be furnished to the supplier upon award. The contract will be for an indefinite term, subject to the rights of termination specified herein. The supplier must provide the services listed in Attachment 1, Requirements. The property required for the operation of this CPU is identified in Attachment 5 – Design & Construction Requirements (D&CR).

1.2 ACKNOWLEDGMENT OF AMENDMENTS

The supplier acknowledges receipt of amendments to the solicitation numbered and dated as follows:

| Amendment Number | Date | Amendment Number | Date |
|------------------|-------|------------------|-------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

PART 2 – SOLICITATION PROVISIONS

2.1 PROVISION 4-1 STANDARD SOLICITATION PROVISIONS

- a. **Submission of Offers.** Submit signed and dated offers to the office specified in this solicitation at or before the exact time specified on this solicitation.

As a minimum offers must show:

- 1) Page 1, Item 10, individual or company name, dba, address, city, state zip and contact name.
- 2) Page 1, Item 11, CPU site name, physical address of CPU, telephone number, fax number and email address.
 ***** DO NOT USE A POST OFFICE BOX ADDRESS FOR THE PHYSICAL ADDRESS *****
- 3) Page 1, Item 12, Contact Information. This is information on who to contact in regards to any issues or concerns with this contract.
- 4) Page 1, Item 12a, Taxpayer identification number (TIN) or Social Security Number (SSN). The TIN is the supplier's tax identification number used on the U.S. Treasury Form 941, *Employers Quarterly Federal Tax Return*.
- 5) Page 1, Item 12b, Parent Company's TIN (if applicable)
- 6) Page 1, Item 16b, Signature of Person Authorized to Sign, and Item 16c, Printed Name and Title of Person Authorized to Sign.
- 7) Provide all other information requested by Part 2 of this solicitation.
- 8) Provide all the information requested by Attachment 2 – Contract Postal Unit – Supplier Business Proposal and Information and Insert percentage offer in Attachment 4, Compensation.

- b. **Business Disagreements.** Business disagreements may be lodged with the Supplier Ombudsman if the supplier and the contracting officer have failed to resolve the disagreement as described in 39 CFR Section 601 (available for review at www.fps.gov). The Supplier Ombudsman will consider the disagreement only if it is lodged in accordance with the time limits and procedures described in 39 CFR Section 601. The Supplier Ombudsman's decisions are available for review at www.fps.gov.

- c. **Late Offers.** Offers or modifications of offers received at the address specified for the receipt of offers after the exact time specified for receipt of offers will not be considered unless determined to be in the best interests of the Postal Service.

- d. **Type of Contract.** The Postal Service plans to award a CARS (Contract Access Retail System) Performance-based Percentage Payment contract under this solicitation and all proposals must be submitted on this basis. Alternate proposals based on other contract types will not be considered.
- e. **Contract Award.** The Postal Service may evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. Discussions may be conducted if the Postal Service determines they are necessary. The Postal Service may reject any or all offers if such action is in the best interest of the Postal Service, except other than the lowest offer, and waive informalities and minor irregularities in offers received. The Postal Service reserves the right to award multiple performance-based price contracts under this solicitation.
- f. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it, and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/procurement/policies/policies.html>. **If checked**, the following provision is incorporated in this solicitation by reference:
- 1) Provision 3-1, Notice of Small, Minority, and Woman-owned Business Subcontracting Requirements (March 2006)

2.2 PROVISION 4-2 EVALUATION

- a. **General.** The Postal Service will award a contract resulting from this solicitation to the offeror whose offer conforming to the solicitation is deemed to offer the Postal Service the best value, price and other factors as specified considered. Supplier specific factors shown under item one (1) below will be evaluated on a pass or fail basis. Offerors whose supplier-specific evaluation factors are found acceptable will have their proposal-specific factors evaluated. Proposal-specific factors shown under item two (2) below will be evaluated according to the criteria, to include handicapped accessibility. Proposals which do not propose facilities that are handicapped accessible, or which do not demonstrate, to the Postal Service's satisfaction, how the facility will meet the applicable accessibility standards before service begins, will not be evaluated further. Failure to provide any of the information requested in Attachment 2 of this solicitation may disqualify your proposal from consideration. The performance evaluation factors (proposal-specific and supplier-specific factors), when combined, are considered to be more important than, less important than, as important as price. The following performance evaluation factors will be used in the evaluation of offers:
- (1) Supplier-Specific Factors - Pass or Fail Basis (See Attachment 2)
- (a) Past performance
- (b) Capability
- (2) Proposal-Specific Factors (See Attachment 2)
- (a) Characteristics of the Supplier's Retail Facility
- (i) Location
- (ii) Current Business Volume
- (iii) Physical Characteristics (including accessibility to the handicapped)
- (iv) Parking and Public Transportation (including handicapped parking)
- (b) Characteristics of the Proposed CPU within the Supplier's Retail Facility
- (c) Staffing
- b. **Notice of Award.** The Postal Service may accept an offer (or part of an offer), whether or not there are discussions after its receipt, before an offer's specified expiration time, unless a written notice of withdrawal is received before award. A written notice of award or acceptance of an offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, will result in a binding contract without further action by either party.

2.3 PROVISION 4-3 REPRESENTATIONS AND CERTIFICATIONS (March 2006)

a. Type of Business Organization. The offeror, by checking the applicable blocks, represents that it:

(1) Operates as:

- a corporation incorporated under the laws of the state of _____;
- an individual;
- a partnership;
- a joint venture;
- a limited liability company;
- a nonprofit organization; or
- an educational institution; and

(2) Is (check *all* that apply)

- a small business concern;
- a minority business (indicate minority below):
 - Black American
 - Hispanic American
 - Native American
 - Asian American;
- a woman-owned business; or
- none of the above entities.

(3) Small Business Concern. A small business concern for the purposes of Postal Service purchasing means a business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees, unless a different size standard has been established by the Small Business Administration (see 13 CFR 121, particularly for different size standards for airline, railroad, and construction companies). For subcontracts of \$50,000 or less, a subcontractor having no more than 500 employees qualifies as a small business without regard to other factors.

(4) Minority Business. A minority business is a concern that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group, namely U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian Americans. (Native Americans are American Indians, Eskimos, Aleuts, and Native Hawaiians. Asian Americans are U.S. citizens whose origins are Japanese, Chinese, Filipino, Vietnamese, Korean, Samoan, Laotian, Kampuchea (Cambodian), Taiwanese, in the U.S. Trust Territories of the Pacific Islands or in the Indian subcontinent.)

(5) Woman-owned Business. A woman-owned business is a concern at least 51 percent of which is owned by a woman (or women) who is a U.S. citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.

(6) Educational or Other Nonprofit Organization. Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

b. Parent Company and Taxpayer Identification Number.

(1) A parent company is one that owns or controls the basic business policies of an offeror. To own means to own more than 50 percent of the voting rights in the offeror. To control means to be able to formulate, determine, or veto basic business policy decisions of the offeror. A parent company need not own the offeror to control it; it may exercise control through the use of dominant minority voting rights, proxy voting, contractual arrangements, or otherwise.

(2) Enter the offeror's Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security number or other Employee Identification Number used on the offeror's Quarterly Federal Tax Return, U.S. Treasury Form 941. Offeror's TIN: _____

(3) Check this block if the offeror is owned or controlled by a parent company:

(4) If the block above is checked, provide the following information about the parent company:

Parent Company's Name: _____
Parent Company's Main Office: _____
Address: _____
No. and Street: _____
City: _____ State: _____ Zip Code: _____
Parent Company's TIN: _____

(5) If the offeror is a member of an affiliated group that files its federal income tax return on a consolidated basis (whether or not the offeror is owned or controlled by a parent company, as provided above) provide the name and TIN of the common parent of the affiliated group:

Name of Common Parent _____
Common Parent's TIN _____

c. Certificate of Independent Price Determination.

(1) By submitting this proposal, the offeror certifies, and in the case of a joint proposal each party to it certifies as to its own organization, that in connection with this solicitation

- (a) The prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to the prices with any other offeror or with any competitor;
- (b) Unless otherwise required by law, the prices proposed have not been and will not be knowingly disclosed by the offeror before award of a contract, directly or indirectly to any other offeror or to any competitor; and
- (c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

(2) Each person signing this proposal certifies that

- (a) He or she is the person in the offeror's organization responsible for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to paragraph a above; or
- (b) He or she is not the person in the offeror's organization responsible for the decision as to the prices being offered but that he or she has been authorized in writing to act as agent for the persons responsible in certifying that they have not participated, and will not participate, in any action contrary to paragraph a above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to paragraph a above.

(3) Modification or deletion of any provision in this certificate may result in the disregarding of the proposal as unacceptable. Any modification or deletion should be accompanied by a signed statement explaining the reasons and describing in detail any disclosure or communication.

d. Certification of Nonsegregated Facilities.

(1) By submitting this proposal, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract

(2) As used in this certification, segregated facilities means any waiting rooms, work areas, rest rooms or wash rooms, restaurants or other eating areas, time clocks, locker rooms or other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment area, transportation, or housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.

(3) The offeror further agrees that (unless it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors before awarding subcontracts exceeding \$10,000 that are not exempt from the provisions of the Equal Opportunity clause; that it will retain these certifications in its files; and that it will forward the following notice to these proposed subcontractors (except when they have submitted identical certifications for specific time periods):

Notice: A certification of non segregated facilities must be submitted before the award of a subcontract exceeding \$10,000 that is not exempt from the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (quarterly, semiannually, or annually).

e. Certification Regarding Debarment, Proposed Debarment, and Other Matters

(This certification must be completed with respect to any offer with a value of \$100,000 or more.)

- (1) The offeror certifies, to the best of its knowledge and belief, that it or any of its principals
 - (a) Are ___ are not ___ presently debarred or proposed for debarment, or declared ineligible for the award of contracts by any Federal, state, or local agency;
 - (b) Have ___ have not ___, within the three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property;
 - (c) Are ___ are not ___ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (b) above;
 - (d) Have ___ have not ___ within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in conjunction with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and
 - (e) Are ___ are not ___ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (d) above.
- (2) The offeror has ___ has not ___, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, state, or local agency.
- (3) "Principals," for the purposes of this certification, means officers, directors, owners, partners, and other persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
- (4) The offeror must provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (5) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered as part of the evaluation of the offeror's capability. The offeror's failure to furnish a certification or provide additional information requested by the contracting officer will affect the capability evaluation.
- (6) Nothing contained in the foregoing may be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (7) This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, Title 18, United States Code.

(8) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Postal Service, the Contracting Officer may terminate the contract resulting from this solicitation for default.

- f Incorporation by Reference. Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, its provision or clause number assigned to it, and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/procurement/contracting/>. **If checked**, the following provision(s) is incorporated in this solicitation by reference:
- (1) Provision 1-2, Domestic Source Certificate – Supplies (March 2006)
 - (2) Provision 1-3, Domestic Source Certificate – Construction Materials (March 2006)
 - (3) Provision 9-1, Equal Opportunity Affirmative Action Program (March 2006)
 - (4) Provision 9-2, Pre-award Equal Opportunity Compliance Review (March 2006)
 - (5) Provision 9-3, Notice of Requirements for Equal Opportunity Affirmative Action (March 2006)

2.4 CERTIFICATION OF STATUTORY COMPLIANCE

The supplier (check applicable box) certifies that the business location within which it proposes to operate the Contract Postal Unit (CPU) is, or by the time service begins will be, in compliance with all applicable Federal, state, and municipal laws, codes and regulations. With respect to handicapped accessibility, offerors must propose facilities that are handicapped accessible, pursuant to the applicable standards, or must set forth plans demonstrating how a non-accessible facility will meet the applicable accessibility standards prior to the start of service.

CLAUSE 4-1 GENERAL TERMS AND CONDITIONS

- a. Assignment. If this contract provides for payments aggregating \$10,000 or more, claims for monies due or to become due from the Postal Service under it may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with: (1) the Postal Service; (2) the office, if any designated to make payment, and the Postal Service has acknowledged the assignment in writing; (3) assignment of the this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.
- b. Changes.
- (1) The Postal Service may, in writing, order changes within the general scope of this contract in the following:
 - (a) Drawings, designs, or specifications when supplies to be furnished are to be specially manufactured for the Postal Service in accordance with them;
 - (b) Statement of work or description of services;
 - (c) Method of shipment or packing;
 - (d) Places of delivery of supplies or performance of services;
 - (e) Postal Service furnished property or facilities.
 - (2) Any other written or oral order (including direction, instruction, interpretation, or determination) from the USPS Representative that causes a change will be treated as a change order under this paragraph, provided that the supplier gives the Postal Service written notice stating (a) the date, circumstances, and source of the order and (b) that the supplier regards the order as a change order.
 - (3) If any such change affects the cost of performance or the delivery schedule, the contract will be modified to effect an equitable adjustment.
 - (4) The supplier's claim for equitable adjustment must be asserted within thirty (30) days of receiving a written change order. A later claim may be acted upon – but not after final payment under this contract – if the Postal Service decides that the facts justify such action.
 - (5) Failure to agree to any adjustment is a dispute under Clause B-9, Claims and Disputes, which is incorporated into this contract by reference (see Clause 4.2, a.i). Nothing in that clause excuses the supplier from proceeding with the contract as changed.
- c. Patent Indemnity. The supplier will indemnify the Postal Service and its officers, employees and agents against liability, including costs for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, or copyright, arising out of the performance of this contract, provided the supplier is reasonably notified of such claims and proceedings.
- d. Payment. The Postal Service will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and 5 CFR 1315. Payments under this contract will be made by the Postal Service electronic funds transfer. Monthly payments will be issued automatically, in arrears, by the St. Louis Accounting Service Center, within thirty (30) days after the end of each month.
- e. Taxes. The Postal Service will not withhold any Social Security, Federal, State or local taxes from any payments made under this contract. The Postal Service bears no responsibility for making the supplier's required payment of these taxes.
- f. Other Compliance Requirements. The supplier will comply with all applicable Federal, State, and local laws, executive orders, rules and regulations applicable to its performance under this contract.

~~g. Order of Precedence. Any inconsistencies in this solicitation or contract will be resolved by giving precedence in the following order:~~

- (1) the schedule of supplies and services;
- (2) the Assignment, Disputes, Payments, Invoice, Other Compliances and Compliance with Laws unique to the Postal Service Contracts paragraphs of this clause;
- (3) the clause at 4-2 Contract Terms and Conditions Required to Implement Policies, Statutes or Executive Orders;
- (4) addenda to this solicitation or contract, including any license agreements for computer software;
- (5) solicitation provisions if this is a solicitation;
- (6) other paragraphs of this clause;
- (7) other documents, exhibits, and attachments, and
- (8) the specifications.

h. Shipping. The supplier must deliver goods that meet the prescribed physical limitations of the current USPS Domestic Mail Manual either by its own personnel/equipment or by use of the United States Postal Service, unless the contracting officer grants a waiver of this requirement. The supplier is responsible for ensuring that the packing and packaging are sufficient to protect the goods and ensure usability upon receipt.

i. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices and its date. The text of incorporated terms may be found at <http://www.usps.com/procurement/using/pubs/usingpubs/pubsavend.htm>.

The following clauses are incorporated in this contract by reference:

- (1) B-1, Definitions (March 2006)
- (2) B-15, Notice of Delay (March 2006)
- (3) B-16, Suspensions and Delays (March 2006)
- (4) B-19, Excusable Delays (March 2006)
- (5) B-30, Permits and Responsibilities (March 2006)

3.2 CLAUSE 4-2 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT POLICIES, STATUTES OR EXECUTIVE ORDERS

a. Incorporation by Reference

(1) Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices. The text of incorporated terms may be found at

The following clauses are incorporated in this contract by reference:

- (1) Clause 1-5, *Gratuities or Gifts* (March 2006)
- (2) Clause B-9, *Claims and Disputes* (March 2006)
- (3) Clause B-25, *Advertising of Contract Awards* (March 2006)
- (4) Clause 9-1, *Convict Labor* (March 2006)
- (5) Clause 9-5, *Contract Work Hours and Safety Standards Act — Safety Standards* (March 2006)

(2) **If checked**, the following additional clauses are also incorporated in this contract by reference:

- (1) Clause 1-1, *Privacy Protection* (March 2006)
- (2) Clause 1-6, *Contingent Fees* (March 2006)
- (3) Clause 1-9, *Preference for Domestic Supplies* (March 2006)
- (4) Clause 1-10, *Preference for Domestic Construction Materials* (March 2006)
- (5) Clause 3-1, *Small, Minority, and Woman-owned Business Subcontracting Requirements* (March 2006)
- (6) Clause 3-2, *Participation of Small, Minority, and Woman-owned Businesses* (March 2006)
- (7) Clause 9-2, *Contract Work Hours and Safety Standards Act — Overtime Compensation* (March 2006)
- (8) Clause 9-3, *Davis-Bacon Act* (March 2006)
- (9) Clause 9-6, *Walsh-Healey Public Contracts Act* (March 2006)
- (10) Clause 9-7, *Equal Opportunity* (March 2006)
- (11) Clause 9-10, *Service Contract Act* (March 2006)
- (12) Clause 9-11, *Service Contract Act – Short Form* (March 2006)
- (13) Clause 9-12, *Fair Labor Standards Acts and Services Contract Act — Price Adjustments* (March 2006)
- (14) Clause 9-13, *Affirmative Action for Handicapped Workers* (March 2006)
- (15) Clause 9-14, *Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era* (March 2006)

b. Examination of Records.

- 1) **Records.** "Records" include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.
- 2) **Examination of Costs.** If this is a cost-type contract, the supplier must maintain, and the Postal Service will have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination includes inspection at all reasonable times of the supplier's plants, or parts of them, engaged in the performance of this contract.
- 3) **Cost or Pricing Data.** If the supplier is required to submit cost or pricing data in connection with any pricing action relating to this contract, the Postal Service, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, will have the right to examine and audit all of the supplier's records, including computations and projections, related to:

- (a) The proposal for the contract, subcontract, or modification;
- (b) The discussions conducted on the proposal(s), including those related to negotiating;
- (c) Pricing of the contract, subcontract, or modification; or
- (d) Performance of the contract, subcontract or modification

c. **Reports.** If the supplier is required to furnish cost, funding or performance reports, the contracting officer or any authorized representative of the Postal Service will have the right to examine and audit the supporting records

~~and materials, for the purposes of evaluating: (1) the effectiveness of the supplier's policies and procedures to produce data compatible with the objectives of these reports; and (2) the data reported.~~

d. **Availability.** The supplier must maintain and make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a) through (d) of this clause, for examination, audit, or reproduction, until three years after final payment under this contract or any longer period required by statute or other clauses in this contract. In addition:

- (1) If this contract is completely or partially terminated, the supplier must make available the records related to the work terminated until three years after any resulting final termination settlement; and
- (2) The supplier must make available records relating to appeals under the claims and disputes clause or to litigation or the settlement of claims arising under or related to this contract. Such records must be made available until such appeals, litigation or claims are finally resolved.

3.3 **CLAUSE 2-12 POSTAL SERVICE PROPERTY - Short Form**

- a. Upon delivery to the supplier of Postal Service property, the supplier assumes the risk and responsibility for its loss or damage. The supplier shall assume all responsibility and liability for all Postal Service furnished property. USPS and supplier will be responsible for property maintenance as detailed in Part A of the D & CR (Attachment 5).
- b. Upon the completion or sooner termination of this contract, the supplier must prepare for shipment, deliver f.o.b. origin, or dispose of the Postal Service property not consumed in performing this contract or previously delivered to the Postal Service, as directed or authorized by the contracting officer. The net proceeds of any disposal will be credited to the contract price or will be paid to the Postal Service as directed by the contracting officer.

3.4 **CLAUSE 6-1 CONTRACTING OFFICER'S REPRESENTATIVE**

The Postal Service will appoint a contracting officer's representative (COR), responsible for the day-to-day administration of the contract, who will serve as the Postal Service point of contact with the supplier on all routine matters. A copy of the notice of appointment defining the COR's authority will be furnished to the supplier upon award of contract.

3.5 **TERMINATION ON NOTICE**

This contract may be terminated by either party upon one hundred twenty (120) days' written notice. In the event of such termination, neither party will be liable for any costs, except for payment in accordance with the payment provisions of the contract for actual services rendered prior to the effective date of the termination. When required to protect the Postal Service's interests, the contracting officer may terminate the contract upon one day's written notice.

3.6 **APPEARANCE, LOCATION AND SECURITY**

The Contract Postal Unit area, as well as the interior and exterior of the supplier's premises, must be kept clean, neat, uncluttered and in good repair. Windows must be clean and unobstructed. Facility identification and logo will be appropriately placed, visible and in good condition. Lighting must be adequate and properly maintained. Counters must be attractively organized to facilitate customer transactions. Signs (Hours of Operation and Collection Times, etc.) and promotional displays must be current and appropriate for the season. Trash receptacles must be available and clean. The Contract Postal Unit must not be located in or directly connected to a room where intoxicating beverages are sold for consumption on the premises. When the Contract Postal Unit is closed or unattended, the round dater must be kept in a secure location and any other accountable postal equipment.

3.7 **STAMPS**

Postage stamps and stamped paper products will be supplied to the CPU supplier by the authorized provider designated by the Postal Service ("Stamp Provider (s)"). The CPU supplier must order only from the authorized Stamp Provider (s). The obtaining of postage stamps or stamped paper products from an entity other than the Stamp Provider(s) shall constitute a basis for termination of this contract under Section 3.5. Refer to Publication 116, Contract Postal Unit Operations Guide, for stamp ordering and exchange procedures.

3.8 PROHIBITED TRANSACTIONS

The supplier may not, in the Contract Postal Unit or in any part of the supplier's premises in which it is located, offer directly or by subcontract, lease, or sublease or otherwise provide:

- a. commercial mail receiving (private mailbox) services;
- b. third party delivery services, including serving as a drop off or collection point for such services; or
- c. any products or services, which the contracting officer determines, are similar to, or competitive with, the products and services offered by the Postal Service. Fax service and copy service are examples of products which are not similar to, or competitive with, those of the Postal Service.
- d. stamp stock provided under this contract is intended for sale to the general public, and may not be used for any other purpose. The supplier can purchase stamps for its own personal use and use the CPU to mail their own mail in what is considered to be a reasonable and customary amount. The CPU may not purchase postage for a 3rd party's use, nor may the supplier purchase stamps themselves for 3rd party mailings. Stamp stock may not be sold knowingly to any individual or business whose primary purpose in buying the stamp stock is to resell it to other individuals or businesses. Individual stamp transactions over \$1,000.00 are prohibited. Supplier cannot circumvent the \$1,000.00 limit engaging in multiple transactions, by splitting the requirement. Requests from members of the public to purchase stamp stock in value over \$1,000.00 must be referred to the administrative post office.
- e. The CARS (Contract Access Retail System) when used in the performance of this contract may only be used to affix full rate postage for the supplier's customers, or for internal business use of the supplier in what is considered to be a reasonable and customary amount. The CARS may not be used for any bulk letter mailings by any entity or person. Postage from this CARS may not be applied to any mail presented under any discounted mail program. Failure to adhere to these requirements, as determined in the sole discretion of the Postal Service, constitutes a basis for termination.

3.9 CARS (CONTRACT ACCESS RETAIL SYSTEM)

The Postal Service will be providing a CARS to the performance-based CPU supplier. This device is a weighing, rating, and metering system. CARS will come with training materials and initial supplies.

The CPU supplier will be responsible for the following expenses regarding this device:

- (1) The CPU supplier will pay for all postage loaded into CARS. This payment will be made at the time of postage download from an ACH debit account. The CPU supplier is responsible for the prompt payment of all invoices. Failure to pay invoices in a timely manner as determined by the CARS provider which causes the CARS provider to terminate the payment agreement and such termination results in the CPU supplier not being able to provide the mandatory postal products and services may result in termination of the CPU contract.
- (2) The supplier will be responsible for purchasing supplies for CARS after the initial supply is exhausted. Label Rolls must be ordered from the authorized CARS provider. Use of any other provider will void the system warranty and the CPU supplier will be liable for all costs incurred to repair CARS.

A current list of supplies and prices can be obtained from the authorized CARS provider as identified in the initial training materials. If the CPU contract is terminated, CARS will be returned to the Postal Service along with any other Postal issued equipment as instructed by the COR.

3.10 LIABILITY

The supplier assumes the risk of, and will be responsible for, any loss of or damage to Postal Service property, except when the supplier can show that (1) the supplier complied with all of the security requirements contained in this contract and the losses occurred despite that compliance; and (2) that the losses did not result from the acts or omissions of the supplier or its personnel.

3.11 TRAINING

Customer service, product knowledge, aviation security, hazmat, and equipment training modules will be provided to the supplier's personnel by the Postal Service. Prior to or within thirty (30) days of beginning work, supplier personnel who will be providing Contract Postal Unit (CPU) services will receive forty (40) hours of training. The Postal Service will provide the supplier a training schedule no later than fifteen (15) days prior to the Operation Date (See Attachment 1 - Requirements). The supplier must notify the COR within one business day whenever a person is retained to work in the CPU, requesting that initial training be provided to that person. In addition, the Postal Service may require the supplier's personnel to complete eight (8) hours of training per year in each year subsequent to the year of their initial training. The supplier will be responsible for salary and benefits of its

~~personnel who attend the required training. If approved by the Contracting Officer, the required training may be provided by the supplier's USPS certified trainer.~~

3.12 ADVERTISING

Upon commencement of Contract Postal Unit operation, the Postal Service may provide initial advertising to market the Contract Postal Unit, at no cost to the supplier, as well as appropriate camera-ready USPS logo art work for use in advertising initiated and paid for by the supplier. Any supplier sponsored CPU advertising, which incorporates the USPS logo, must be furnished to the Postal Service for its review and written approval at least thirty (30) days before its publication deadline. The USPS logo is a Postal Service trademark and cannot be altered.

3.13 New Services, Products and Technology

During the term of this contract, the contracting officer may, in accordance with the Changes clause, add or remove postal services to be provided under this contract. In the event new services are ordered, the Postal Service, at its own expense, will provide the supplier with additional training and if necessary the equipment or technology needed to provide the new service.

3.14 CONTRACT POSTAL UNIT IDENTITY

The Contract Postal Unit shall be known as the UNITED STATES POST OFFICE CONTRACT UNIT.

- a. Subject to the terms of this Agreement, USPS grants to the supplier a non-exclusive, non-transferable and terminable license to use USPS Trademarks, including the marks Post Office, United States Post Office, Postal Service, United States Postal Service, United States Post Office Contract Unit and the Eagle Logo on the signs provided to the supplier by the Postal Service and in any USPS-approved advertising in the manner specified by USPS.
- b. The Postal Service, at its own expense; will provide all exterior and interior signage for the purpose of identifying the location as a Contract Postal Unit. The supplier, at its own expense, is responsible for obtaining needed permits (if any) and installing the signs in mutually agreed upon locations on the exterior and interior of the CPU location. The signs must be maintained in good repair, at supplier expense, for the duration of the contract. The signs may not be modified or moved without the prior written approval of the contracting officer. Upon termination of the contract, the supplier, at its own expense, is responsible for removing the signs, disposing of them as directed by the contracting officer, and restoring the location to its original condition.
- c. Except as specified in this paragraph, the supplier is not authorized to include the name, POST OFFICE, in its corporate name, trade name or business name. The supplier is not authorized to use any USPS trademarks or logos, including the mark Post Office, in any other manner without the prior approval of the Postal Service.
- d. The supplier acknowledges that USPS Trademarks, including but not limited to the marks Post Office, United States Post Office, Postal Service and the Eagle Logo are trademarks owned solely and exclusively by USPS and agrees to use USPS Trademarks only in the form and manner (with appropriate legends) prescribed by USPS. The supplier agrees not to use any other trademark or service mark in connection with any USPS Trademarks without prior written approval of USPS. The supplier agrees to mark all advertising and other uses of USPS Trademarks with a legend indicating that USPS Trademarks are the property of USPS and that they are being used under license from USPS, together with any other legends or marking that may be required by law. All use of USPS Trademarks by the supplier shall inure to the benefit of USPS.

3.15 INSPECTION OF CONTRACT POSTAL UNIT

The Postal Service, reserves the right, without prior notice, to conduct audits and customer surveys and to review and inspect the supplier's performance and the quality of service at any time during the operating hours of the CPU. A written report will be submitted to the supplier for corrective action, if necessary. Contract performance reviews may be held periodically to promote continuous quality improvement and improve the business relationship. All aspect of contract performance will be discussed during these reviews. Any changes to this contract as a result of the Performance Review will be incorporated by bilateral modification or a bilateral written agreement between the COR and the supplier.

3.16 SUPPLIER'S LEASE AND/OR BUSINESS OPERATIONS

if the supplier is leasing this space, by signing this proposal the supplier certifies that the supplier's lease authorizes the supplier to perform alterations to the premises and that services to be performed under the contract do not

violate the supplier's lease contract. The supplier must notify the Postal Service, in writing of the following, within the time frames shown below:

- a. Within five (5) days after notification from the owner of the leased building in which the CPU is located of the owner's intent to cancel the lease, or not to renew the lease. The Postal Service may terminate the contract if the supplier cannot relocate to a location that serves the needs of the Postal Service;
- b. At least one hundred twenty (120) days before the supplier closes, sells, or relocates a business it operates in conjunction with the CPU.

3.17 TRANSFER OF CONTRACT

- a. The supplier may not transfer (assign to another party) this contract, any interest in it, or any claims based on it -- except under the circumstances described below. If the supplier does so, the Postal Service may, at any time after notifying the supplier in writing, terminate the contract and use any other rights and remedies it has by law.
- b. Exceptions:
 - 1) The Postal Service may recognize a transfer as valid if all of the supplier's assets, or all those involved in fulfilling the contract, are transferred.
 - 2) Payments owed the supplier may be transferred to a bank, trust company or other financial institution, including any Federal lending agency, if all amounts payable are transferred and the transfer is to a single party (who may be an agent or trustee for two or more parties who are involved in the financing).
- c. For any transfer to be valid, the supplier must give the Postal Service written notice with the transfer paper attached and obtain approval from the Postal Service in writing. Copies of the notice and attachments must be filed with the contracting officer's office, if any, that has been designated to make payment.

3.18 REQUEST FOR PRICE ADJUSTMENT

- a. The supplier may request an increase in the payment percentage rate after providing service under this contract for at least one (1) full year. Subsequent price increases will be considered at two (2) year intervals from any prior price increase effective date. Supplier's written request must provide a detailed explanation, with supporting documentation, to justify the increase based on either of the following reasons:
 - 1) Direct cost increases for rent, utilities, taxes and labor. (If the CPU is operated in conjunction with another business, the increased costs must be prorated and only those costs associated with the operation of the CPU will be considered.)
 - 2) Increased benefit to the Postal Service, e.g., improvements (must be specific).
- b. The request must be submitted to the Contracting Officer's Representative (COR).
- c. The Contracting Officer may approve or not approve the request or negotiate with the supplier to reach agreement on a new percentage rate. If the request is not approved or no agreement is reached, the supplier may continue at the same rate or the contract may be terminated by either party in accordance with the Termination on Notice clause. If the request is approved or agreement is reached on another rate, the supplier must waive its right to terminate the agreement on notice for one year beginning from the effective date of the new rate.

3.19 CONTRACTS BETWEEN THE POSTAL SERVICE AND ITS EMPLOYEES OR BUSINESS ORGANIZATIONS SUBSTANTIALLY OWNED OR CONTROLLED BY POSTAL SERVICE EMPLOYEES (CONTRACT POSTAL UNIT)

- a. Generally, the Postal Service does not enter into contracts with its employees, their immediate families, or business organizations substantially owned or controlled by Postal Service employees or their immediate families. "Immediate family" means spouse, minor child or children, and individuals related to the employee by blood who are residents of the employee's household. Postal Service employees and their immediate family may not be involved in the administrations or operations of a Contract Postal Unit (CPU).
- b. All supplier personnel assigned to the Contract Postal Unit must be professionally attired and wear name tags. All personnel must project a professional image of the Postal Service at all times while operating the CPU.
- c. The contracting officer may require removal of an employee from the CPU operations if, in the opinion of the contracting officer, the employee cannot do the work or fails to comply with applicable standards of conduct.

PART 4 - ATTACHMENTS

| <u>ATTACHMENT NO.</u> | <u>TITLE</u> | <u>NO. OF PAGES</u> |
|-----------------------|---|---------------------|
| 1 | REQUIREMENTS | 1 |
| 2 | CONTRACT POSTAL UNIT-SUPPLIER BUSINESS PROPOSAL AND INFORMATION (INCLUDING WORKSHEET) | 2 |
| 3 | NOT APPLICABLE | 0 |
| 4 | COMPENSATION | 1 |
| 5 | CPU Design and Construction Requirements | 1 |

ATTACHMENT 1 – REQUIREMENTS

DESCRIPTION

The Contract Postal Unit will report to the following:

Title _____
 Installation Name _____
 Street Address _____
 City, State, ZIP+4 _____
 Telephone Number (include area code) _____

SPACE REQUIREMENTS: See CPU Design and Construction Requirements (Attachment 5)

AREA/LOCATION (identify general boundaries)

II. OPERATIONAL DATE

The Contract Postal Unit (CPU) contract term will commence upon notification from the CPU Coordinator that the supplier training and build-out (construction/signage) requirements have been completed and accepted by the Postal Service.

III. SERVICE DAYS AND HOURS

The Contract Postal Unit **must** be open to the public, Monday through Friday from _____ a.m. to _____ p.m. and Saturday from _____ a.m. to _____ p.m. If the retail business is open to the public on Sundays and Holidays, the Contract Postal Unit must be open to the public on Sundays from _____ a.m. to _____ p.m. and Holidays from _____ a.m. to _____ p.m. Any change to the above hours after contract award must be agreed to, in writing, by both the supplier and the contracting officer's representative (COR). Copies of the change will be maintained by the supplier, COR, and the District Retail Office.

IV. SERVICES - The supplier **must** provide the following services:

| A. STAMPS & PRODUCTS | B. DOMESTIC MAIL | C. INTERNATIONAL MAIL | D. SPECIAL SERVICES |
|---|---|---|--|
| Stamps Stamped Envelopes Stamped Postal Cards | Express Mail Service Priority Mail Service First Class Mail Service Package Services | Express Mail International Priority Mail International First-Class Mail International | Insured Mail Certified Mail Return Receipt Delivery Confirmation Svc Signature Confirmation Svc Registered Mail |

V. OTHER SERVICES - The supplier must provide the services that are checked.

Global Express Guaranteed Service (GXG)

**ATTACHMENT 2
SUPPLIER BUSINESS PROPOSAL, INFORMATION AND WORKSHEET**

The supplier is required to provide the information below. The information provided will be used to evaluate your proposal. **Failure to include any of the requested information may disqualify your proposal from consideration.** All information provided must be verifiable and the Postal Service may need to meet with the supplier and/or visit the proposed contract postal unit (CPU) facility to complete this evaluation. Any addendum to this attachment must be clearly marked as such and returned with your offer.

Supplier's Proposal to meet the USPS Requirement for a CPU Contract. The Postal Service's requirement is for a contract postal facility which is convenient to our customers, in an attractive setting and staffed and managed in a way which encourages them to use it to obtain postal services. With that in mind, use the following to explain how the facility you propose at your location meets that requirement. Your proposal should address each topic as listed below.

- 1. Past Performance.** Provide at least three (3) references that will demonstrate/verify a history of satisfactory past performance. These references will be asked about your performance in the areas of quality, timeliness of performance, business relations and cost control.

| | |
|----------------|--------------|
| 1. Name | Title |
| Company | Phone |
| 2. Name | Title |
| Company | Phone |
| 3. Name | Title |
| Company | Phone |

- 2. Capability.** The supplier must provide information that it is financially sound. This information should document financial performance during the last full fiscal/accounting year and should include financial reports, profit and lost statements and balance sheets. Attach this information to this worksheet. In the space provided below, provide the name of your primary lending/banking institution, its phone number, and a point of contact.

| |
|--------------------------------|
| Financial Institution – |
| Point of contact |
| Phone |

- 3. Characteristics of your Retail Facility.**

| |
|--------------------------------------|
| Proposed CPU Name |
| Proposed CPU Physical Address |
| City, State Zip +4 |
| Business email address |

3a. Location. Location, in terms of its relationship to the customers to be served, other business, etc.

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3b. Current Business Volume. Provide verifiable information on current daily foot traffic, sales per square feet and other information indicative of business volume and market served.

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3c. Physical Characteristics. What features of your facility make it convenient and attractive to postal customers? Also, be sure to address accessibility to the handicapped (in terms of your facility and of the CPU within your facility) and if facility is not currently accessible, how it will be made accessible before service begins.

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3d. Parking and Public Transportation. Describe the availability and extent of on-site and other public parking (including handicapped parking), whether that parking is paid or free and the extent of availability of public transportation convenient to your location.

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4. Characteristics of the Proposed CPU facility within your location. Discuss how your proposed CPU facility meets or exceeds the space requirements of Attachment 5 of the solicitation, as well as its other location and appearance requirements. Attach a drawing of where the CPU will be located. Indicate the store entrances, exits, and checkout stations in relation to the CPU location.

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5. Staffing. Discuss plans for staffing and managing the CPU during regular business hours and the holiday season. Explain the relationship between CPU personnel to other personnel and the extent to which CPU staff will perform other duties within your business. Describe your plans or programs to deal with employee turnover and absenteeism with respect to the CPU.

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ATTACHMENT 4 – COMPENSATION

Supplier's Price Offer (Completed by supplier when submitting proposal). The supplier proposes to perform this contract at Performance Payment rate of _____ percent.

The Performance Payment percentage shall be applied to all of the revenues the supplier receives from the services listed in Attachment 1, Section IV, Services, and the other services that are checked in Attachment 1, Section V, Other Services.

Contract Postal Unit Performance Payment Rate (Completed by Postal Service upon award). The supplier agrees to operate the CONTRACT POSTAL UNIT for _____ percent of the CPU revenue it receives from the sale of postal products and services listed in Section IV, Services, and that are checked in Section V, Other Services, of Attachment 1.

Postal Retail Product and Service Promotions and Compensation

During the contract term from time to time, on such schedule as it may establish, the Postal Service may direct the supplier to participate in promotions of one or more of the retail products and services listed in Attachment 1, Sections IV and V. During any such promotion, the Postal Service will measure the supplier's performance (expressed in terms of total revenues or percentages of revenues) against the comparable revenues of other CPU suppliers within a designated geographic unit (such as a Postal Service District or Area), all as established by the rules of the promotion. For participation in such promotion, supplier shall be entitled to receive such additional compensation as specified in the promotion's rules for its performance relative to that of the other participating CPU suppliers. The Postal Service will provide the supplier with all instructions, rules and support materials required for each promotion.

NOTE: CPU revenue is gross revenues received by the Contract Postal Unit located at the address indicated in Attachment 2, Page 2, of this contract from its customers, less all credits, allowances and refunds allowed or granted to customers. CPU revenue of any stamp sold at a rate in excess of the amount for which it is valid as postage will be based on the amount for which it is valid for postage, and not on the full face value of the stamp (such as the Breast Cancer Research semi-postal stamp).

Exhibit 7.2 Performance-Based Percentage Payment CPU Solicitation/Award Document

Solicitation/Offer/Award for **Performance-Based Contract Postal Unit (CPU)**

*****FOR OFFICIAL USE ONLY*****

| | | | |
|---|--|--|-----------------------|
| 1 Contract No. 2BCPAC-08-B- | | 2 Request No | 3 Solicitation No |
| 4a For Information Call: Name: Purchasing and Supply Management Specialist | | 4b Telephone No | 4c Fax No |
| 5 Issued By Travel, Retail and Temporary Services US Postal Services – CPAC 3300 S Parker Rd., Ste. 400 Aurora CO 80014-3500 | | 6 Soc/Ec Code | 7 UNSPC 8014170300 |
| | | 8 Admin Office Finance No. | 9 CPU Unit ID |
| 10 Supplier (Name and Mailing Address) Individual or Company Name _____ DBA (if applicable) _____ Address/P.O. Box: _____ City, State, Zip+4: _____ | | 11 CPU Physical Location CPU Site Name _____ CPU Physical Address: _____ City, State, Zip+4 _____ | |
| 12 Contact Information | | | |
| Contact Name: _____ | | Telephone No: _____ | |
| e-Mail Address: _____ | | Fax No: _____ | |
| 13a Taxpayer Identification No. (TIN) or Social Security No. (SSN) | | 13b Parent TIN (if applicable) | |
| 14a COR Administrative Office Name | | 14b COR Office Address and Phone number | |

15 General Description of Requirement

- d) The supplier must provide dedicated space, services and equipment in compliance with the terms and conditions of this contract and all attachments hereto.
- e) The supplier must provide the postal goods and services specified herein in accordance with the provisions of the Domestic Mail Manual (DMM) concerning those goods and services, including its mailing rates and service fees. The supplier may not impose a surcharge for services provided, or increase or decrease the rates and fees established in the DMM.
- f) The supplier must follow the procedures set out in Publication 116, Contract Postal Unit Operations Guide.

16 **Compensation** – The Postal Service will pay the supplier a percentage of the revenue received from the sale of postal products and services, in accordance with the payment rate or rates set out in Attachment 4, Compensation.

| | |
|---|---|
| 17a The supplier is required to sign this document and return to the issuing office. The supplier agrees, subject to the terms and conditions specified herein, to provide and deliver all items identified above, and on any additional pages. | |
| 17b Signature of Person Authorized to Sign | 18a Signature of Contracting Officer |
| 17c Printed Name and Title of Person Authorized to Sign | 18b Printed Name of Contracting Officer |
| Date Signed | Award Date |

Note: The supplier agrees that if this proposal is accepted by the Postal Service within sixty (60) calendar days from the solicitation return date, a binding contract will result. The supplier must set forth full, accurate and complete information as required by this document. The penalty for making false statements in proposals is prescribed in 18 U.S.C. 1001.

Part 1 – CONTRACT POSTAL UNIT SCHEDULE

1.1 CONTRACT POSTAL UNIT OPERATION

The supplier agrees to operate a Contract Postal Unit (CPU) in a facility operated by a supplier, at a supplier-owned or leased site, under contract to the Postal Service to provide specified Postal Services and supplies to the public, the terms and conditions established herein. Days and hours of operation will be coordinated with the designated postal official listed in Attachment 1, who will serve as the Postal Service point of contact with the supplier. A copy of the notice of appointment defining this individual's authority will be furnished to the supplier upon award. The contract will be for an indefinite term, subject to the rights of termination specified herein. The supplier must provide the services listed in Attachment 1, Requirements. The property required for the operation of this CPU is identified in the Design & Construction Requirements, Attachment 5.

1.2 ACKNOWLEDGMENT OF AMENDMENTS

The supplier acknowledges receipt of amendments to the solicitation numbered and dated as follows:

Table with 4 columns: Amendment Number, Date, Amendment Number, Date. It contains three rows of blank lines for data entry.

PART 2 – SOLICITATION PROVISIONS

2.1 PROVISION 4-1 STANDARD SOLICITATION PROVISIONS

a. Submission of Offers. Submit signed and dated offers to the office specified in this solicitation at or before the exact time specified on this solicitation.

As a minimum offers must show:

- (1) Page 1, Item 10, individual or company name, dba, address, city, state zip and contact name.
(2) Page 1, Item 11, CPU site name, physical address of CPU, telephone number, fax number and email address.
***** DO NOT USE A POST OFFICE BOX ADDRESS FOR THE PHYSICAL ADDRESS *****
(3) Page 1, Item 12, Contact Information. This is information on who to contact in regards to any issues or concerns with this contract.
(4) Page 1, Item 13a, Taxpayer identification number (TIN) or Social Security Number (SSN). The TIN is the supplier's tax identification number used on the U.S. Treasury Form 941, Employers Quarterly Federal Tax Return.
(5) Page 1, Item 13b, Parent Company's TIN (if applicable)
(6) Page 1, Item 17b, Signature of Person Authorized to Sign, and Item 17c, Printed Name and Title of Person Authorized to Sign.
(7) Provide all other information requested by Part 2 of this solicitation.
(8) Provide all the information requested by Attachment 2 – Contract Postal Unit – Supplier Business Proposal and Information and Insert percentage offer in Attachment 4, Compensation.

b. Business Disagreements. Business disagreements may be lodged with the Supplier Ombudsman if the supplier and the contracting officer have failed to resolve the disagreement as described in 39 CFR Section 601 (available for review at ...). The Supplier Ombudsman will consider the disagreement only if it is lodged in accordance with the time limits and procedures described in 39 CFR Section 601. The Supplier Ombudsman's decisions are available for review at ...

- c. **Late Offers.** Offers or modifications of offers received at the address specified for the receipt of offers after the exact time specified for receipt of offers will not be considered unless determined to be in the best interests of the Postal Service.
- d. **Type of Contract.** The Postal Service plans to award a **Performance-Based Percentage Payment** contract under this solicitation and all proposals must be submitted on this basis. Alternate proposals based on other contract types will not be considered.
- e. **Contract Award.** The Postal Service may evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. Discussions may be conducted if the Postal Service determines they are necessary. The Postal Service may reject any or all offers if such action is in the best interest of the Postal Service; accept other than the lowest offer, and waive informalities and minor irregularities in offers received. The Postal Service reserves the right to award multiple (firm-fixed or performance-based) price contracts under this solicitation.
- f. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it, and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/pubs/pubs.html>. If checked, the following provision is incorporated in this solicitation by reference:

- Provision 3-1, Notice of Small, Minority, and Woman-owned Business Subcontracting Requirements (March 2006)

2.2 PROVISION 4-2 EVALUATION

a. General

The Postal Service will award a contract resulting from this solicitation to the offeror whose offer conforming to the solicitation is deemed to offer the Postal Service the best value, price and other factors as specified considered. Supplier specific factors shown under item one (1) below will be evaluated on a pass or fail basis. Offerors whose supplier-specific evaluation factors are found acceptable will have their proposal-specific factors evaluated. Proposal-specific factors shown under item two (2) below will be evaluated according to the criteria, to include handicapped accessibility. Proposals which do not propose facilities that are handicapped accessible, or which do not demonstrate, to the Postal Service's satisfaction, how the facility will meet the applicable accessibility standards before service begins, will not be evaluated further. Failure to provide any of the information requested in Attachment 2 of this solicitation may disqualify your proposal from consideration. The performance evaluation factors (proposal-specific and supplier-specific factors), when combined, are considered to be **more important**, **less important**, **as important** as price. The following performance evaluation factors will be used in the evaluation of offers:

- 1) **Supplier-Specific Factors – Pass or Fail Basis (See Attachment 2)**
 - a) Past Performance
 - b) Capability
- 2) **Proposal-Specific Factors (See Attachment 2)**
 - a) Characteristics of the Supplier's Retail Facility
 - (i) Location
 - (ii) Current Business Volume
 - (iii) Physical Characteristics (including accessibility to the handicapped)
 - (iv) Parking and Public Transportation (including handicapped parking)
 - b) Characteristics of the Proposed CPU Facility within the Supplier's Retail Facility
 - c) Staffing

b. **Notice of Award.**

The Postal Service may accept an offer (or part of an offer), whether or not there are discussions after its receipt, before an offer's specified expiration time, unless a written notice of withdrawal is received before award. A written notice of award or acceptance of an offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, will result in a binding contract without further action by either party.

2.3 **PROVISION 4-3 REPRESENTATIONS AND CERTIFICATIONS (MARCH 2006)**

a. **Type of Business Organization**

The offeror, by checking the applicable blocks, represents that it:

(1) **Operates as:**

- a corporation incorporated under the laws of the state of _____;
- an individual;
- a partnership;
- a joint venture;
- a limited liability company;
- a nonprofit organization; or
- an educational institution; and

(2) **Is (check all that apply)**

- a small business concern;
- a minority business (indicate minority below):
 - Black American
 - Hispanic American
 - Native American
 - Asian American;
- a woman-owned business; or
- none of the above entities.

(3) **Small Business Concern.** A small business concern for the purposes of Postal Service purchasing means a business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees, unless a different size standard has been established by the Small Business Administration (see 13 CFR 121, particularly for different size standards for airline, railroad, and construction companies). For subcontracts of \$50,000 or less, a subcontractor having no more than 500 employees qualifies as a small business without regard to other factors.

(4) **Minority Business.** A minority business is a concern that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group, namely U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian Americans. (Native Americans are American Indians, Eskimos, Aleuts, and Native Hawaiians. Asian Americans are U.S. citizens whose origins are Japanese, Chinese, Filipino, Vietnamese, Korean, Samoan, Laotian, Kampuchea (Cambodian), Taiwanese, in the U.S. Trust Territories of the Pacific Islands or in the Indian subcontinent.)

(5) **Woman-owned Business.** A woman-owned business is a concern at least 51 percent of which is owned by a woman (or women) who is a U.S. citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.

(6) **Educational or Other Nonprofit Organization.** Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

b. **Parent Company and Taxpayer Identification Number**

(1) A parent company is one that owns or controls the basic business policies of an offeror. To own means to own more than 50 percent of the voting rights in the offeror. To control means to be able to formulate, determine, or veto basic business policy decisions of the offeror. A parent company need not own the offeror to control it; it may exercise control

through the use of dominant minority voting rights, proxy voting, contractual arrangements, or otherwise.

- (2) Enter the offeror's Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security number or other Employee Identification Number used on the offeror's Quarterly Federal Tax Return, U.S. Treasury Form 941. **Offeror's TIN:**
- _____

- (3) Check this block if the offeror is owned or controlled by a parent company:

- (4) If the block above is checked, provide the following information about the parent company:

Parent Company's Name: _____
Parent Company's Main Office: _____
Address: _____
No. and Street: _____
City: _____ State: _____ Zip Code: _____
Parent Company's TIN: _____

- (5) If the offeror is a member of an affiliated group that files its federal income tax return on a consolidated basis (whether or not the offeror is owned or controlled by a parent company, as provided above) provide the name and TIN of the common parent of the affiliated group:

Name of Common Parent _____
Common Parent's TIN _____

c. Certificate of Independent Price Determination

- (1) By submitting this proposal, the offeror certifies, and in the case of a joint proposal each party to it certifies as to its own organization, that in connection with this solicitation:

- (a) The prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to the prices with any other offeror or with any competitor;
- (b) Unless otherwise required by law, the prices proposed have not been and will not be knowingly disclosed by the offeror before award of a contract, directly or indirectly to any other offeror or to any competitor; and
- (c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

- (2) Each person signing this proposal certifies that:

- (a) He or she is the person in the offeror's organization responsible for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to paragraph a above; or
- (b) He or she is not the person in the offeror's organization responsible for the decision as to the prices being offered but that he or she has been authorized in writing to act as agent for the persons responsible in certifying that they have not participated, and will not participate, in any action contrary to paragraph a above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to paragraph a above.

- (3) Modification or deletion of any provision in this certificate may result in the disregarding of the proposal as unacceptable. Any modification or deletion should be accompanied by a signed statement explaining the reasons and describing in detail any disclosure or communication.

d. Certification of Nonsegregated Facilities.

- (1) By submitting this proposal, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract

- (2) As used in this certification, segregated facilities means any waiting rooms, work areas, rest rooms or wash rooms, restaurants or other eating areas, time clocks, locker rooms or other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment area, transportation, or housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.
- (3) The offeror further agrees that (unless it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors before awarding subcontracts exceeding \$10,000 that are not exempt from the provisions of the Equal Opportunity clause; that it will retain these certifications in its files; and that it will forward the following notice to these proposed subcontractors (except when they have submitted identical certifications for specific time periods): **Notice:** A certification of non segregated facilities must be submitted before the award of a subcontract exceeding \$10,000 that is not exempt from the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (quarterly, semiannually, or annually).

e. Certification Regarding Debarment, Proposed Debarment, and Other Matters

(This certification must be completed with respect to any offer with a value of \$100,000 or more.)

(1) The offeror certifies, to the best of its knowledge and belief, that it or any of its principals

- (a) **Are ___ are not ___** presently debarred or proposed for debarment, or declared ineligible for the award of contracts by any Federal, state, or local agency;
- (b) **Have ___ have not ___**, within the three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property;
- (c) **Are ___ are not ___** presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (b) above;
- (d) **Have ___ have not ___** within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in conjunction with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and
- (e) **Are ___ are not ___** presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (d) above.
- (2) The offeror **has ___ has not ___**, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, state, or local agency.
- (3) "Principals," for the purposes of this certification, means officers, directors, owners, partners, and other persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
- (4) The offeror **must** provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (5) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered as part of the evaluation of the offeror's capability. The

offeror's failure to furnish a certification or provide additional information requested by the contracting officer will affect the capability evaluation.

- (6) Nothing contained in the foregoing may be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (7) This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, Title 18, United States Code.
- (8) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Postal Service, the Contracting Officer may terminate the contract resulting from this solicitation for default.

f. Incorporation by Reference. Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, its provision or clause number assigned to it, and its date. The text of incorporated terms may be found at http://www.mps.com/pdf/using_attachments_and_attachments.pdf.

If checked, the following provision(s) is incorporated in this solicitation by reference:

- (1) Provision 1-2, Domestic Source Certificate – Supplies (March 2006)
- (2) Provision 1-3, Domestic Source Certificate – Construction Materials (March 2006)
- (3) Provision 9-1, Equal Opportunity Affirmative Action Program (March 2006)
- (4) Provision 9-2, Pre-award Equal Opportunity Compliance Review (March 2006)
- (5) Provision 9-3, Notice of Requirements for Equal Opportunity Affirmative Action (March 2006)

2.4 DEPOSIT OF ASSETS REQUIREMENTS (March 2006)

- a. Except for payment bonds required for construction contracts, any supplier required to submit a surety bond as a result of this solicitation may instead deposit assets in a form acceptable to the Postal Service in an amount set forth in the Schedule.
- b. When assets are deposited, the supplier **must** execute the Postal Service bond form made a part of this solicitation. Failure to deposit assets acceptable to the Postal Service may be cause for termination of the contract for default.

2.5 BOND

The supplier, within fifteen (15) days after notice of contract award, will be responsible for obtaining and maintaining a Contract Postal Unit bond in the amount specified in Attachment 1 - Requirements. The bond must be executed by a Surety Company approved by the U.S. Treasury Department (see Treasury Department Circular 570 at <http://www.fms.treas.gov/c570/index.htm>, using the Contract Postal Unit Bond format in Attachment 3 of this solicitation. The supplier's failure to provide the contracting officer representative with a bond may result in the contract being terminated for default.

2.6 CERTIFICATION OF STATUTORY COMPLIANCE

The supplier (check applicable box) certifies that the business location within which it proposes to operate the Contract Postal Unit (CPU) is, or by the time service begins will be, in compliance with all applicable Federal, state, and municipal laws, codes and regulations. With respect to handicapped accessibility, offerors must propose facilities that are handicapped accessible, pursuant to the applicable standards, or must set forth plans demonstrating how a non-accessible facility will meet the applicable accessibility standards prior to the start of service

2.7 DETERMINATION OF MINIMUM OR NON-MINIMUM RATE SUPPLIER (To be completed by supplier)

- a. Is the offeror an individual. **Yes**, **No**? If "Yes," continue.
- b. Will the offeror personally operate the CPU more than 50% of the time. **Yes**, **No**? If "Yes," continue.
- c. Will the CPU be operated in a facility devoted exclusively to CPU service. **Yes**, **No**? If "No," continue.
- d. Identify the other commercial activity to be conducted at the CPU site:

- e. Will the CPU's revenues exceed the other commercial activity's revenues (CPU revenue is gross revenues received by the Contract Postal Unit from its customers, less all credits, allowances and refunds allowed or granted to customers and less also the face or principal amount of all money orders issued by the CPU, and excluding amounts received from the supplier itself, or from persons or entities controlling, controlled by, or under common control with the supplier). **Yes**, **No**?

If questions a, b, and c are all "Yes", or questions a, b, and e are "Yes," this is a minimum rate offer to which the clause at 4.21 and the other minimum rate provisions of this solicitation apply.

3.1 CLAUSE 4-1 GENERAL TERMS AND CONDITIONS

- a. **Assignment.** If this contract provides for payments aggregating \$10,000 or more, claims for monies due or to become due from the Postal Service under it may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with (1) the Postal Service; (2) the office, if any designated to make payment and the Postal Service has acknowledged the assignment in writing; (3) assignment of this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.
- b. **Changes**
- (1) The contracting officer may, in writing, without notice to any sureties, order changes within the general scope of this contract in the following:
 - (a) Drawings, designs, or specifications when supplies to be furnished are to be specially manufactured for the Postal Service in accordance with them;
 - (b) Statement of work or description of services;
 - (c) Method of shipment or packing;
 - (d) Places of delivery of supplies or performance of services;
 - (e) Delivery or performance schedule;
 - (f) Postal Service furnished property or facilities.
 - (2) Any other written or oral order (including direction, instruction, interpretation, or determination) from the contracting officer that causes a change will be treated as a change order under this paragraph, provided that the supplier gives the contracting officer written notice stating (a) the date, circumstances, and source of the order and (b) that the supplier regards the order as a change order.
 - (3) If any such change affects the cost of performance or the delivery schedule, the contract will be modified to effect an equitable adjustment.
 - (4) The supplier's claim for equitable adjustment must be asserted within 30 days of receiving a written change order. A later claim may be acted upon – but not after final payment under this contract – if the contracting officer decides that the facts justify such action.
 - (5) Failure to agree to any adjustment is a dispute under Clause B-9, Claims and Disputes, which is incorporated into this contract by reference (see Clause 4.2.a1). Nothing in that clause excuses the supplier from proceeding with the contract as changed.
- c. **Patent Indemnity.** The supplier will indemnify the Postal Service and its officers, employees and agents against liability, including costs for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, or copyright, arising out of the performance of this contract, provided the supplier is reasonably notified of such claims and proceedings.
- d. **Payment.** The Postal Service will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and 5 CFR 1315. Payments under this contract will be made by the Postal Service electronic funds transfer. Monthly payments will be issued automatically, in arrears, by the St. Louis Accounting Service Center, within thirty (30) days after the end of each month.
- e. **Taxes.** The Postal Service will not withhold any Social Security, Federal, State or local taxes from any payments made under this contract. The Postal Service bears no responsibility for making the supplier's required payment of these taxes.
- f. **Other Compliance Requirements.** The supplier will comply with all applicable Federal, State, and local laws, executive orders, rules and regulations applicable to its performance under this contract.

- g. **Order of Precedence.** Any inconsistencies in this solicitation or contract will be resolved by giving precedence in the following order: (1) the schedule of supplies and services; (2) the Assignment, Disputes, Payments, Invoice, Other Compliances and Compliance with Laws unique to the Postal Service Contracts paragraphs of this clause; (3) the clause at 4-2 Contract Terms and Conditions Required to Implement Policies, Statutes or Executive Orders; (4) addenda to this solicitation or contract, including any license agreements for computer software; (5) solicitation provisions if this is a solicitation; (6) other paragraphs of this clause; (7) other documents, exhibits, and attachments, and (8) the specifications.
- h. **Shipping.** The supplier must deliver goods that meet the prescribed physical limitations of the current USPS Domestic Mail Manual either by its own personnel/equipment or by use of the United States Postal Service, unless the contracting officer grants a waiver of this requirement. The supplier is responsible for ensuring that the packing and packaging are sufficient to protect the goods and ensure usability upon receipt.
- i. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>.

The following clauses are incorporated in this contract by reference:

- 1) B-1, Definitions (March 2006)
- 2) B-15, Notice of Delay (March 2006)
- 3) B-16, Suspensions and Delays (March 2006)
- 4) B-19, Excusable Delays (March 2006)
- 5) B-30, Permits and Responsibilities (March 2006)

3.2 CLAUSE 4-2 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT POLICIES, STATUTES OR EXECUTIVE ORDERS

a. Incorporation by Reference

- (1) Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>. The following clauses are incorporated in this contract by reference:

- (a) Clause 1-5, *Gratuities or Gifts* (March 2006)
- (b) Clause B-9, *Claims and Disputes* (March 2006)
- (c) Clause B-25, *Advertising of Contract Awards* (March 2006)
- (d) Clause 9-1, *Convict Labor* (March 2006)
- (e) Clause 9-5, *Contract Work Hours and Safety Standards Act — Safety Standards* (March 2006)

- (2) **If checked**, the following additional clauses are also incorporated in this contract by reference:

- (a) Clause 1-1, *Privacy Protection* (March 2006)
- (b) Clause 1-6, *Contingent Fees* (March 2006)
- (c) Clause 1-9, *Preference for Domestic Supplies* (March 2006)
- (d) Clause 1-10, *Preference for Domestic Construction Materials* (March 2006)
- (e) Clause 3-1, *Small, Minority, and Woman-owned Business Subcontracting Requirements* (March 2006)
- (f) Clause 3-2, *Participation of Small, Minority, and Woman-owned Businesses* (March 2006)
- (g) Clause 9-2, *Contract Work Hours and Safety Standards Act — Overtime Compensation* (March 2006)
- (h) Clause 9-3, *Davis-Bacon Act* (March 2006)
- (i) Clause 9-6, *Walsh-Healey Public Contracts Act* (March 2006)
- (j) Clause 9-7, *Equal Opportunity* (March 2006)
- (k) Clause 9-10, *Service Contract Act* (March 2006)

- (l) Clause 9-11, *Service Contract Act – Short Form* (March 2006)
- (m) Clause 9-12, *Fair Labor Standards Acts and Services Contract Act – Price Adjustments* (March 2006)
- (n) Clause 9-13, *Affirmative Action for Handicapped Workers* (March 2006)
- (o) Clause 9-14, *Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era* (March 2006)

b. **Examination of Records.**

- (1) **Records.** "Records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.
- (2) **Examination of Costs.** If this is a cost-type contract, the supplier must maintain, and the Postal Service will have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination includes inspection at all reasonable times of the supplier's plants, or parts of them, engaged in the performance of this contract.
- (3) **Cost or Pricing Data.** If the supplier is required to submit cost or pricing data in connection with any pricing action relating to this contract, the Postal Service, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, will have the right to examine and audit all of the supplier's records, including computations and projections, related to:
 - (a) The proposal for the contract, subcontract, or modification;
 - (b) The discussions conducted on the proposal(s), including those related to negotiating;
 - (c) Pricing of the contract, subcontract, or modification; or
 - (d) Performance of the contract, subcontract or modification.

- c. **Reports.** If the supplier is required to furnish cost, funding or performance reports, the contracting officer or any authorized representative of the Postal Service will have the right to examine and audit the supporting records and materials, for the purposes of evaluating:
- (1) The effectiveness of the supplier's policies and procedures to produce data compatible with the objectives of these reports; and
 - (2) The data reported.

- d. **Availability.** The supplier must maintain and make available at its office at all reasonable times the records, materials, and other evidence described in paragraphs (a) through (d) of this clause, for examination, audit, or reproduction, until three years after final payment under this contract or any longer period required by statute or other clauses in this contract. In addition:
- (1) If this contract is completely or partially terminated, the supplier must make available the records related to the work terminated until three years after any resulting final termination settlement; and
 - (2) The supplier must make available records relating to appeals under the claims and disputes clause or to litigation or the settlement of claims arising under or related to this contract. Such records must be made available until such appeals, litigation or claims are finally resolved.

3.3 CLAUSE 2-12 POSTAL SERVICE PROPERTY - Short Form

- a. Upon delivery to the supplier of Postal Service property, the supplier assumes the risk and responsibility for its loss or damage. The supplier shall assume all responsibility and liability for all Postal Service furnished property. USPS and supplier will be responsible for property maintenance as detailed in Part A of the D & CR (Attachment 5).
- b. Upon the completion or sooner termination of this contract, the supplier must prepare for shipment, deliver to origin, or dispose of the Postal Service property not consumed in the performing this contract or previously delivered to the Postal Service, as directed or authorized

by the contracting officer. The net proceeds of any disposal will be credited to the contract price or will be paid to the Postal Service as directed by the contracting officer.

3.4 CLAUSE 6-1 CONTRACTING OFFICER'S REPRESENTATIVE (March 2006)

The contracting officer will appoint a contracting officer's representative (COR), responsible for the day-to-day administration of the contract, who will serve as the Postal Service point of contact with the supplier on all routine matters. A copy of the notice of appointment defining the COR's authority will be furnished to the supplier upon award of contract.

3.5 CLAUSE 7-2 ADDITIONAL BOND SECURITY

If any surety furnishing a bond in connection with this contract becomes unacceptable to the Postal Service or fails to furnish reports on its financial condition as requested by the contracting officer, or if the value of postal funds, the postage value available in the postage evidencing system (postage meter) and accountable paper increases to the point where the security furnished becomes inadequate in the contracting officer representative's opinion, the supplier must promptly furnish additional bond security as required to protect the interest of the Postal Service.

3.6 CLAUSE 7-3 DEPOSIT OF ASSETS INSTEAD OF SURETY BONDS (March 2006)

- a. If the supplier has deposited assets instead of furnishing sureties for any bond required under this contract and the assets are in the form of checks, currency or drafts, the contracting officer will hold the assets in an account for the supplier's benefit.
- b. Upon contract completion, the supplier's funds will be returned as soon as possible, unless the contracting officer determines that part or all of the account is required to compensate the Postal Service for costs it incurs as a result of the supplier's delay, default, or failure to perform. In such a case, the entire account will be available to compensate the Postal Service.

3.7 TERMINATION ON NOTICE

This contract may be terminated by either party **upon one hundred and twenty (120) days' written notice**. In the event of such termination, neither party will be liable for any costs, except for payment in accordance with the payment provisions of the contract for actual services rendered prior to the effective date of the termination. When required to protect the Postal Service's interests, the contracting officer may terminate the contract upon one day's written notice.

3.8 APPEARANCE, LOCATION AND SECURITY

The Contract Postal Unit area, as well as the interior and exterior of the supplier's premises, must be kept clean, neat, uncluttered and in good repair. Windows must be clean and unobstructed. Facility identification and logo will be appropriately placed, visible and in good condition. Lighting must be adequate and properly maintained. Counters must be attractively organized to facilitate customer transactions. Signs (Hours of Operation and Collection Times, etc.) and promotional displays must be current and appropriate for the season. Trash receptacles must be available and clean. The Contract Postal Unit must not be located in or directly connected to a room where intoxicating beverages are sold for consumption on the premises. When the Contract Postal Unit is closed or unattended, the round dater must be kept in a secure location and any other accountable postal equipment.

3.9 PROHIBITED TRANSACTIONS

THE SUPPLIER **MAY NOT**, IN THE CONTRACT POSTAL UNIT OR IN ANY PART OF THE SUPPLIER'S PREMISES IN WHICH IT IS LOCATED, **OFFER DIRECTLY OR BY SUBCONTRACT, LEASE, OR SUBLEASE OR OTHERWISE PROVIDE:**

- a. commercial mail receiving (private mailbox) services;
- b. third party delivery services, including serving as a drop off or collection point for such services; or
- c. any products or services, which the contracting officer determines, are similar to, or competitive with, the products and services offered by the Postal Service. Fax service and copy service are examples of products which are not similar to, or competitive with, those of the Postal Service.
- d. stamp stock provided under this contract is intended for sale to the general public, and may not be used for any other purpose. The supplier can purchase stamps for its own personal

use and use the CPU to mail their own mail in what is considered to be a reasonable and customary amount. The CPU may not purchase postage for a 3rd party's use, nor may the supplier purchase stamps themselves for 3rd party mailings. Stamp stock may not be sold knowingly to any individual or business whose primary purpose in buying the stamp stock is to resell it to other individuals or businesses. Individual stamp transactions over \$1000.00 are prohibited. Supplier cannot circumvent the \$ 1000.00 limit engaging in multiple transactions, by splitting the requirement. Requests from members of the public to purchase stamp stock over \$ 1000.00 must be referred to the administrative post office.

- e. The postage evidencing device when used in the performance of this contract may only be used to affix full rate postage for the supplier's customers, or for internal business use of the supplier in what is considered to be a reasonable and customary amount. The postage evidencing device may not be used for any bulk letter mailings by any entity or person. Postage from this postage evidencing device may not be applied to any mail presented under any discounted mail program. Failure to adhere to these requirements, as determined in the sole discretion of the Postal Service, constitutes a basis for termination.

3.10 POSTAL FUNDS

All moneys received from the operation of the Contract Postal Unit are the property of the U.S. Postal Service, and not the property of the supplier. Funds received in the operation of the CPU shall be kept separate and apart from all other funds received by the supplier.

3.11 LIABILITY

The supplier assumes the risk of, and will be responsible for, any loss of or damage to Postal Service moneys and property, except when the supplier can show that (1) the supplier complied with all of the security requirements contained in this contract and the losses occurred despite that compliance; and (2) that the losses did not result from the acts or omissions of the supplier or its personnel.

3.12 TRAINING

Customer service, product knowledge, and equipment training modules are required and will be provided to the supplier's personnel by the Postal Service. Prior to or within thirty (30) days of beginning work, supplier personnel who will be providing Contract Postal Unit (CPU) services will receive forty (40) hours of training. The Postal Service will provide the supplier a training schedule no later than fifteen (15) days prior to the Operation Date (See Attachment 1 - Requirements). The supplier must notify the COR within one business day whenever a person is retained to work in the CPU, requesting that initial training be provided to that person. In addition, the Postal Service may require the supplier's personnel to complete eight (8) hours of training per year in each year subsequent to the year of their initial training. The supplier will be responsible for salary and benefits of its personnel who attend the required training. If approved by the Contracting Officer, the required training may be provided by the supplier's USPS certified trainer.

3.13 ADVERTISING

Upon commencement of Contract Postal Unit operation, the Postal Service may provide initial advertising to market the Contract Postal Unit, at no cost to the supplier, as well as appropriate camera-ready USPS logo art work for use in advertising initiated and paid for by the supplier. Any supplier sponsored CPU advertising, which incorporates the USPS logo, must be furnished to the Postal Service for its review and written approval at least thirty (30) days before its publication deadline. The USPS logo is a Postal Service trademark and cannot be altered.

3.14 NEW SERVICES, PRODUCTS AND TECHNOLOGY

During the term of this contract, the contracting officer may, in accordance with the Changes clause, add or remove postal services to be provided under this contract. In the event new services are ordered, the Postal Service, at its own expense, will provide the supplier with additional training and if necessary the equipment or technology needed to provide the new service.

3.15 CONTRACT POSTAL UNIT IDENTITY

- a. The Contract Postal Unit shall be known as the UNITED STATES POST OFFICE CONTRACT UNIT.
- b. Subject to the terms of this Agreement, USPS grants to the supplier a non-exclusive, non-transferable and terminable license to use USPS Trademarks, including the marks Post Office, United States Post Office, Postal Service, United States Postal Service, United States Post Office Contract Unit and the Eagle Logo on the signs provided to the supplier by the Postal Service and in any USPS – approved advertising in the manner specified by USPS.
- c. The Postal Service, at its own expense, will provide all exterior and interior signage for the purpose of identifying the location as a Contract Postal Unit. The supplier, at its own expense, is responsible for obtaining needed permits (if any) and installing the signs in mutually agreed upon locations on the exterior and interior of the CPU location. The signs must be maintained in good repair, at supplier expense, for the duration of the contract. The signs may not be modified or moved without the prior written approval of the Postal Service. Upon termination of the contract, the supplier at its own expense, is responsible for removing the signs, disposing of them as directed by the contracting officer, and restoring the location to its original condition.
- d. Except as specified in this paragraph, the supplier is not authorized to include the name, POST OFFICE, in its corporate name, trade name or business name. The supplier is not authorized to use any USPS trademarks or logos, including the mark Post Office, in any other manner without the prior approval of the Postal Service.
- e. The supplier acknowledges that USPS Trademarks, including but not limited to the marks Post Office, United States Post Office, Postal Service, United States Postal Service and the Eagle Logo are trademarks owned solely and exclusively by USPS and agrees to use USPS trademarks only in the form and manner (with appropriate legends) prescribed by USPS. The supplier agrees not to use any other trademark or service mark in connection with any USPS Trademarks without prior written approval of USPS. The supplier agrees to mark all advertising and other uses of USPS Trademarks with a legend indicating that USPS Trademarks are the property of USPS and that they are being used under license from USPS, together with any other legends or marking that may be required by law. All use of USPS Trademarks by the supplier shall inure to the benefit of USPS.

3.16 MONTHLY REPORTS – MINIMUM RATE SUPPLIERS

Minimum rate suppliers must submit a Monthly Report of Operations to the contracting officer's representative (COR) for approval, no later than two working days after the end of each Accounting Period. The reports will be checked by the COR to ensure that the hours of operation specified in the contract are not being exceeded.

3.17 INSPECTION OF CONTRACT POSTAL UNIT

The Postal Service, reserves the right, without prior notice, to conduct audits and customer surveys and to review and inspect the supplier's performance and the quality of service at any time during the operating hours of the CPU. A written report will be submitted to the supplier for corrective action, if necessary. Contract performance reviews may be held periodically to promote continuous quality improvement and improve the business relationship. All aspect of contract performance will be discussed during these reviews. Any changes to this contract as a result of the Performance Review will be incorporated by bilateral modification or a bilateral written agreement between the COR and the supplier.

3.18 SUPPLIER'S LEASE AND/OR BUSINESS OPERATIONS

If the supplier is leasing this space, by signing this proposal the supplier certifies that the supplier's lease authorizes the supplier to perform alterations to the premises and that services to be performed under the contract do not violate the supplier's lease contract. The supplier must notify the Postal Service, in writing of the following, within the time frames shown below:

- a. Within five (5) days after notification from the owner of the leased building in which the CPU is located of the owner's intent to cancel the lease, or not to renew the lease. The Postal Service may terminate the contract if the supplier cannot relocate to a location that serves the needs of the Postal Service.
- b. At least one hundred twenty (120) days before the supplier closes, sells, or relocates a business it operates in conjunction with the CPU.

3.19 TRANSFER OF CONTRACT

- a. The supplier may not transfer (assign to another party) this contract, any interest in it, or any claims based on it -- except under the circumstances described in b. below. If the supplier does so, the Postal Service may, at any time after notifying the supplier in writing, terminate the contract and use any other rights and remedies it has by law.
- b. Exceptions:
 - (1) The Postal Service may recognize a transfer as valid if all of the supplier's assets, or all those involved in fulfilling the contract, are transferred.
 - (2) Payments owed the supplier may be transferred to a bank, trust company or other financial institution, including any Federal lending agency, if all amounts payable are transferred and the transfer is to a single party (who may be an agent or trustee for two or more parties who are involved in the financing).
- c. For any transfer to be valid, the supplier must give the Postal Service written notice with the transfer paper attached and obtain the contracting officer's approval in writing. Copies of the notice and attachments must be filed with: the Postal Service; the surety or sureties on any Contract Postal Unit bond; and the Postal Service office, if any, that has been designated to make payment.

3.20 BOND NOTIFICATION

The supplier **must** notify the contracting officer's representative within five (5) days if the supplier's surety cancels its Contract Postal Unit bond or if the supplier changes sureties.

3.21 Minimum Rate

Minimum rate suppliers must receive not less than the prevailing Federal minimum wage for work performed. The annual price proposed by a minimum rate offer must, when divided by the annual operating hours, provide the supplier at least the prevailing Federal minimum wage. If it does not, the offer may be rejected.

3.22 REQUEST FOR PRICE ADJUSTMENT

- a. The supplier may request an increase in the payment percentage rate after providing service under this contract for at least one full year. Subsequent price increases will be considered at two-year intervals from any prior price increase effective date. Supplier's written request must provide a detailed explanation, with supporting documentation, to justify the increase based on either of the following reasons:
 - (1) Direct cost increases for rent utilities, taxes, and labor. (If the CPU is operated in conjunction with another business, the increased costs must be prorated and only those costs associated with the operation of the CPU will be considered.)
 - (2) Increased benefit to the Postal Service, e.g., improvements (must be specific).
- b. The request must be submitted to the Contracting Officer's Representative (COR).
- c. The Contracting Officer may approve the request, not approve the request, or negotiate with the supplier to reach agreement on a new percentage rate. If the request is not approved or no agreement is reached, the supplier may continue at the same rate or the contract may be terminated by either party in accordance with the Termination on Notice clause. If the request is approved or agreement is reached on another rate, the supplier must waive its right to terminate the agreement on notice for one year beginning from the effective date of the new rate.

3.23 CONTRACTS BETWEEN THE POSTAL SERVICE AND ITS EMPLOYEES OR BUSINESS ORGANIZATIONS SUBSTANTIALLY OWNED OR CONTROLLED BY POSTAL SERVICE EMPLOYEES (CONTRACT POSTAL UNIT)

- a. Generally, the Postal Service does not enter into contracts with its employees, their immediate families, or business organizations substantially owned or controlled by Postal Service employees or their immediate families. "Immediate family" means spouse, minor child or children, and individuals related to the employee by blood who are residents of the employee's

household. Postal Service employees and their immediate family may not be involved in the administrations or operations of a Contract Postal Unit (CPU).

- b. All supplier personnel assigned to the Contract Postal Unit must be professionally attired and wear name tags. All personnel must project a professional image of the Postal Service at all times while operating the CPU.
- c. The contracting officer may require removal of an employee from the CPU operations if, in the opinion of the contracting officer, the employee cannot do the work or fails to comply with applicable standards of conduct.

PART 4 - ATTACHMENTS

| <u>ATTACHMENT NO.</u> | <u>TITLE</u> | <u>NO. OF PAGES</u> |
|-----------------------|---|---------------------|
| 1 | REQUIREMENTS | 1 |
| 2 | CONTRACT POSTAL UNIT – SUPPLIER BUSINESS PROPOSAL AND INFORMATION (INCLUDING WORKSHEET) | 2 |
| 3 | CONTRACT POSTAL UNIT BOND | 3 |
| 4 | COMPENSATION | 1 |
| 5 | CPU DESIGN AND CONSTRUCTION REQUIREMENTS | |

ATTACHMENT 1 - REQUIREMENTS

I. DESCRIPTION

The Contract Postal Unit will report to the following:

_____ Title
 _____ Installation Name
 _____ Street Address
 _____ City, State, ZIP+4
 _____ Telephone Number (include area code)

SPACE REQUIREMENTS: See CPU Design and Construction Requirements (Attachment 5)

CONTRACT POSTAL UNIT BOND AMOUNT: \$ _____. Any change to the above bond amount after contract award must be agreed to, in writing, by both the supplier and the contracting officer's representative (COR). Copies of the change will be maintained by the supplier, COR, and the District Retail Office.

AREA/LOCATION (identify general boundaries)

II. OPERATIONAL DATE

The Contract Postal Unit (CPU) contract term will commence upon receipt of the Contract Postal Unit bond and notification from the CPU Coordinator that the supplier training and build-out (construction/signage) requirements have been completed and accepted by the Postal Service.

III. SERVICE DAYS AND HOURS

At a minimum, the Contract Postal Unit must be open to the public, Monday through Friday from ____ a.m. to ____ p.m. and Saturday from ____ a.m. to ____ p.m. If the retail business is open to the public on Sundays and Holidays, the Contract Postal Unit must be open to the public from ____ a.m. to ____ p.m. Any change to the above hours after contract award must be agreed to, in writing, by both the supplier and the contracting officer's representative (COR). Copies of the change will be maintained by the supplier, COR, and the District Retail Office.

IV. SERVICES - The supplier **must** provide the following services:

| A. STAMPS & PRODUCTS | B. DOMESTIC MAIL | C. INTERNATIONAL MAIL | D. SPECIAL SERVICES |
|---|---|---|--|
| Stamps Stamped Envelopes Stamped Postal Cards | Express Mail Service Priority Mail Service First Class Mail Service Package Services | Express Mail International Priority Mail International First Class Mail International | Insured Mail Certified Mail Return Receipt Delivery Confirmation Svc Signature Confirmation Svc Registered Mail |

V. OTHER SERVICES - The supplier must provide the services checked below.

| |
|--|
| <input type="checkbox"/> Global Express Guaranteed Service (GXG) |
| <input type="checkbox"/> Post Office Boxes – Number: |

**ATTACHMENT 2
SUPPLIER BUSINESS PROPOSAL, INFORMATION AND WORKSHEET**

The supplier is required to provide the information below. The information provided will be used to evaluate your proposal. Failure to include any of the requested information may disqualify your proposal from consideration. All information provided must be verifiable and the Postal Service may need to meet with the supplier and/or visit the proposed contract postal unit (CPU) facility to complete this evaluation. Any addendum to this attachment must be clearly marked as such and returned with your offer.

Supplier's Proposal to meet the USPS Requirement for a CPU Contract. The Postal Service's requirement is for a contract postal facility which is convenient to our customers, in an attractive setting and staffed and managed in a way which encourages them to use it to obtain postal services. With that in mind, explain, use the following to explain how the facility you propose at your location meets that requirement. Your proposal should address each topic as listed below.

1. Past Performance. Provide at least three (3) references that will demonstrate/verify a history of satisfactory past performance. These references will be asked about your performance in the areas of quality, timeliness of performance, business relations and cost control.

| | |
|----------------|--------------|
| 1. Name | Title |
| Company | Phone |
| 2. Name | Title |
| Company | Phone |
| 3. Name | Title |
| Company | Phone |

2. Capability. The supplier must provide information that it is financially sound. This information should document financial performance during the last full fiscal/accounting year and should include financial reports, profit and lost statements and balance sheets. Attach this information to this worksheet. In the space provided below, provide the name of your primary lending/banking institution, its phone number, and a point of contact.

| |
|--------------------------------|
| Financial Institution – |
| Point of contact |
| Phone |

3. Characteristics of your *Retail Facility*.

| |
|--------------------------------------|
| Proposed CPU Name |
| Proposed CPU Physical Address |
| City, State Zip +4 |
| Business email address |

3a. Location. Location, in terms of its relationship to the customers to be served, other business, etc.

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3b. Current Business Volume. Provide verifiable information on current daily foot traffic, sales per square feet and other information indicative of business volume and market served.

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3c. Physical Characteristics. What features of your facility make it convenient and attractive to postal customers? Also, be sure to address accessibility to the handicapped (in terms of your facility and of the CPU within your facility) and if facility is not currently accessible, how it will be made accessible before service begins.

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3d. Parking and Public Transportation. Describe the availability and extent of on-site and other public parking (including handicapped parking), whether that parking is paid or free and the extent of availability of public transportation convenient to your location.

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4. Characteristics of the Proposed CPU facility within your location. Discuss how your proposed CPU facility meets or exceeds the space requirements of Attachment 5 of the solicitation, as well as its other location and appearance requirements. Attach a drawing of where the CPU will be located. Indicate the store entrances, exits, and checkout stations in relation to the CPU location.

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5. Staffing. Discuss plans for staffing and managing the CPU during regular business hours and the holiday season. Explain the relationship between CPU personnel to other personnel and the extent to which CPU staff will perform other duties within your business. Describe your plans or programs to deal with employee turnover and absenteeism with respect to the CPU.

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CONTRACT POSTAL UNIT BOND

INSTRUCTIONS

1. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of this form. **The legal name on the bond must be the same as the legal name on the contract.** The bond must be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved, evidence of authority must be furnished.
2. Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein.
3. Corporations executing the bond must affix their corporate seals. Individuals must execute the bond opposite the word "Seal"; and, if executed in Maine or New Hampshire, must also affix an adhesive seal.
4. **MAIL THE ORIGINAL BOND AND ALL CORRESPONDENCE RELATING TO THE BOND TO:**

**US POSTAL SERVICE
ATTN CPU COR
STREET ADDRESS
CITY, STATE ZIP+4**

THE TREASURY DEPARTMENT'S LIST OF APPROVED SURETIES
MAY BE ACCESSED ON THE INTERNET AT:
<http://www.fms.treas.gov/c570/index.html>

CHECKLIST FOR Contract Postal Unit Bond

Your bond **MUST** include the following:

1. Surety company/corporation who is approved by the Treasury Department and on the Treasury list.
2. Proper penal sum (dollar amount) in accordance with contract, unless written amendment from COR.
3. Signature of principal.
4. Signature of corporate surety representative.
5. Public Notary on signature of individual representing corporate surety.
6. Power of Attorney on signature of individual representing corporate surety.
7. Corporate seal of corporate surety (if available).

CONTRACT POSTAL UNIT BOND

USPS CONTRACT NUMBER: _____

DATE BOND EXECUTED: _____

PENAL SUM OF BOND: \$ _____

BOND NUMBER: _____

CONTRACT UNIT LOCATION: _____

| | | | |
|-----------|--|--|--------------------------------------|
| PRINCIPAL | (Legal name and business address Name must match what is on your contract) | TYPE OF ORGANIZATION ("X" one) | |
| | | <input type="checkbox"/> Individual | <input type="checkbox"/> Partnership |
| | | <input type="checkbox"/> Joint Venture | <input type="checkbox"/> Corporation |

STATE OF INCORPORATION

SURETY (IES) Name(s) and business address(es) _____

KNOW ALL MEN BY THESE PRESENTS, that we, the Principal and Surety(ies) hereto, are firmly bound to the United States Postal Service (the Postal Service) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: Provided, That, where the Sureties are corporations acting as co-sureties, we the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of each Surety, but if no limit of liability is indicated, the limit of liability will be the full amount of the penal sum.

THE CONDITION OF THIS OBLIGATION IS that the Principal and the Postal Service entered into the contract identified above for the operation of a Contract Postal Unit.

NOW THEREFORE, If the Principal(s):

- (a) performs and fulfills all duties and trusts imposed on it as supplier in accordance with the terms of the contract and such rules, regulations and directions as the Postal Service or its authorized representative will prescribe pursuant to the contract; and

(b) faithfully accounts for, deliver, and pays over to the Postal Service or its authorized representative all moneys, stamps, postage value available in the postage evidencing system (postage meter), stamped paper, money order stock, mail matter, Postal Service property furnished pursuant to the contract, and all other property of every kind which comes into its possession (including the possession of its employees or agents) during the performance of the contract; then this obligation will be void and of no effect; otherwise it will remain in full force and effect.

THIS BOND and the obligation hereunder will remain in full force and effect until the contract identified herein ends or is terminated in accordance with its provisions. However, the surety may cancel this bond upon 120 days written notice given to the Postal Service and the Principal at any time after the expiration of the three-year period following the start of the bonded contract. In addition, the surety may cancel this bond at any time that the surety has the written consent of both the Postal Service and the Principal, or that the Principal furnishes to the Postal Service a substitute bond on terms equivalent to this bond with a surety satisfactory to the Postal Service.

IN WITNESS WHEREOF, the Principal and Surety (ies) have executed this Contract Postal Unit Bond and have affixed their seals on the date set forth above.

PRINCIPAL

| | | |
|--------------|------|----------------|
| | 1. | 2. |
| Signature(s) | | Corporate Seal |
| | Seal | Seal |

| | | |
|----------------------------------|----|----|
| Name(s) & Title(s) (Typed) | 1. | 2. |
|----------------------------------|----|----|

CORPORATE SURETY (IES)

| | | |
|-------------------|---------------|-----------------|
| Name & Address | STATE OF INC. | LIABILITY LIMIT |
|-------------------|---------------|-----------------|

| | | |
|--------------|----|----|
| Signature(s) | 1. | 2. |
|--------------|----|----|

| | | |
|----------------------------------|----|----|
| Name(s) & Title(s) (Typed) | 1. | 2. |
|----------------------------------|----|----|

******ALL CORRESPONDENCE RELATING TO THIS BOND SHOULD BE MAILED TO:**

US POSTAL SERVICE
 ATTN CPU COR
 STREET ADDRESS
 CITY, STATE ZIP+4

ATTACHMENT 4 – COMPENSATION

Supplier's Price Offer (Completed by supplier when submitting proposal). The supplier proposes to perform this contract at Performance Payment rate of _____ percent.

The Performance Payment percentage shall be applied to all of the revenues the supplier receives from the services listed in Attachment 1, Section IV, Services, and the other services that are checked in Attachment 1, Section V, Other Services, except for post office box rental fees, which are provided for below.

Contract Postal Unit Performance Payment Rate (Completed by Postal Service upon award). The supplier agrees to operate the CONTRACT POSTAL UNIT for _____ percent of the CPU revenue (excluding post office box rental fees) it receives from the sale of postal products and services listed in Section IV, Services, and that are checked in Section V, Other Services, of Attachment 1.

Postal Retail Product and Service Promotions and Compensation

During the contract term from time to time, on such schedule as it may establish, the Postal Service may direct the supplier to participate in promotions of one or more of the retail products and services listed in Attachment 1, Sections IV and V. During any such promotion, the Postal Service will measure the supplier's performance (expressed in terms of total revenues or percentages of revenues) against the comparable revenues of other CPU suppliers within a designated geographic unit (such as a Postal Service District or Area), all as established by the rules of the promotion. For participation in such promotion, supplier shall be entitled to receive such additional compensation as specified in the promotion's rules for its performance relative to that of the other participating CPU suppliers. The Postal Service will provide the supplier with all instructions, rules and support materials required for each promotion.

Post Office Box Service Performance Payment Rate

If Post Office Box Service is a part of this contract, the supplier will be paid thirty-three (33) percent of the revenue it receives for the rental of post office boxes.

NOTE: CPU revenue is gross revenues received by the Contract Postal Unit located at the address indicated in Attachment 2, Page 2 of this contract from its customers, less all credits, allowances and refunds allowed or granted to customers and less also the face or principal amount of all money orders issued by the CPU, and excluding amounts received from the supplier itself, or from persons or entities controlling, controlled by, or under common control with the supplier. CPU revenue of any stamp sold at a rate in excess of the amount for which it is valid as postage will be based on the amount for which it is valid for postage, and not on the full face value of the stamp (such as the Breast Cancer Research semi-postal stamp).

Following a change in postage rates, the Postal Service will exchange the Supplier's on-hand stamp stock which no longer reflects current postal rates dollar for dollar for stamp stock at the current rates. This exchange will not increase or decrease postal revenue, and no percentage will be paid on the exchange.

Exhibit 7.3 Firm-Fixed Price CPU Solicitation/Award Document

Solicitation/Offer/Award for Firm-Fixed
Contract Postal Unit (CPU)

*****FOR OFFICIAL USE ONLY*****

| | | | |
|---|--|---|------------------------|
| 1. Contract No. 2BCPAC-08-B- | | 2. Request No. | 3. Solicitation No. |
| 4a. For Information Call: Name: Purchasing and Supply Management Specialist | | 4b. Telephone No. | 4c. Fax No. |
| 4d. e-Mail | | | |
| 5. Issued By Travel, Retail and Temporary Services US Postal Services – CPAC 3300 S Parker Rd., Ste. 400 Aurora CO 80014-3500 | | 6. Soc/Ec Code | 7. UNSPC 8014170300 |
| | | 8. Admin Office Finance No. | 9. CPU Unit ID |
| 10. Supplier (Name and Mailing Address) Individual or Company Name: DBA (if applicable) _____ Address/P.O. Box: _____ City, State, Zip+4: _____ | | 11. CPU Physical Location CPU Site Name: CPU Physical Address: _____ City, State, Zip+4: _____ | |
| 12. Contact Information Contact Name: _____ Telephone No.: _____ Mail Address: _____ Fax No.: _____ | | | |
| 13a. Taxpayer Identification No. (TIN) or Social Security No. (SSN) | | 13b. Parent TIN (if applicable) | |
| 14a. COR Administrative Office Name | | 14b. COR Administrative Office Address and Phone number | |

15. General Description of Requirement

- g) The supplier must provide dedicated space, services and equipment in compliance with the terms and conditions of this contract and all attachments hereto.
- h) The supplier must provide the postal goods and services specified herein in accordance with the provisions of the Domestic Mail Manual (DMM) concerning those goods and services, including its mailing rates and service fees. The supplier may not impose a surcharge for services provided, or increase or decrease the rates and fees established in the DMM.
- i) The supplier must follow the procedures set out in Publication 116, Contract Postal Unit Operations Guide.

16. **Compensation** – The supplier agrees to operate a Contract Postal Unit (CPU) under the terms and conditions herein for the fixed annual price of \$ _____ (USPS will insert price at time of award).

17a. The supplier is required to sign this document and return to the issuing office. The supplier agrees, subject to the terms and conditions specified herein, to provide and deliver all items identified above and on any additional pages.

| | |
|---|--|
| 17b. Signature of Person Authorized to Sign | 18a. Signature of Contracting Officer |
| 17c. Printed Name and Title of Person Authorized to Sign Date Signed | 18b. Printed Name of Contracting Officer Award Date |

The supplier agrees that if this proposal is accepted by the Postal Service within ninety (90) calendar days from the solicitation return date, a binding contract will result. The supplier must set forth full, accurate and complete information as required by this document. The penalty for making false statements in proposals is prescribed in 18 U.S.C. 1001.

PART 1 – CONTACT POSTAL UNIT SCHEDULE

1.1 CONTRACT POSTAL UNIT OPERATION

The supplier agrees to operate a Contract Postal Unit (CPU) in a facility operated by a supplier, at a supplier-owned or leased site, under contract to the Postal Service to provide specified Postal Services and supplies to the public, the terms and conditions established herein. Days and hours of operation will be coordinated with the designated postal official listed in Attachment 1, who will serve as the Postal Service point of contact with the supplier. A copy of the notice of appointment defining this individual's authority will be furnished to the supplier upon award. The contract will be for an indefinite term, subject to the rights of termination specified herein. The supplier must provide the services listed in Attachment 1, Requirements. The property required for the operation of this CPU is identified in Attachment 1.

The supplier agrees to operate a Contract Postal Unit (CPU) under the terms and conditions established herein for the fixed annual price of \$ _____. (Supplier insert offer in the space provided).

1.2 ACKNOWLEDGMENT OF AMENDMENTS

The supplier acknowledges receipt of amendments to the solicitation numbered and dated as follows:

| Amendment Number | Date | Amendment Number | Date |
|------------------|-------|------------------|-------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

PART 2 – SOLICITATION PROVISIONS

2.1 PROVISION 4-1 STANDARD SOLICITATION PROVISIONS

- a. **Submission of Offers.** Submit signed and dated offers to the office specified in this solicitation at or before the exact time specified on this solicitation.

As a minimum offers must show:

- a. Page 1, Item 10, individual or company name, dba, address, city, state zip and contact name.
 - b. Page 1, Item 11, CPU site name, physical address of CPU, telephone number, fax number and email address ***** DO NOT USE A POST OFFICE BOX ADDRESS FOR THE PHYSICAL ADDRESS *****
 - c. Page 1, Item 12, Contact Information. This is information on who to contact in regards to any issues or concerns with this contract.
 - d. Page 1, Item 13a, Taxpayer identification number (TIN) or Social Security Number (SSN). The TIN is the supplier's tax identification number used on the U.S. Treasury Form 941, *Employers Quarterly Federal Tax Return*.
 - e. Page 1, Item 13b, Parent Company's TIN (if applicable)
 - f. Page 1, Item 17b, Signature of Person Authorized to Sign, and Item 17c, Printed Name and Title of Person Authorized to Sign.
 - g. Provide all other information requested by Part 2 of this solicitation.
 - h. Provide all the information requested by Attachment 2 – Contract Postal Unit – Supplier Business Proposal and Information.
- b.
 - c. **Business Disagreements.** Business disagreements may be lodged with the Supplier Ombudsman if the supplier and the contracting officer have failed to resolve the disagreement as described in 39 CFR Section 601 (available for review at www.gpoaccess.gov/eufi). The Supplier Ombudsman will consider the disagreement only if it is lodged in accordance with the time limits and procedures described in 39 CFR Section 601. The Supplier Ombudsman's decisions are available for review at <http://www.usps.com>.

- d. **Late Offers.** Offers or modifications of offers received at the address specified for the receipt of offers after the exact time specified for receipt of offers will not be considered unless determined to be in the best interests of the Postal Service.
- e. **Type of Contract.** The Postal Service plans to award a Firm-fixed price contract under this solicitation, and all proposals must be submitted on this basis. Alternate proposals based on other contract types will not be considered.
- f. **Contract Award.** The Postal Service may evaluate offers and award a contract without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. Discussions may be conducted if the Postal Service determines they are necessary. The Postal Service may reject any or all offers if such action is in the best interest of the Postal Service; accept other than the lowest offer, and waive informalities and minor irregularities in offers received. The Postal Service reserves the right to award multiple (firm-fixed or performance-based) price contracts under this solicitation.
- g. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it, and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>. If checked, the following provisions is incorporated in this solicitation by reference:

Provision 3-1, Notice of Small, Minority, and Woman-owned Business Subcontracting Requirements (March 2006)

2.2 PROVISION 4-2 EVALUATION

- a. **General.** The Postal Service will award a contract resulting from this solicitation to the offeror whose offer conforming to the solicitation is deemed to offer the Postal Service the best value, price and other factors as specified considered. Supplier specific factors shown under item one (1) below will be evaluated on a pass or fail basis. Offerors whose supplier-specific evaluation factors are found acceptable will have their proposal-specific factors evaluated. Proposal-specific factors shown under item two (2) below will be evaluated according to the criteria, to include handicapped accessibility. Proposals which do not propose facilities that are handicapped accessible, or which do not demonstrate, to the Postal Service's satisfaction, how the facility will meet the applicable accessibility standards before service begins, will not be evaluated further. Failure to provide any of the information requested in Attachment 2 of this solicitation may disqualify your proposal from consideration. The performance evaluation factors (proposal-specific and supplier-specific factors), when combined, are considered to be **more important**, **less important**, **as important** as price. The following performance evaluation factors will be used in the evaluation of offers:

(1) **Supplier-Specific-Factors – Pass or Fail (See Attachment 2)**

- (a) Past Performance
- (b) Capability

(2) **Proposal-Specific Factors (See Attachment 2)**

- (a) Characteristics of the Supplier's Retail Facility
 - (i) Location
 - (ii) Current Business Volume
 - (iii) Physical Characteristics (including accessibility to the handicapped)
 - (iv) Parking and Public Transportation (including handicapped parking)
- (b) Characteristics of the Proposed CPU Facility within the Supplier's Retail Facility
- (c) Staffing

- b. **Notice of Award.** The Postal Service may accept an offer (or part of an offer), whether or not there are discussions after its receipt, before an offer's specified expiration time, unless a written notice of withdrawal is received before award. A written notice of award or acceptance

of an offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer, will result in a binding contract without further action by either party.

2.3 PROVISION 4-3 REPRESENTATIONS AND CERTIFICATIONS (MARCH 2006)

a. **Type of Business Organization.**

The offeror, by checking the applicable blocks, represents that it:

- (1) **Operates as:**
- a corporation incorporated under the laws of the state of _____;
 - an individual;
 - a partnership;
 - a joint venture;
 - a limited liability company;
 - a nonprofit organization; or
 - an educational institution; and
- (2) **Is** (check all that apply)
- a small business concern;
 - a minority business (indicate minority below):
 - Black American
 - Hispanic American
 - Native American
 - Asian American;
 - a woman-owned business; or
 - none of the above entities.
- (3) **Small Business Concern.** A small business concern for the purposes of Postal Service purchasing means a business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees, unless a different size standard has been established by the Small Business Administration (see 13 CFR 121, particularly for different size standards for airline, railroad, and construction companies). For subcontracts of \$50,000 or less, a subcontractor having no more than 500 employees qualifies as a small business without regard to other factors.
- (4) **Minority Business.** A minority business is a concern that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group, namely U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian Americans. (Native Americans are American Indians, Eskimos, Aleuts, and Native Hawaiians. Asian Americans are U.S. citizens whose origins are Japanese, Chinese, Filipino, Vietnamese, Korean, Samoan, Laotian, Kampuchea (Cambodian), Taiwanese, in the U.S. Trust Territories of the Pacific Islands or in the Indian subcontinent.)
- (5) **Woman-owned Business.** A woman-owned business is a concern at least 51 percent of which is owned by a woman (or women) who is a U.S. citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.
- (6) **Educational or Other Nonprofit Organization.** Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

b. **Parent Company and Taxpayer Identification Number.**

- (1) A parent company is one that owns or controls the basic business policies of an offeror. To own means to own more than 50 percent of the voting rights in the offeror. To control means to be able to formulate, determine, or veto basic business policy decisions of the offeror. A parent company need not own the offeror to control it; it may exercise control through the use of dominant minority voting rights, proxy voting, contractual arrangements, or otherwise.
- (2) Enter the offeror's Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security number or other Employee Identification Number used on

the offeror's Quarterly Federal Tax Return, U.S. Treasury Form 941. **Offeror's TIN:**

(3) Check this block if the offeror is owned or controlled by a parent company:

(4) If the block above is checked, provide the following information about the parent company:

Parent Company's Name: _____
Parent Company's Main Office: _____
Address: _____
No. and Street: _____
City: _____ State: _____ Zip Code: _____
Parent Company's TIN: _____

(5) If the offeror is a member of an affiliated group that files its federal income tax return on a consolidated basis (whether or not the offeror is owned or controlled by a parent company, as provided above) provide the name and TIN of the common parent of the affiliated group:

Name of Common Parent _____
Common Parent's TIN _____

c. Certificate of Independent Price Determination.

(1) By submitting this proposal, the offeror certifies, and in the case of a joint proposal each party to it certifies as to its own organization, that in connection with this solicitation:

- (a) The prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to the prices with any other offeror or with any competitor;
- (b) Unless otherwise required by law, the prices proposed have not been and will not be knowingly disclosed by the offeror before award of a contract, directly or indirectly to any other offeror or to any competitor; and
- (c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

(2) Each person signing this proposal certifies that:

- (a) He or she is the person in the offeror's organization responsible for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to paragraph a above; or
- (b) He or she is not the person in the offeror's organization responsible for the decision as to the prices being offered but that he or she has been authorized in writing to act as agent for the persons responsible in certifying that they have not participated, and will not participate, in any action contrary to paragraph a above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to paragraph a above.

(3) Modification or deletion of any provision in this certificate may result in the disregarding of the proposal as unacceptable. Any modification or deletion should be accompanied by a signed statement explaining the reasons and describing in detail any disclosure or communication.

d. Certification of Nonsegregated Facilities.

- (1) By submitting this proposal, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract.
- (2) As used in this certification, segregated facilities means any waiting rooms, work areas, rest rooms or wash rooms, restaurants or other eating areas, time clocks, locker rooms

or other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment area, transportation, or housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.

- (3) The offeror further agrees that (unless it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors before awarding subcontracts exceeding \$10,000 that are not exempt from the provisions of the Equal Opportunity clause; that it will retain these certifications in its files; and that it will forward the following notice to these proposed subcontractors (except when they have submitted identical certifications for specific time periods):

Notice: A certification of non segregated facilities must be submitted before the award of a subcontract exceeding \$10,000 that is not exempt from the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (quarterly, semiannually, or annually).

e. **Certification Regarding Debarment, Proposed Debarment, and Other Matters**

(This certification must be completed with respect to any offer with a value of \$100,000 or more.)

(1) **The offeror certifies, to the best of its knowledge and belief, that it or any of its principals**

- (a) **Are ___ are not ___** presently debarred or proposed for debarment, or declared ineligible for the award of contracts by any Federal, state, or local agency;
 - (b) **Have ___ have not ___**, within the three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property;
 - (c) **Are ___ are not ___** presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (b) above;
 - (d) **Have ___ have not ___** within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in conjunction with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and
 - (e) **Are ___ are not ___** presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (d) above.
- (2) The offeror **has ___ has not ___**, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, state, or local agency.
 - (3) "Principals," for the purposes of this certification, means officers, directors, owners, partners, and other persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
 - (4) The offeror **must** provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
 - (5) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered as part of the evaluation of the offeror's capability. The offeror's failure to furnish a certification or provide additional information requested by the contracting officer will affect the capability evaluation.
 - (6) Nothing contained in the foregoing may be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph

(a) of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

- (7) This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, Title 18, United States Code.
- (8) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Postal Service, the Contracting Officer may terminate the contract resulting from this solicitation for default.

f. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, its provision or clause number assigned to it, and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>. If checked, the following provision(s) is incorporated in this solicitation by reference:

- (1) Provision 1-2, Domestic Source Certificate – Supplies (March 2006)
- (2) Provision 1-3, Domestic Source Certificate – Construction Materials (March 2006)
- (3) Provision 9-1, Equal Opportunity Affirmative Action Program (March 2006)
- (4) Provision 9-2, Pre-award Equal Opportunity Compliance Review (March 2006)
- (5) Provision 9-3, Notice of Requirements for Equal Opportunity Affirmative Action (March 2006)

2.4 DEPOSIT AND BOND REQUIREMENTS (March 2006)

- a. If the offeror is required to submit bonds required for construction contracts, any offeror required to submit a surety bond as a result of this solicitation may instead deposit assets in a form acceptable to the Postal Service in an amount set forth in the Schedule.
- b. When the assets are deposited, the offeror **must** execute the Postal Service bond form made a part of this solicitation. Failure to deposit assets acceptable to the Postal Service may be cause for termination of the contract for default.

The offeror, within fifteen (15) days after notice of contract award, will be responsible for obtaining and submitting to the Postal Unit bond in the amount specified in Attachment 1 - Requirements. The bond must be executed by a Surety Company approved by the U.S. Treasury Department (see Treasury Department Circular 570 at <http://www.fms.treas.gov/c570/index.html>) in the Contract Postal Unit Bond format in Attachment 3 of this solicitation. The supplier's failure to provide the contracting officer representative with a bond may result in the contract being terminated on notice.

2.6 CERTIFICATION OF STATUTORY COMPLIANCE

The supplier (**check applicable box**) certifies that the business location within which it proposes to operate the Contract Postal Unit (CPU) is, or by the time service begins will be, in compliance with all applicable Federal, state, and municipal laws, codes and regulations. With respect to handicapped accessibility, offerors must propose facilities that are handicapped accessible, pursuant to the applicable standards, or must set forth plans demonstrating how a non-accessible facility will meet the applicable accessibility standards prior to the start of service.

2.7 DETERMINATION OF MINIMUM OR NON-MINIMUM RATE SUPPLIER (To be completed by supplier)

- a. Is the offeror an individual, Yes, No? If "Yes," continue.
- b. Will the offeror personally operate the CPU more than 50% of the time, Yes, No? If "Yes," continue.
- c. Will the CPU be operated in a facility devoted exclusively to CPU service, Yes, No? If "No," continue.
- d. Identify the other commercial activity to be conducted at the CPU site:
- e. Will the CPU's revenues exceed the other commercial activity's revenues (CPU revenue is gross revenues received by the Contract Postal Unit from its customers, less all credits, allowances and refunds allowed or granted to customers and less also the face or principal amount of all money orders issued by the CPU, and

excluding amounts received from the supplier itself, or from persons or entities controlling, controlled by, or under common control with the supplier), Yes, No?

If questions a, b, and c are all "Yes", or questions a, b, and e are "Yes," this is a minimum rate offer to which the clause at 3.22 and the other minimum rate provisions of this solicitation apply.

PART 3 – CONTRACT CLAUSES

3.1 CLAUSE 4-1 GENERAL TERMS AND CONDITIONS

- a. **Assignment.** If this contract provides for payments aggregating \$10,000 or more, claims for monies due or to become due from the Postal Service under it may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with: (1) the Postal Service; (2) the office, if any, designated to make the payment, and the Postal Service has acknowledged the assignment in writing; (3) the surety or sureties upon any bond and (4) assignment of this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.
- b. **Changes.**
- (1) The contracting officer may, in writing, without notice to any sureties, order changes within the general scope of this contract in the following:
 - (a) Drawings, designs, or specifications when supplies to be furnished are to be specially manufactured for the Postal Service in accordance with them;
 - (b) Statement of work or description of services;
 - (c) Method of shipment or packing;
 - (d) Places of delivery of supplies or performance of services;
 - (e) Delivery or performance schedule;
 - (f) Postal Service furnished property or facilities.
 - (2) Any other written or oral order (including direction, instruction, interpretation, or determination) from the contracting officer that causes a change will be treated as a change order under this paragraph, provided that the supplier gives the contracting officer written notice stating (a) the date, circumstances, and source of the order and (b) that the supplier regards the order as a change order.
 - (3) If any such change affects the cost of performance or the delivery schedule, the contract will be modified to effect an equitable adjustment.
 - (4) The supplier's claim for equitable adjustment must be asserted within 30 days of receiving a written change order. A later claim may be acted upon – but not after final payment under this contract – if the contracting officer decides that the facts justify such action.
 - (5) Failure to agree to any adjustment is a dispute under Clause B-9, Claims and Disputes, which is incorporated into this contract by reference (see Clause 4.2.a.1). Nothing in that clause excuses the supplier from proceeding with the contract as changed.
- c. **Patent Indemnity.** The supplier will indemnify the Postal Service and its officers, employees and agents against liability, including costs for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, or copyright, arising out of the performance of this contract, provided the supplier is reasonably notified of such claims and proceedings.
- d. **Payment.** The Postal Service will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and 5 CFR 1315. All payments will be made using Electronics Funds Transfer (EFT) to the supplier's servicing financial institution. Payment is made automatically, in arrears, by the St. Louis Accounting Service Center in twelve (12) equal monthly installments. Seasonal contracts will be paid in arrears, for each full month or partial month of service. Public Service Contracts are paid once annually, in arrears, after the contract anniversary date or on the contract termination date. Payment will be made within thirty (30) days after the end of the performance period.

- e. **Taxes.** The Postal Service will not withhold any Social Security, Federal, State or local taxes from any payments made under this contract. The Postal Service bears no responsibility for making the supplier's required payment of these taxes.
- f. **Other Compliance Requirements.** The supplier will comply with all applicable Federal, State, and local laws, executive orders, rules and regulations applicable to its performance under this contract.
- g. **Order of Precedence.** Any inconsistencies in this solicitation or contract will be resolved by giving precedence in the following order; (1) the schedule of supplies and services; (2) the Assignment, Disputes, Payments, Invoice, Other Compliances and Compliance with Laws unique to the Postal Service Contracts paragraphs of this clause; (3) the clause at 4-2 Contract Terms and Conditions Required to Implement Policies, Statutes or Executive Orders; (4) addenda to this solicitation or contract, including any license agreements for computer software; (5) solicitation provisions if this is a solicitation; (6) other paragraphs of this clause; (7) other documents, exhibits, and attachments, and (8) the specifications.
- h. **Shipping.** The supplier must deliver goods that meet the prescribed physical limitations of the current USPS Domestic Mail Manual either by its own personnel/equipment or by use of the United States Postal Service, unless the contracting officer grants a waiver of this requirement. The supplier is responsible for ensuring that the packing and packaging are sufficient to protect the goods and ensure usability upon receipt.
- i. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices and its date. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>.

The following clauses are incorporated in this contract by reference:

- (1) B-1, Definitions (March 2006)
- (2) B-15, Notice of Delay (March 2006)
- (3) B-16, Suspensions and Delays (March 2006)
- (4) B-19, Excusable Delays (March 2006)
- (5) B-30, Permits and Responsibilities (March 2006)

3.2 CLAUSE 4-2 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT POLICIES, STATUTES OR EXECUTIVE ORDERS

a. Incorporation by Reference

- (1) Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, the provision or clause number assigned to it in the Postal Service Supplying Practices. The text of incorporated terms may be found at <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm>. The following clauses are incorporated in this contract by reference:

- (1) Clause 1-5, *Gratuities or Gifts* (March 2006)
- (2) Clause B-9, *Claims and Disputes* (March 2006)
- (3) Clause B-25, *Advertising of Contract Awards* (March 2006)
- (4) Clause 9-1, *Convict Labor* (March 2006)
- (5) Clause 9-5, *Contract Work Hours and Safety Standards Act — Safety Standards* (March 2006)

- (2) **If checked**, the following additional clauses are also incorporated in this contract by reference:

- (1) Clause 1-1, *Privacy Protection* (March 2006)
- (2) Clause 1-6, *Contingent Fees* (March 2006)
- (3) Clause 1-9, *Preference for Domestic Supplies* (March 2006)
- (4) Clause 1-10, *Preference for Domestic Construction Materials* (March 2006)
- (5) Clause 3-1, *Small, Minority, and Woman-owned Business Subcontracting Requirements* (March 2006)
- (6) Clause 3-2, *Participation of Small, Minority, and Woman-owned Businesses* (March 2006)
- (7) Clause 9-2, *Contract Work Hours and Safety Standards Act — Overtime Compensation* (March 2006)
- (8) Clause 9-3, *Davis-Bacon Act* (March 2006)
- (9) Clause 9-6, *Walsh-Healey Public Contracts Act* (March 2006)
- (10) Clause 9-7, *Equal Opportunity* (March 2006)
- (11) Clause 9-10, *Service Contract Act* (March 2006)

- (12) Clause 9-11, *Service Contract Act – Short Form* (March 2006)
- (13) Clause 9-12, *Fair Labor Standards Acts and Services Contract Act — Price Adjustments* (March 2006)
- (14) Clause 9-13, *Affirmative Action for Handicapped Workers* (March 2006)
- (15) Clause 9-14, *Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era* (March 2006)

b. **Examination of Records.**

- (1) **Records.** "Records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form.
- (2) **Examination of Costs.** If this is a cost-type contract, the supplier must maintain, and the Postal Service will have the right to examine and audit all records and other evidence sufficient to reflect properly all costs claimed to have been incurred or anticipated to be incurred directly or indirectly in performance of this contract. This right of examination includes inspection at all reasonable times of the supplier's plants, or parts of them, engaged in the performance of this contract.
- (3) **Cost or Pricing Data.** If the supplier is required to submit cost or pricing data in connection with any pricing action relating to this contract, the Postal Service, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data, will have the right examine and audit all of the supplier's records, including computations and projections, related to:
 - (a) The proposal for the contract, subcontract, or modification;
 - (b) The discussions conducted on the proposal(s), including those related to negotiating;
 - (c) Pricing of the contract, subcontract, or modification; or
 - (d) Performance of the contract, subcontract or modification.

c. **Reports.** If the supplier is required to furnish cost, funding or performance reports, the contracting officer or any authorized representative of the Postal Service will have the right to examine and audit the supporting records and materials, for the purposes of evaluating:

- (1) The effectiveness of the supplier's policies and procedures to produce data compatible with the objectives of these reports; and
- (2) The data reported.

d. **Availability.** The supplier must maintain and make available at its office at all reasonable times the records, materials, and other

evidence described in paragraphs (a) through (d) of this clause, for examination, audit, or reproduction, until three years after final payment under this contract or any longer period required by statute or other clauses in this contract. In addition:

- (1) If this contract is completely or partially terminated, the supplier must make available the records related to the work terminated until three years after any resulting final termination settlement; and
- (2) The supplier must make available records relating to appeals under the claims and disputes clause or to litigation or the settlement of claims arising under or related to this contract. Such records must be made available until such appeals, litigation or claims are finally resolved.

3.3 **CLAUSE 2-12 POSTAL SERVICE PROPERTY - Short Form**

- a. Upon delivery to the supplier of Postal Service property, the supplier assumes the risk and responsibility for its loss or damage. The supplier shall assume all responsibility and liability for all Postal Service furnished property. USPS and supplier will be responsible for property maintenance as detailed in Part VI of Attachment 1 --Requirements.
- b. Upon the completion or sooner termination of this contract, the supplier must prepare for shipment, deliver f.o.b. origin, or dispose of the Postal Service property not consumed in performing this contract or previously delivered to the Postal Service, as directed or authorized by the contracting officer. The net proceeds of any disposal will be credited to the contract price or will be paid to the Postal Service as directed by the contracting officer.

3.4 **CLAUSE 6-1 CONTRACTING OFFICER'S REPRESENTATIVE (March 2006)**

The contracting officer will appoint a contracting officer's representative (COR), responsible for the day-to-day administration of the contract, who will serve as the Postal Service point of contact with the supplier on all routine matters. A copy of the notice of appointment defining the COR's authority will be furnished to the supplier upon award of contract.

3.5 CLAUSE 7-2 ADDITIONAL BOND SECURITY

If any surety furnishing a bond in connection with this contract becomes unacceptable to the Postal Service or fails to furnish reports on its financial condition as requested by the contracting officer, or if the value of postal funds, the postage value available in the postage evidencing system (postage meter) and accountable paper increases to the point where the security furnished becomes inadequate in the contracting officer representative's opinion, the supplier must promptly furnish additional bond security as required to protect the interests of the Postal Service.

3.6 CLAUSE 7-3 DEPOSIT OF ASSETS INSTEAD OF SURETY BONDS (March 2006)

- a. If the supplier has deposited assets instead of furnishing sureties for any bond required under this contract and the assets are in the form of checks, currency or drafts, the contracting officer will hold the assets in an account for the supplier's benefit.
- b. Upon contract completion, the supplier's funds will be returned as soon as possible, unless the contracting officer determines that part or all of the account is required to compensate the Postal Service for costs it incurs as a result of the supplier's delay, default, or failure to perform. In such a case, the entire account will be available to compensate the Postal Service.

3.7 APPEARANCE, LOCATION AND SECURITY

The Contract Postal Unit area, as well as the interior and exterior of the supplier's premises, must be kept clean, neat, uncluttered and in good repair. Windows must be clean and unobstructed. Facility identification and logo will be appropriately placed, visible and in good condition. Lighting must be adequate and properly maintained. Counters must be attractively organized to facilitate customer transactions. Signs (Hours of Operation and Collection Times, etc.) and promotional displays must be current and appropriate for the season. Trash receptacles must be available and clean. The Contract Postal Unit must not be located in or directly connected to a room where intoxicating beverages are sold for consumption on the premises. When the Contract Postal Unit is closed or unattended, the round dater must be kept in a secure location and any other accountable postal equipment.

3.8 PROHIBITED TRANSACTIONS

The supplier may not, in the Contract Postal Unit or in any part of the supplier's premises in which it is located, offer directly or by subcontract, lease, or sublease or otherwise provide:

- (1) commercial mail receiving (private mailbox) services;
- (2) third party delivery services, including serving as a drop-off or collection point for such services; or
- (3) any products or services which the contracting officer determines are similar to, or competitive with, the products and services offered by the Postal Service. Stationary, fax service and copy service are examples of products which are not similar to, or competitive with, those of the Postal Service.

3.9 POSTAL FUNDS

All moneys received from the operation of the Contract Postal Unit are the property of the U.S. Postal Service, and not the property of the supplier. Funds received in the operation of the CPU shall be kept separate and apart from all other funds received by the supplier.

3.10 LIABILITY

The supplier assumes the risk of, and will be responsible for, any loss of or damage to Postal Service moneys and property, except when the supplier can show that (1) the supplier complied with all of the security requirements contained in this contract and the losses occurred despite that compliance; and (2) that the losses did not result from the acts or omissions of the supplier or its personnel.

3.11 TRAINING

Customer service, product knowledge and equipment training modules are required and will be provided to the supplier's personnel by the Postal Service. Prior to or within 30 days of beginning work, supplier personnel who will be providing Contract Postal Unit (CPU) services will receive forty (40) hours training. The Postal Service will provide the supplier a training schedule no later than 15 days prior to the Operation Date (See Attachment 1 - Requirements). The supplier must notify the COR within one business day whenever a person is retained to work in the CPU, requesting that initial training be provided to that person. In addition, the Postal Service may require the supplier's personnel to complete eight (8) hours of training per year in each year subsequent to the year of their initial training. The supplier will be responsible for salary and benefits of its personnel who attend the required training. If approved by the Contracting Officer, the required training may be provided by the supplier's USPS certified trainer.

3.12 ADVERTISING

Upon commencement of Contract Postal Unit operation, the Postal Service may provide initial advertising to market the Contract Postal Unit, at no cost to the supplier, as well as appropriate camera-ready USPS logo art work for use in advertising initiated and paid for by the supplier. Any supplier sponsored CPU advertising which incorporates the USPS logo must be furnished to the Postal Service for its review and written approval at least 30 days before its publication deadline. The USPS logo is a Postal Service trademark and cannot be altered.

3.13 NEW SERVICES, PRODUCTS AND TECHNOLOGY

During the term of this contract, the contacting officer may, in accordance with the Changes clause, add or remove postal services to be provided under this contract. In the event new services are ordered, the Postal Service, at its own expense, will provide the supplier with additional training and if necessary the equipment or technology needed to provide the new service.

3.14 CONTRACT POSTAL UNIT IDENTITY

- a. The Contract Postal Unit shall be known as the UNITED STATES POST OFFICE CONTRACT UNIT.
- b. Subject to the terms of this Agreement, USPS grants to the supplier a non-exclusive, non-transferable and terminable license to use USPS Trademarks, including the marks Post Office, United States Post Office, Postal Service, United States Postal Service, United States Post Office Contract Unit and the Eagle Logo on the signs provided to the supplier by the Postal Service and in any USPS -approved advertising in the manner specified by USPS.
- c. The Postal Service, at its own expense, will provide all exterior and interior signage for the purpose of identifying the location as a Contract Postal Unit. The supplier, at its own expense, is responsible for obtaining needed permits (if any) and installing the signs in mutually agreed upon locations on the exterior and interior of the CPU location. The signs must be maintained in good repair, at supplier expense, for the duration of the contract. The signs may not be modified or moved without the prior written approval of the contracting officer. Upon termination of the contract, the supplier, at its own expense, is responsible for removing the signs, disposing of them as directed by the contracting officer, and restoring the location to its original condition.
- d. Except as specified in this paragraph, the supplier is not authorized to include the name, POST OFFICE, in its corporate name, trade name or business name. The supplier is not authorized to use any USPS trademarks or logos, including the mark Post Office, in any other manner without the prior approval of the Postal Service.
- e. The supplier acknowledges that USPS Trademarks, including but not limited to the marks Post Office, United States Post Office, Postal Service, United States Postal Service and the Eagle Logo are trademarks owned solely and exclusively by USPS and agrees to use USPS trademarks only in the form and manner (with appropriate legends) prescribed by USPS. The supplier agrees not to use any other trademark or service mark in connection with any USPS Trademarks without prior written approval of USPS. The supplier agrees to mark all advertising and other uses of USPS Trademarks with a legend indicating that USPS Trademarks are the property of USPS and that they are being used under license from USPS, together with any

other legends or marking that may be required by law. All use of USPS Trademarks by the supplier shall inure to the benefit of USPS.

3.15 MONTHLY REPORTS – MINIMUM RATE SUPPLIERS

Minimum rate suppliers must submit a Monthly Report of Operations to the contracting officer's representative (COR) for approval, no later than two working days after the end of each calendar month. The reports will be checked by the COR to ensure that the hours of operation specified in the contract are not being exceeded.

3.16 PERFORMANCE REVIEWS

- a. Contract performance reviews may be held periodically to promote continuous quality improvement and improve the business relationship. All aspects of contract performance will be discussed during these reviews.
- b. Any changes to this contract as a result of the performance review will be incorporated by a bilateral modification or a bilateral written agreement between the COR and the supplier.

3.17 INSPECTION OF CONTRACT POSTAL UNIT

The Postal Service, reserves the right, without prior notice, to conduct audits and customer surveys and to review and inspect the supplier's performance and the quality of service at any time during the operating hours of the Contract Postal Unit. A written report will be submitted to the supplier for corrective action, if necessary.

3.18 POSTAL RETAIL PRODUCT AND SERVICE PROMOTIONS AND COMPENSATION

During the contract term from time to time, on such schedule as it may establish, the Postal Service may direct the supplier to participate in promotions of one or more of the retail products and services listed in Attachment 1, Parts IV and V. During any such promotion, the Postal Service will measure the supplier's performance (expressed in terms of total revenues or percentages of revenues) against the comparable revenues of other CPU suppliers within a designated geographic unit (such as a Postal Service District or Area), all as established by the rules of the promotion. For participation in such promotion, supplier shall be entitled to receive such additional compensation as specified in the promotion's rules for its performance relative to that of the other participating CPU suppliers. The Postal Service will provide the supplier with all instructions, rules and support materials required for each promotion.

3.19 CHANGES IN SUPPLIER'S LEASE AND/OR BUSINESS OPERATIONS

If the supplier is leasing this space, by signing this proposal the supplier certifies that the supplier's lease authorizes the supplier to perform alterations to the premises and that services to be performed under the contract do not violate the supplier's lease contract. The supplier must notify the Postal Service, in writing of the following, within the time frames shown below:

- a. Within five (5) days after notification from the owner of the leased building in which the Contract Postal Unit is located of the owner's intent to cancel the lease or not to renew the lease. The contracting officer may terminate the contract if the supplier cannot relocate to a location that serves the needs of the Postal Service.
- b. At least one hundred twenty (120) days before the supplier closes, sells, or relocates a business it operates in conjunction with the Contract Postal Unit.

3.20 TRANSFER OF CONTRACT

- a. The supplier may not transfer (assign to another party) this contract, any interest in it, or any claims based on it -- except under the circumstances described in b. below. If the supplier does so, the Postal Service may, at any time after notifying the supplier in writing, terminate the contract and use any other rights and remedies it has by law.
- b. **Exceptions**
 - (1) The Postal Service may recognize a transfer as valid if all of the supplier's assets, or all those involved in fulfilling the contract, are transferred.
 - (2) Payments owed the supplier may be transferred to a bank, trust company or other financial institution, including any Federal lending agency, if all amounts payable are transferred and the transfer is to a single party (who may be an agent or trustee for two or more parties who are involved in the financing).

-
- c. For any transfer to be valid, the supplier must give the Postal Service written notice with the transfer paper attached and obtain approval from the Postal Service in writing. Copies of the notice and attachments must be filed with: the Postal Service; the surety or sureties on any Contract Postal Unit bond and the Postal Service, if any, which has been designated to make payment.

3.21 BOND NOTIFICATION

The supplier **must** notify the contracting officer's representative within five (5) days if the supplier's surety cancels its Contract Postal Unit bond or if the supplier changes sureties.

3.22 MINIMUM RATE

Minimum rate suppliers must receive not less than the prevailing Federal minimum wage for work performed. The annual price proposed by a minimum rate offer must, when divided by the annual operating hours, provide the supplier at least the prevailing Federal minimum wage. If it does not, the offer may be rejected.

3.23 REQUEST FOR PRICE ADJUSTMENT

- a. After the supplier has had the contract for at least two full years, and thereafter, two years since the last price increase was effective, the supplier may request an increase in the contract's annual price. The written request must provide a detailed explanation, with supporting documentation, to justify the increase based on either or both of the following reasons:
 - (1) Direct cost increases for rent, utilities, taxes and labor. (If the CPU is operated in conjunction with another business, the increased costs must be prorated and only those costs associated with the operation of the CPU will be considered.)
 - (2) Increased benefit to the Postal Service. The benefit may derive from increased real revenue (not from fee or rate increases), increased transactions, or other improvements (must be specific).
- b. The request must be submitted to the contracting officer's representative (COR) for forwarding to the contracting officer.
- c. The contracting officer may accept the request, deny the request, or negotiate with the supplier to reach agreement on a new annual price. If the request is denied or no agreement is reached, the supplier may continue at the same annual price or the contract may be terminated by either party in accordance with Termination on Notice clause. If the request is accepted or agreement is reached on another amount, the supplier must waive its right to terminate the contract on notice for one year beginning from the effective date of the new price.

3.24 CONTRACTS BETWEEN THE POSTAL SERVICE AND ITS EMPLOYEES OR BUSINESS ORGANIZATIONS SUBSTANTIALLY OWNED OR CONTROLLED BY POSTAL SERVICE EMPLOYEES (CONTRACT POSTAL UNIT)

- a. Generally, the Postal Service does not enter into contracts with its employees, their immediate families, or business organizations substantially owned or controlled by Postal Service employees or their immediate families. "Immediate family" means spouse, minor child or children, and individuals related to the employee by blood who are residents of the employee's household. Postal Service employees and their immediate family may not be involved in the administrations or operations of a Contract Postal Unit (CPU).
- b. All supplier personnel assigned to the Contract Postal Unit must be professionally attired and wear name tags. All personnel must project a professional image of the Postal Service at all times while operating the CPU.
- c. The contracting officer may require removal of an employee from the CPU operations if, in the opinion of the Postal Service the employee cannot do the work or fails to comply with applicable standards of conduct.

3.25 TERMINATION ON NOTICE

This contract may be terminated by either party **upon one hundred twenty (120) days' written notice**. In the event of such termination, neither party will be liable for any costs, except for payment in accordance with the payment provisions of the contract for actual services rendered prior to the effective date of the termination. When required to protect the Postal Service's interests, the contracting officer may terminate the contract upon one day's written notice.

PART 4 - ATTACHMENTS

| <u>ATTACHMENT NO.</u> | <u>TITLE</u> | <u>NO. OF PAGES</u> |
|-----------------------|--|---------------------|
| 1 | REQUIREMENTS | 2 |
| 2 | CONTRACT POSTAL UNIT - SUPPLIER BUSINESS PROPOSAL AND INFORMATION (INCLUDING WORKSHEET) | 2 |
| 3 | CONTRACT POSTAL UNIT BOND | 3 |

ATTACHMENT 1 - REQUIREMENTS

I. DESCRIPTION

The Contract Postal Unit will report to the following:

Title

Installation Name

Street Address

City, State, ZIP+4

Telephone Number (include area code)

TYPE OF CONTRACT POSTAL UNIT (CPU):

This CPU is a Community Post Office (CPO), is not a Community Post Office.

CONTRACT POSTAL UNIT BOND AMOUNT: \$ _____. Any change to the above bond amount after contract award must be agreed to, in writing, by both the supplier and the COR. Copies of the change will be maintained by the supplier, COR, and the District Retail Office.

AREA/LOCATION (identify general boundaries and attach map)

II. OPERATIONAL DATE:

The Contract Postal Unit (CPU) contract term will commence upon receipt of the Contract Postal Unit bond and notification from the CPU Coordinator that the supplier training and signage requirements have been completed and accepted by the Postal Service. If the Contract postal unit is operated on a seasonal basis the opening date will be _____ and the closing date will be _____ each year of operation.

IIIa. OPERATION DAYS AND HOURS

The CPU must be operating Monday through Friday from _____ a.m. to _____ p.m. Saturday from _____ a.m. to _____ p.m. If the retail business is open to the public on Sundays and holidays, the CPU must be operating on Sundays from _____ a.m. to _____ p.m. and holidays from _____ a.m. to _____ p.m.

IIIb. SERVICE DAYS AND HOURS

The CPU must be ready to be open to the public, Monday through Friday from _____ a.m. to _____ p.m., Saturday from _____ a.m. to _____ p.m., and Sunday from _____ a.m. to _____ p.m.. If the retail business is open to the public on Holidays, the CPU must be open to the public too. Any change to these hours after contract award must be agreed to, in writing, by both the supplier and the contracting officer's representative (COR). Copies of the change will be maintained by the supplier, COR, and the District Retail Office.

| A. STAMPS & PRODUCTS | B. DOMESTIC MAIL | C. INTERNATIONAL MAIL | D. SPECIAL SERVICES |
|---|---|---|--|
| Stamps Stamped Envelopes Stamped Postal Cards | Express Mail Service Priority Mail Service First Class Mail Service Package Services | Express Mail International Priority Mail International First Class Mail International | Insured Mail Certified Mail Return Receipt Delivery Confirmation Svc Signature Confirmation Svc Registered Mail |

V. OTHER SERVICES - The supplier must provide the services checked below.

| |
|--|
| <input type="checkbox"/> Global Express Guaranteed Service (GXG) |
| <input type="checkbox"/> Post Office Boxes - Number _____ |
| |

VI. PROPERTY/EQUIPMENT/SUPPLIES:

The indicated provider will furnish each item of property, equipment, and supplies necessary to operate this Contract Postal Unit. Neither party provides the item if "N/A" is checked.

| ITEM | PROVIDED BY | | INSTALLED BY | | MAINTAINED BY | | N/A |
|--|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| | USPS | SUPPLIER | USPS | SUPPLIER | USPS | SUPPLIER | |
| EQUIPMENT | | | | | | | |
| Cash Register | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mobile Delivery Confirmation Device (MDCD) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Postage Meter (required) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Electronic Scale | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Post Office Boxes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Safe | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FURNITURE | | | | | | | |
| Counter(s) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Desk W/File Drawer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sack Rack(s) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| SIGNS | | | | | | | |
| Exterior | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Interior | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| SUPPLIES | | | | | | | |
| Accountable Paper | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| USPS Forms | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Name Tags | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Office Supplies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| MISCELLANEOUS | | | | | | | |
| Utilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Telephone Instrument(s) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Data Line | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| OTHER | | | | | | | |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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**ATTACHMENT 2
SUPPLIER BUSINESS PROPOSAL, INFORMATION AND WORKSHEET**

The supplier is required to provide the information below. The information provided will be used to evaluate your proposal. Failure to include any of the requested information may disqualify your proposal from consideration. All information provided must be verifiable and the Postal Service may need to meet with the supplier and/or visit the proposed contract postal unit (CPU) facility to complete this evaluation. Any addendum to this attachment must be clearly marked as such and returned with your offer.

Supplier's Proposal to meet the USPS Requirement for a CPU Contract. The Postal Service's requirement is for a contract postal facility which is convenient to our customers, in an attractive setting and staffed and managed in a way which encourages them to use it to obtain postal services. With that in mind, explain, use the following to explain how the facility you propose at your location meets that requirement. Your proposal should address each topic as listed below.

1. Past Performance. Provide at least three (3) references that will demonstrate/verify a history of satisfactory past performance. These references will be asked about your performance in the areas of quality, timeliness of performance, business relations and cost control.

| | |
|----------------|--------------|
| 1. Name | Title |
| Company | Phone |
| 2. Name | Title |
| Company | Phone |
| 3. Name | Title |
| Company | Phone |

2. Capability. The supplier must provide information that it is financially sound. This information should document financial performance during the last full fiscal/accounting year and should include financial reports, profit and lost statements and balance sheets. Attach this information to this worksheet. In the space provided below, provide the name of your primary lending/banking institution, its phone number, and a point of contact.

| |
|--------------------------------|
| Financial Institution – |
| Point of contact |
| Phone |

3. Characteristics of your *Retail Facility*.

| |
|--------------------------------------|
| Proposed CPU Name |
| Proposed CPU Physical Address |
| City, State Zip +4 |
| Business email address |

3a. Location. Location, in terms of its relationship to the customers to be served, other business, etc.

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3b. Current Business Volume. Provide verifiable information on current daily foot traffic, sales per square feet and other information indicative of business volume and market served.

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3c. Physical Characteristics. What features of your facility make it convenient and attractive to postal customers? Also, be sure to address accessibility to the handicapped (in terms of your facility and of the CPU within your facility) and if facility is not currently accessible, how it will be made accessible before service begins.

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3d. Parking and Public Transportation. Describe the availability and extent of on-site and other public parking (including handicapped parking), whether that parking is paid or free and the extent of availability of public transportation convenient to your location.

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4. Characteristics of the Proposed CPU facility within your location. Discuss how your proposed CPU facility meets or exceeds the space requirements of Attachment 5 of the solicitation, as well as its other location and appearance requirements. Attach a drawing of where the CPU will be located. Indicate the store entrances, exits, and checkout stations in relation to the CPU location.

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5. Staffing. Discuss plans for staffing and managing the CPU during regular business hours and the holiday season. Explain the relationship between CPU personnel to other personnel and the extent to which CPU staff will perform other duties within your business. Describe your plans or programs to deal with employee turnover and absenteeism with respect to the CPU.

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CONTRACT POSTAL UNIT BOND

INSTRUCTIONS

1. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of this form. **The legal name on the bond must be the same as the legal name on the contract.** The bond must be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved, evidence of authority must be furnished.
2. Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein.
3. Corporations executing the bond must affix their corporate seals. Individuals must execute the bond opposite the word "Seal"; and, if executed in Maine or New Hampshire, must also affix an adhesive seal.
4. **MAIL THE ORIGINAL BOND AND ALL CORRESPONDENCE RELATING TO THE BOND TO:**
US POSTAL SERVICE
ATTN CPU COR
STREET ADDRESS
CITY, STATE ZIP+4

THE TREASURY DEPARTMENT'S LIST OF APPROVED SURETIES
MAY BE ACCESSED ON THE INTERNET AT:
<http://www.fms.treas.gov/c570/index.html>

CHECKLIST FOR Contract Postal Unit Bond

Your bond **MUST** include the following:

1. Surety company/corporation who is approved by the Treasury Department and on the Treasury list.
2. Proper penal sum (dollar amount) in accordance with contract, unless written amendment from COR.
3. Signature of principal.
4. Signature of corporate surety representative.
5. Public Notary on signature of individual representing corporate surety.
6. Power of Attorney on signature of individual representing corporate surety.
7. Corporate seal of corporate surety (if available).

CONTRACT POSTAL UNIT BOND

USPS CONTRACT NUMBER: _____

DATE BOND EXECUTED: _____

PENAL SUM OF BOND: \$ _____

BOND NUMBER: _____

CONTRACT UNIT LOCATION: _____

| | | | |
|-----------|---|--------------------------------|-----------------|
| PRINCIPAL | (Legal name and business address. Name must match what is on your contract) | TYPE OF ORGANIZATION ("X" one) | |
| | | () Individual | () Partnership |
| | | () Joint Venture | () Corporation |
| | | STATE OF INCORPORATION | |

SURETY(IES) Name(s) and business address(es) _____

KNOW ALL MEN BY THESE PRESENTS, that we, the Principal and Surety(ies) hereto, are firmly bound to the United States Postal Service (the Postal Service) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: Provided, That, where the Sureties are corporations acting as co-sureties, we the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of each Surety, but if no limit of liability is indicated, the limit of liability will be the full amount of the penal sum.

THE CONDITION OF THIS OBLIGATION IS that the Principal and the Postal Service entered into the contract identified above for the operation of a Contract Postal Unit.

NOW THEREFORE, If the Principal(s):

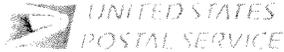
- (a) performs and fulfills all duties and trusts imposed on it as supplier in accordance with the terms of the contract and such rules, regulations and directions as the Postal Service or its authorized representative will prescribe pursuant to the contract; and
- (b) faithfully accounts for, deliver, and pays over to the Postal Service or its authorized representative all moneys, stamps, postage value available in the postage evidencing system (postage meter), stamped paper, money order stock, mail matter, Postal Service property furnished pursuant to the contract, and all other property of every kind which comes into its possession (including the possession of its employees or agents) during the performance of the contract; then this obligation will be void and of no effect; otherwise it will remain in full force and effect.

THIS BOND and the obligation hereunder will remain in full force and effect until the contract identified herein ends or is terminated in accordance with its provisions. However, the surety may cancel this bond upon 120 days written notice given to the Postal Service and the Principal at any time after the expiration of the three-year period following the start of the bonded contract. In addition, the surety may cancel this bond at any time that the surety has the written consent of both the Postal Service and the Principal, or that the Principal furnishes to the Postal Service a substitute bond on terms equivalent to this bond with a surety satisfactory to the Postal Service.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Contract Postal Unit Bond and have affixed their seals on the date set forth above.

Exhibit 7.4 Sample Guidelines for Completing the Evaluation Worksheet

TRAVEL, RETAIL AND TEMPORARY SERVICES CATEGORY MANAGEMENT CENTER



Date: _____

US POSTAL SERVICE
EVALUATION COMMITTEE CHAIR PERSON

RE: Solicitation Number: 2BCPAC-08-A-XXXX **Location: City, State**

Enclosed are copies of the Supplier's Business Proposal(s) received in our office in response to the above solicitation for a CARS Performance-based CPU. We have attached a copy of the Evaluation and Award criteria (Section 2.2), a copy of Attachment 2, Contract Postal Unit, Supplier Business Proposal and Information, and a copy of the Evaluation Worksheet for your information and use.

Guidelines for completing the Evaluation Worksheet:

1. Supplier-Specific Factors (past performance and capability) will be evaluated on a pass or fail basis. Prior to rating the supplier(s) pass or fail, an individual on the evaluation committee must contact each reference provided on Attachment 2 and fill-out the Supplier-Specific Factors - Reference Work-Sheet. A reference sheet must be filled out for each supplier reference and copies submitted to this office with evaluation sheets. Offerors whose supplier-specific evaluation factors are found acceptable will have their proposal-specific evaluations factors evaluated. Offerors who do not pass supplier-specific evaluation factors are not evaluated any further.
2. Proposal-Specific Factors will be evaluated according to the maximum assigned points relative to the points listed in Section 2.2 of the solicitation, except for handicapped accessibility, which is pass or fail. Before you begin to evaluate the proposal-specific factors, determine if the proposed facilities are handicapped accessible or if they will be handicapped accessible before service begins. Facilities that do not meet the handicapped accessibility standards will not be evaluated further.
3. Continue your evaluation on the proposal-specific factors for the suppliers that passed the handicapped accessibility factor. Complete an Evaluation Worksheet for each offeror and add up the total points. Please return the completed worksheets to this office by _____(Date).

Since this is a negotiated purchase, there must be no public disclosure of the proposals received. Please have the evaluation committee members read and sign the attached Non Disclosure Agreement. Return the signed copies with your completed evaluation forms. DO NOT DISCUSS PRICING WITH ANY OF THE PROSPECTIVE SUPPLIERS.

We will award a contract resulting from this solicitation to the supplier whose offer conforming to the solicitation offers the best value to the Postal Service, price and other factors considered. We will notify all unsuccessful offerors at the time of award. If you have any questions regarding the evaluation process, please call me at (303) 743-XXXX.

Name
Purchasing & Supply Management Specialist
Contract Postal Access Channels Team

Attachments

3300 S PARKER RD STE 400
AURORA CO 80014-3500
FAX: (303) 743-1251

NON DISCLOSURE AGREEMENT

CONTRACT POSTAL UNIT

SOLICITATION NUMBER: 2BCPAC-08-A-XXXX

USC TITLE 18, SECTION 1905:

"Whoever, being an officer or employee of the United States of any department or agency thereof, publishes, divulges, discloses, or makes known in a matter or to any extent not authorized by law any information coming to him/her in the course of this employment of occasional duties or by any reason of any examination or investigation made by, or return, report, or record made to or filled with, such department or agency or officer or employee thereof, which information concerns or relates to trade secrets, processes, operations, style of work, or source of any income, profits, losses, or expenditures of any person except as provided by law; shall be fined not more than \$1,000 or imprisoned not more than one year, or both and shall be removed from office or employment."

I CERTIFY that the deliberations of the panel and information on the contents of proposals and evaluations will be kept confidential and I will not discuss it with anyone outside the Panel Meetings.

I CERTIFY that at no time during the Panel deliberations will I discuss with anyone (a) the number of proposals received, (b) the rankings of proposals, (c) cost figures, (d) proposed staff or any other information.

I CERTIFY that I fully understand that the only person directly connected with the procurement process other than the Panel Members are the Contractor(s), or the Contracting Officer. All other personnel are excluded regardless of rank or position.

I CERTIFY that this confidentiality will be maintained even after the Panel has concluded its business. I realize that after award of the contract has been made, most of the information becomes public record, but even then any information should be released only through the Contracting Officer.

I HEREBY CERTIFY as a member of the Technical Evaluation Panel that I have read the aforementioned; that I am familiar with the law, directives, and policies governing the disclosure of information related to this selection; and that I fully and completely observe those directives and will not disclose such information to any unauthorized person.

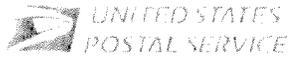
PRINTED NAME

SIGNATURE

DATE

Exhibit 7.5 Evaluation Worksheet for Performance-Based CPU or Firm-Fixed CPU

TRAVEL, RETAIL AND TEMPORARY SERVICES CATEGORY MANAGEMENT CENTER



EVALUATION WORKSHEET FOR CARS PERFORMANCE-BASED CPU

POINT ASSIGNMENT FOR BUSINESS PROPOSALS

Solicitation Number: _____ Name of Supplier: _____

Complete a separate worksheet for every proposal received, assigning points for each criterion based on the maximum points you requested in the solicitation package. **You must document your rationale for each point assignment.**

Supplier-Specific Factors

Pass Fail

1. Past Performance

2. Capability

Pass Fail

Handicapped Accessible

Currently Accessible?

Pass Fail

Determine if the proposed facilities are handicapped accessible or if they will be handicapped accessible before service begins. Facilities that do not meet the handicapped accessibility standards will not be evaluated further.

Proposal-Specific Factors

3. Characteristics of Your Retail Facility:

(a) Location – Maximum of _____ Points Points for this Supplier: _____

Strengths:

Weaknesses:

Additional Comments:

(b) Current Business Volume – Maximum of _____ Points Points for this Supplier: _____

Strengths:

Weaknesses:

Additional Comments:

(c) Physical Characteristics – Maximum of _____ Points Points for this Supplier: _____

Strengths:

Weaknesses:

Additional Comments:

Proposal-Specific Evaluation Factors (Continued)

(d) Parking and Public Transportation – Maximum of _____ Points Points for this Supplier: _____

Strengths:

Weaknesses:

Additional Comments:

4. Characteristics of the Proposed CPU Facility within Your Location.

Maximum of _____ Points Points for this Supplier: _____

Does this CPU meet or exceed space requirements? Where will the CPU be located within their facility? Does this CPU meet or exceed location and appearance requirements?

Strengths:

Weaknesses:

Additional Comments:

Staffing

Maximum of _____ Points Points for this Supplier: _____

How will the Supplier staff and manage the CPU during regular business periods and holidays? To what extent will the CPU staff perform other duties within your business? How will you deal with employee turnover with respect to the CPU specifically?

Strengths:

Weaknesses:

Additional Comments:

Total Points for Proposal-Specific Evaluation Factors is 100.

Total Points for this Supplier: _____

Evaluator: _____
Name Title

Date: _____

Supplier Reference Sheet

Solicitation No: _____ Name of Offeror: _____
 Name of reference: _____ Reference telephone #: _____
 Contacted by: _____ Date Contacted: _____

Past Performance: In the solicitation we asked that the supplier "Provide at least three references that will demonstrate/verify a history of satisfactory past performance. Each supplier's references should be asked about the supplier's performance in the areas of quality, timeliness of performance, business relations, and cost control. Please, contact each reference and ask the following questions, provide a brief answer (strength and weakness) and rank each response as indicated below.

Rate each questions below as: *X* for Excellent *S* for Satisfactory or *U* for Unsatisfactory

| | |
|---|--------------------|
| <p><u>Quality:</u></p> <p>Q: How would you rate the quality of this person's work?</p> <p>A: _____ _____ _____</p> | <p>Rank: _____</p> |
| <p><u>Timeliness of performance:</u></p> <p>Q: How would you rate this individual's consistency in reporting and doing work in a timely manner?</p> <p>A: _____ _____ _____</p> | <p>Rank: _____</p> |
| <p><u>Business Relations:</u></p> <p>Q: How would you rate this individual's cooperativeness?</p> <p>A: _____ _____ _____</p> | <p>Rank: _____</p> |
| <p><u>Cost Control:</u></p> <p>Q: What type of knowledge or experience do you have regarding the supplier's ability to control cost? (Business/household)</p> <p>A: _____ _____ _____</p> | <p>Rank: _____</p> |
| <p>Q: <u>What is your overall rating of supplier?</u></p> <p>Additional comments: _____ _____ _____</p> | <p>Rank: _____</p> |
| <p>Financial Capability: After you have reviewed the supplier's financial documents would you "Rank" them? Why? _____</p> | <p>Rank _____</p> |



Date:

US POSTAL SERVICE
TRAVEL, RETAIL AND TEMPORARY SERVICES CMC
ATTN (BUYER'S NAME)
3300 S PARKER RD STE 400
AURORA CO 80014-3500

Re: Solicitation No.: _____

Administrative Office: _____

| Offeror | Total Points |
|---------|--------------|
| 1. | |
| 2. | |
| 3. | |
| 4. | |

Based on the overall evaluation, I consider the proposal(s) listed above acceptable from a business standpoint and worthy of consideration in the final evaluation process leading to selection for award, except the following (identify by name and give reasons):

1. _____

2. _____

Evaluation Committee Team Leader Signature

Date

Exhibit 7.6 Appointment of a Contracting Officer's Representative

APPOINTMENT OF CONTRACTING OFFICER'S REPRESENTATIVE
CARS PERFORMANCE-BASED CONTRACT

Contact No.:

Finance #:

Site ID:

In accordance with MI PM-610-2001-1, dated 04-03-01, and for the purpose of representing the Contracting Officer in administering the above-referenced Contract Postal Unit (CPU) contract, the _____ is hereby designated as the Contracting Officer's Representative (COR). The responsibilities and authority covered by this COR appointment may not be re-delegated.

As the COR of the contract, you are delegated the responsibility and authority to assist the supplier in CPU start-up and provide all necessary training. Please do the following immediately:

1. Furnish the supplier with accountable items.
2. Establish the appropriate mail pickup and delivery schedule based on the operating hours of the CPU.
3. Provide the supplier with information on accessing the Domestic Mail Manual (DMM), International Mail Manual (IMM), Pub 52 Hazardous, Restricted, and Perishable Mail, and provide any updates as issued through CARS.
4. Give the supplier a copy of Publication 116, Contract Postal Unit Operations Guide, and provide all updates as issued.
5. Furnish the supplier with all Postal Service property specified in the contract and have the supplier acknowledge in writing the receipt of all Postal provided equipment for inclusion in your contract administration file. Should equipment other than that specified within the contract be required by or issued to the supplier, document your contract file and equipment list immediately.
6. Document all training for CPU personnel on the CPU Training form and retain in the contract folder.
7. Notify all appropriate internal and external functions and individuals of the opening of this CPU.
8. If you have not completed the required COR Training, Course Number 34Q01-08, go to the website listed below and complete the training.

<http://aes.usps.gov>

Your ongoing responsibilities are to monitor the overall operation of the CPU and ensure continued compliance with all contractual terms and conditions. As the COR, your duties and functions are summarized below:

1. Payment problems can be researched in CPUT. For access to CPUT, refer to eAccess. For additional information, contact your District Retail Specialist/CPU Coordinator, or the St. Louis Accounting Help Desk (1-866-974-2733).
2. Conduct quarterly performance reviews of CPU operations. Performance reviews will ensure that the CPU is operating efficiently and that contract specifications are met; i.e., post office prices, stamps purchased through a USPS authorized provider, HAZMAT safety concerns, facility image, and revenue performance. If the supplier is not performing in accordance with the contract, work with the supplier to correct any problems. If problems are not resolved, issue a letter to the supplier citing specific conditions of unsatisfactory performance and state the period of time for correction. If not corrected, contact Contracting Officer and the District Retail Specialist/CPU Coordinator and request the contract be terminated.
3. Monitor the hours of service provided by the supplier to make sure they adequately serve the customer. All changes must be in writing and mutually agreed to between the COR and the supplier. Retain a copy of the change in the contract administration file and provide a copy to the supplier and the District Retail Specialist/CPU Coordinator.
4. Maintain a contract administration file that contains all correspondence (both internal and external), reports, and other documents pertinent to the contract. This appointment is to remain in the contract administration file.
5. In accordance with the contract, only the Contracting Officer can terminate this contract. Upon contract termination, ensure that all Postal Service property has been returned.

NOTE: Under no circumstances may you make any changes to the contract terms, conditions, or pricing structure other than discussed above. If there is a need to modify the contract, please contact a Contracting Officer.

UPON RECEIPT, PLEASE DISCUSS THIS APPOINTMENT WITH YOUR SUPPLIER.

Contracting Officer
Contract Postal Access Channels Team

Date

cc: Supplier

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Chapter 8 Constructing the CPU Design

8-1 Introduction

The CPU contract has been approved and it is time to begin. This chapter will explain how this process works.

8-2 Review of the CPU D&CR Documents (Attachment 5)

First, the CPU coordinator receives a copy of the CPU contract award. Then the CPU coordinator reviews the completed CPU D&CR (see [Exhibit 4.1](#), CPU Design and Construction Requirements") to see what casework and signage the Postal Service is to provide.

The CPU coordinator coordinates and schedules an onsite meeting with the following team members:

- a. CPU coordinator.
- b. Postal Service A/E (if applicable).
- c. COR.
- d. The CPU supplier.

The CPU supplier prepares and submits the required CPU design layout based on the CPU D&CR. If A/E support has been requested from the Facilities Service Office (FSO), the CPU coordinator provides the A/E a copy of the supplier's design prior to the on-site (post-award) meeting.

8-3 Supplier's Design Submittal

The supplier submits a preliminary design with its proposal. The preliminary layout may be adequate if it is a Case I (full compliance) or Case II (substantial compliance) submittal (see Section 4-8). A Case III submittal will require drawings and specifications. If the A/E is involved in the process, drawings are sent to the FSO A/E for consultation and approval. The Postal Service A/E offers suggestions to simplify or improve function. The CPU supplier and A/E review the site for signage needs. The supplier determines whether professional services are needed.

If included in the design process, the Postal Service A/E approves the design when it complies with specifications given to the supplier and notifies the Denver CMC of the approval. Otherwise, the CPU coordinator, with guidance from the FSO, will approve it.

The Denver CMC advises the CPU supplier, CPU coordinator, and COR in writing that the drawing/plan is accepted and build-out may commence. The supplier is solely responsible for means and methods and obtaining permits and/or approvals for all signs. The supplier is also responsible for installing and providing electrical power to the Postal Service illuminated signs.

8-4 On-site Meeting

Although the means and methods that the supplier intends to use to accomplish the build-out is strictly the supplier's responsibility, it is usually helpful to walk through the supplier's "plan" to help identify any potential problems the Postal Service may have observed on other build-outs.

The CPU coordinator or A/E (if involved in the process) does the following:

- a. Verifies the location of the CPU within the store and agrees with the design.
- b. Verifies that the available space in the store will accommodate the design.

- c. Verifies that the layout, orientation, and space around the CPU are adequate and consistent with the design.
- d. Reviews the supplier's proposed construction schedule and coordinates approximate delivery dates/times for Postal Service equipment.
- e. Discusses the size and weight of the cabinetry delivery items.
- f. Determines whether a dock-high delivery point is present or, if there is no dock, if a lift-gate truck will be needed.
- g. Discusses how the supplier intends on doing the build-out.
- h. Reviews the entrance/exits for pick-up of the mail.
- i. Reviews proposed sign types and locations.
- j. Verifies that the supplier has the necessary approvals for exterior signs.
- k. Reminds the supplier that he/she needs to complete the pre-inspection checklist after construction is finished for final inspection.
- l. Places orders after design approval and the on-site meeting.
- m. Verifies that the supplier has permits and approvals to install signage.

The CPU coordinator ensures that orders are placed for furniture and casework and CPU signage. Both the CPU coordinator and COR ensure that orders are placed for all other equipment needs per the CPU activation checklist (see [Exhibit 9.1](#), and see Chapter 9 for a detailed discussion of the checklist).

Timely placement of orders and follow-through are critical. In the CPU D&CR, Part A — Responsibility Schedule shows the type and quantity of all items to be ordered except signage, and Part B — Signage Requirements shows the type and quantity of all signage to be ordered. (To see Parts A and B of the CPU D&CR, see [Exhibit 4.1](#), CPU Design and Construction Requirements.)

Typically, the order consists of the following:

- a. Interior signage (CPU logo, door decals, illuminated window sign, and placards).
- b. Exterior sign.
- c. Workstation(s).
- d. Mail drop slot.
- e. Sack rack cabinets.

Note on the order forms, (see [Exhibit 8.1](#), "Equipment Order Form") if delivery will be at dock height. In some cases, it is necessary to deliver the equipment to the nearest Post Office — with the approval of the local postmaster and with the understanding that the CPU supplier's contractor must come to the Post Office to pick up the equipment and deliver it to the site.

8-5 Ordering Furniture and Casework

The CPU workstation can be constructed into either a left- or right-hand model. Pre-purchased cabinetry is only for a performance-based contract in which a build-out is being completed. The district must assume the cost of the counters, including shipping.

See [Exhibit 8.2](#), "Ordering Process for CPU Workstations."

8-6 Ordering Signage

Refer to the Signage Requirements Sheet in the CPU D&CR (see Part B in [Exhibit 4.1](#), CPU Design and Construction Requirements," and see also [Exhibit 4.1](#), "Transworld Signs"). The Postal Service has a direct vendor through which all signage orders must be placed.

A district-level-approved funding document for signage and verification that the supplier has permits and approvals for installing the signage are necessary before ordering signage. (Also see [Exhibit 8.2](#), "Ordering Process for CPU Workstations.")

8-7 Finalizing the Design

Communicate consistently and follow the progress of the construction. The supplier gives notice when the fit-out is complete. The A/E (if applicable), COR, and CPU coordinator perform a final inspection. Then the CPU coordinator or A/E formally accepts the space.

Exhibit 8.1 Equipment Order Form

Contract Postal Unit Equipment Order Form

| | |
|----------------|--|
| Bill To | |
| Fedstrip | |
| Finance # | |

(Alternate Address)

| Ordering Office | |
|------------------------|--|
| Office Name | |
| Address | |
| City | |
| St | |
| Zip + 4 | |

| Shipping Location | |
|--------------------------|--|
| Office Name | |
| Address | |
| City | |
| St | |
| Zip + 4 | |

| | |
|--------------|--|
| Contact Name | |
| Phone Number | |

| | |
|--------------|--|
| Contact Name | |
| Phone Number | |

| | |
|--------------|--|
| Date Ordered | |
| Date Needed | |

| NSN | PSIN | QTY | Description |
|------------------|--------|-----|-----------------------------------|
| 7110-03-000-7470 | 7400C | | CPU Counter |
| 7110-03-000-7472 | 7400PS | | Handicap Side Counter for CPU 42" |

Please add this information to the order notes

Does the shipping location have a dock?

| |
|--|
| |
| |

Does the shipping location have off load capability?

24 hour notice - Call

| |
|--|
| |
|--|

| |
|--------------------|
| Other Notes |
| |

All orders should be entered with alternate address unless otherwise noted

bit 8.2 Ordering Process for CPU Workstations

Area Retail Managers
District Retail Managers
District Retail Specialists

Ordering Process for CPU Workstations

District Retail Specialist will obtain funding approval for counters.
District Retail Specialist will complete CPU Equipment Order Form.
E-mail completed form to MDC Customer Service on Outlook
Copy the CPU Program Manager at HQ Retail Access Channels on each email
Topeka will place order with Baker.
Baker will ship within 15 days of order receipt.

Current casework prices:

Workstation \$3,326.14
Side Counter \$446.54

These prices became effective 02/2008. (Always check Blueshare:
<http://supply.blueshare.usps.gov/sites/cpac/default.aspx> for the latest prices.)

Thanks for your cooperation.

Dennis W. Kelly III
Program Manager
Contract Postal Access Channels

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Chapter 9 Activating the CPU

9-1 Introduction

Now that the paperwork is all done, there is still a lot of work to do to make this project a success. The COR will continue to work with the CPU team to ensure that constructing and supplying the CPU go according to plan.

9-2 CPU Activation Checklist

The CPU activation checklist (see [Exhibit 9.1](#)) provides a guide to logically activate the CPU. The checklist consists of the following phases:

- a. Post-Award Phase I (after contract award)
- b. Post-Award Phase II (after receipt of bond and concurrent with build-out) (this does not apply to a CARS contract)
- c. Post-Award Phase III (build-out complete)
- d. Opening Day
- e. Grand Opening
- f. Follow-Up

9-3 Notification

Announce the opening of a new CPU with a letter stating all the pertinent information about the CPU (see [Exhibit 9.2](#), "CPU Opening Announcement Letter").

9-4 Advertising

9-4.1 Overview

Advertising creates community awareness of the CPU location and hours of operation. There are many forms of advertising that should be used prior to the opening of the CPU and continue throughout the life of the contract including grand opening advertising, Message Maker 2, and point-of-purchase (POP) signage.

9-4.2 Grand Opening Advertising

Grand opening advertising consists of the following items:

- a. Grand opening news release (see [Exhibit 9.3](#), "Press Release, CPU Opening").
 - 1) Name and location of the CPU.
 - 2) Products and services provided.
 - 3) Hours of operation.
 - 4) Phone number.
 - 5) Contact for additional information.
- b. Postcard.
- c. Door sign.
- d. Co-op advertising (supplier and Postal Service partner on advertising).
- e. Sustaining advertising.

9-4.3 Message Maker 2

Message Maker 2 consists of the following CPU elements:

- a. Create-awareness postcards, which are sent to local addresses, to advertise CPUs at the following types of business:
 - 1) Retail food store.
 - 2) Pharmacy.
 - 3) Convenience store.
 - 4) Bank.
 - 5) Generic.
- b. Create-awareness door sign.

9-4.4 Point-of-Purchase Signage

Point-of-purchase signage (POP) is signage that communicates product and service information and promotional messages to our customers. POP is designed to give the right information at the right place and the right time so customers can make an informed decision as to the products and services that they need.

There are two types of POP:

- a. Continuity menu boards, which are continuously displayed and promote core products and services. (The CPU coordinator can order continuity menu boards from the Topeka Material Distribution Center (MDC).)
- b. Promotional POP, which is seasonal and provides a specific, solution-oriented product.

At this time, CPUs are provided only with continuity menu boards.

9-4.5 Local Signage

In some communities, the state's Department of Transportation (DOT) will erect signs directing the public to the CPU location. In most cases, the COR should contact the state's DOT to make this request.

9-5 Training

9-5.1 Overview

Two types of training are required: COR training and CPU supplier employee training.

9-5.2 COR Training

COR training is designed specifically for CORs. It explains their responsibilities, must be completed within 2 weeks of the notification of appointment, and is completed by completing training course 34Q01-08, "Contracting Officer's Representative (COR)," which is accessible on the Postal Service Intranet Web site located at <http://hrpsb.usps.gov/purch/infrastructure/wbt.htm>.

9-5.3 CPU Supplier Employee Training

Supplier training focuses on customer service, product knowledge, and equipment training. This is a customized training program based on Publication 116, *Contract Postal Units Operations Guide*, which also has a video to be used for training the CPU supplier's employees. The video and the publication are left with the supplier for future training.

The 40 hours of training — which includes classroom and on-the-job training — includes but is not limited to the following:

- a. HAZMAT and Aviation Security — Course # 54294-00.
- b. CARS
- c. Supply ordering.
- d. Bank secrecy (if applicable).
- e. Daily financial reporting (if applicable).
- f. Registered Mail service.

The training schedule will be provided by the Postal Service to the supplier 15 days prior to opening date. If the Postal Service introduces a new product or service, an additional 8 hours of training per year may be necessary. The supplier is responsible for paying employees during training. Training must be documented in the supplier's employee training folder on the CPU training attendance record. This training record should be kept in the COR's file in the host Post Office. (See [Exhibit 9.4](#), CPU Training Record.)

9-5.4 Finance Training for 1412 Daily Reporting Offices

After contract award and receipt of an acceptable CPU bond the COR should provide finance training related to Postal Service accounting policies and procedures and the daily PS Form 1412, *Daily Financial Report*.

Training must include the following:

Postage meter used at a CPU

The COR will need to provide an authorization letter to the CPU supplier for access to the Postal Meter Resetting System (PMRS) (see [Exhibit 9.6](#), "Meter Activation Letter"). This will authorize the supplier to use the PMRS. The CPU supplier must provide a signed copy of this letter to the meter manufacturer and retain a copy in the CPU. The guidelines are as follows:

- a. The CPU supplier must lease the meter at the supplier's expense from an approved meter supplier (see [Exhibit 9.7](#), "Authorized Postage Evidencing (Postage Meter) Systems Vendors").
- b. The meter is to be used exclusively for customer mailings.
- c. The postage meter is not to be used for commercial mail services.
- d. The CPU supplier may use the meter for CPU mail in an amount that would be considered reasonable and customary for the type of business that is hosting the CPU.
- e. The combined value of stamp stock and meter postage cannot exceed the CPU bond limit.
- f. The CPU supplier cannot request a meter setting in excess of \$25,000.
- g. Daily meter revenue must be reported on PS Form 3602-PO, *Postage Collected Through Post Office Meter*, and on PS Form 1412, *Daily Financial Report*, in AIC 110.
- h. The CPU supplier must call the meter manufacturer to add postage.
- i. Additional postage added must be reported on PS Form 3602-PO.

CPU Daily Financial Closeout

CPU contractor must prepare PS Form 1412 to report daily financial transactions performed and submit to the host Post Office on daily basis with the required supporting documents (e.g., tapes, lists, and receipts). PS Form 1412 must be prepared in ink, duplicate with date, name and opening accountability balance. If an error is made, draw one line through the entry and write the correction above and initial.

Perform daily closeout as follows:

1. Complete PS Form 3602-PO, *Postage Collected Through Postage Meters*, (if applicable) and enter the calculated amount into AIC 110, *Post Office Postage Meter Sales*.

2. Run a calculator tape of money orders sold, enter amount of money orders into AIC 100, *Domestic Money Order – Value*, and the money order fees into AIC 101, *Domestic Money Order Fees*.
3. Organize all supporting documentation by type and calculate the amount by products and service and enter into the appropriate AICs (e.g., PO Box Fees, Lobby Service Revenues, etc.)
4. Post sales of retail products (if applicable) into the appropriate AICs of the PS Form 1412.
5. Run a calculator tape of checks accepted.
6. Count the funds to be deposited and enter amounts to AIC 752, *Cash Remitted Final*.
7. Calculate the amount of postage sales and enter into AIC 090, *Postage Stock Sales*.
8. Verify that AIC 840, *Stamp Accountability Opening Balance*, matches the previous day's AIC 853, *Stamp Accountability Closing Balance*.
9. Complete the Stamp Accountability section of PS Form 1412 as follows:
 - a. Enter in AIC 841, *Stamp Stock Received*, if any stock received from the SDO.
 - b. Enter AIC 848, *Stamp Stock Returned*, if any stock returned to the SDO.
 - c. Enter AIC 852, *Total Stamp Accountability Sales*, total sales of AIC 090.
 - d. Calculate the amount of AIC 853, *Stamp Accountability Closing Balance*.
10. Ensure PS Form 1412 is in balance, totals of AIC 400, *Cash Required*, and AIC 800, *Cash Accounted For*, must match.
11. Sign, date and submit the PS Form 1412 to the assigned host Post Office.

Required Documents

Listed below are required documents for 1412 reporting units:

- a. The original PS Form 1412.
- b. The original PS Form 3602-PO. (See notes on last page for instructions.)
- c. Duplicate PS Forms 3544, *USPS Receipt for Money or Services*.
- d. Original COD tags (if not paid at the unit).
- e. Original Customs Form 3419A, *Mail Entry — Customs*, and PS Form 2944, *Receipt for Customs Duty Mail*.
- f. Money order vouchers, spoiled money orders, and calculator tapes.
- g. Original PS Form 17, *Stamp Requisition/Stamp Return*, for stock shipped/received/returned.

CPUs should continue to use their green zippered PS Form 1412 pouches to dispatch their daily financial reports and documents to the assigned host Post Office.

Note: See Handbook F-101, Field Accounting Procedures, section XXXX

9-6 Equipment/Property/Supplies

9-6.1 Overview

After contract award and receipt of an acceptable CPU bond (used only at "1412 reporting units" — i.e., units that use PS Form 1412, *Daily Financial Report*), the COR should provide any Postal Service–furnished equipment, property, and supplies as required by the contract.

The COR must complete an equipment/property/supplies (EPS) inventory list, have the EPS list signed by the CPU supplier, and retain it in the contract administration file. (See [Exhibit 9.5](#), EPS inventory list.)

9-6.2 Contract Retail Access System (CARS)

CARS will be provided to CPU suppliers that have performance-based contracts, do not have Post Office boxes, and do not sell postal money orders. This device will weigh and rate mail as well as report

—transactional data. This will cause a change in the way that financial and accountable issues are handled in these CPU locations. CARS cannot be used in a 1412 reporting office.

Suppliers are responsible for all supplies for CARS. Stamps are obtained through an Authorized Postal Service supplier. Postage in the Postage Security Device (PSD) is paid for in advance through an ACH debit account, withdrawn by the CPU supplier, and downloaded through CARS. Transactional data and financial data is uploaded daily from CARS and then to the Postal Service for tracking and compensation purposes. The cost of equipment is paid for by Headquarters. No bonding, PS Form 1412, financial audits, or separation of funds are required.

Credit/debit acceptance equipment will not be provided by the Postal Service. The supplier will need to obtain its own equipment. All fees and charges are the responsibility of the CPU supplier.

9-7 Operational Requirements

The COR is responsible for ensuring that all other operational requirements outlined in Publication 116 and the CPU activation checklist (see [Exhibit 9.1](#)) are met. These include the following:

- a. Implementing mail collection schedule.
- b. Informing the CPU supplier of the procedure used to order stamp stock through an authorized Postal Service provider for CARS contracts or from a stamp distribution office (SDO) for firm-fixed price and performance based contracts functioning in the Postal accounting system.
- c. Ordering postal supplies for the CPU (see [Exhibit 9.8](#), "Forms, Labels, and Envelopes Order Form"; [Exhibit 9.9](#), "Priority Mail, Express Mail, and Global Supplies Order Form").
- d. Setting up the bank deposit process (not applicable for CARS contracts).
- e. Notifying the district Finance Number Control Master (FNCM) coordinator to have a unit added to the FNCM database and activated.

9-6 Equipment/Property/Supplies

9-6.1 Overview

After contract award and receipt of an acceptable CPU bond (used only at "1412 reporting units" — i.e., units that use PS Form 1412, *Daily Financial Report*), the COR should provide any Postal Service–furnished equipment, property, and supplies as required by the contract.

The COR must complete an equipment/property/supplies (EPS) inventory list, have the EPS list signed by the CPU supplier, and retain it in the contract administration file. (See [Exhibit 9.5](#), EPS inventory list.)

9-6.2 Contract Retail Access System (CARS) – Non 1412 Daily Reporting Offices

CARS will be provided to CPU suppliers that have performance-based contracts, do not have Post Office boxes, and do not sell postal money orders. This device will weigh and rate mail as well as report transactional data. This will cause a change in the way that financial and accountable issues are handled in these CPU locations.

Suppliers are responsible for all supplies for CARS. Stamps are obtained through an Authorized Postal Service supplier. Postage in the Postage Security Device (PSD) is paid for in advance through an ACH debit account, withdrawn by the CPU supplier, and downloaded through CARS. Transactional data and

financial data is uploaded daily from CARS and then to the Postal Service for tracking and compensation purposes. The cost of equipment is paid for by Headquarters. Credit/debit acceptance equipment will not be provided by the Postal Service. The supplier will need to obtain its own equipment. All fees and charges are the responsibility of the CPU supplier. Self-service vending equipment is *not* to be located in a CPU location.

9-7 Operational Requirements

The COR is responsible for ensuring that all other operational requirements outlined in Publication 116 and the CPU activation checklist (see [Exhibit 9.1](#)) are met. These include the following:

- f. Implementing mail collection schedule.
- g. Informing the CPU supplier of the procedure used to order stamp stock through an authorized Postal Service provider for CARS contracts or from a stamp distribution office (SDO) for firm-fixed price and performance based contracts functioning in the Postal accounting system.
- h. Ordering postal supplies for the CPU (see [Exhibit 9.8](#), "Forms, Labels, and Envelopes Order Form"; [Exhibit 9.9](#), "Priority Mail, Express Mail, and Global Supplies Order Form").
- i. Setting up the bank deposit process (not applicable for CARS contracts).
- j. Notifying the district Finance Number Control Master (FNCM) coordinator to have a unit added to the FNCM database and activated.

9-8 CPU Financial Requirements (1412 Daily Reporting Offices)

9-8.1 Overview

CPUs must follow all applicable accounting procedures found in Handbook F-101, Field Accounting Procedures, section , which states that designated employees in CPUs must prepare a consolidated PS Form 1412 for the unit each day. All CPUs should have an up-to-date copy of Handbook F-101 on hand. (See section 9-5.4)

Note: The current edition of Handbook F-101, with updates published in the Postal Bulletin, is available on the Postal Service PolicyNet Web site at <http://blueshare.usps.gov/cpim>; click on HBKs. PS Form 1412 and all supporting documents must be dispatched to the host Post Office on the earliest available transportation. If transportation is not available until the next day, it may be necessary for the unit to fax the reports and documents.

9-8.3 Responsibilities

9-8.3.1 Host Post Office Responsibilities

The host Post Office should receive all reports and documents *the morning of the next business day*, if possible. If the original reports don't reach the host Post Office the next morning, faxes are acceptable for data input. However, the original documents must follow and must be verified and filed. Hand delivery should be considered if it is the only way to meet the schedule.

The host Post Office must create a file box for PS Forms 3544 to ensure the receipts are used in sequential order without any being skipped. When the unit has spoiled a receipt, all copies must be marked "Spoiled." The original and duplicate are submitted to the host Post Office with the daily PS Form 1412.

The data input person *must* verify all documents against the AICs on each PS Form 1412. When documents do not match the AIC, have been omitted from the report, or are not submitted, the data input

person must correct the AIC and create the necessary trust or suspense item to balance PS Form 1412. For more detailed policies and procedures on financial reporting, see Handbook F-101, *Field Accounting Procedures*, section 5-7, *Host Post Office Daily Financial Reporting Responsibilities*.

Money orders require special verification. The data input person aligns the money order vouchers in serial number order, creates an independent calculator tape to "prove" AIC's 100 and 101, signs and dates the tape, and attaches it to the CPU tape that was provided. Spoiled money orders must be submitted by the CPU to the host Post Office. The data entry person verifies that all spoiled orders are submitted, annotates on the verification tape any spoiled money order received, and *destroys the money orders* (the vouchers can be stamped "spoiled" and kept with the daily vouchers). If a spoiled money order is claimed by the CPU but not submitted, and if the money order is subsequently cashed, the CPU is liable for that amount.

9-8.3.2 Verifying CPU PS Form 1412

The daily responsibilities of the host Post Office postmaster or designated employee are as follows:

- a. Coordinate with the contract postal unit (CPU) to ensure receipt of a daily PS Form 1412, *Daily Financial Report*, with supporting documentation. CPUs cannot combine daily reporting mounts from different days on one PS Form 1412.
- b. Review the money order tape as follows:
 1. Verify money order serial numbers.
 2. Verify that beginning and ending numbers are correct and sold in sequence.
 3. Verify amounts, issue ID, and date.
 4. Report missing money orders to the U.S. Postal Inspection Service (USPIS) immediately.
 5. Verify spoiled and voided money orders (all parts), and submit them to unit manager for destruction.
 6. Identify missing vouchers.

Note: If a postmaster is unable to account for the dollar amount of a missing voucher, complete a PS Form 6401, *Money Order Inquiry*, and mail it to the SIC to retrieve a copy of the cashed item. Mail the issue information regarding missing vouchers, identified within the same month as the issue date, to the following address:

GENERAL ACCOUNTING BRANCH — MISSING VOUCHERS
ACCOUNTING SERVICES
PO BOX 82449
ST LOUIS MO 63182-2449

- c. Ensure that employees at the CPU complete the Bank Secrecy Act (BSA) training, have current forms on hand, and complete and mail forms as required.
- d. Verify the following on PS Form 1412:
 1. The opening balance of AIC 840 with the previous day's AIC 853 ending balance.
 2. AIC 110 with PS Form 3602-PO, *Postage Collected Through Postage Meters*, if CPU has a postage meter.
 3. AIC entries match the amounts from the supporting documentation. Supporting documentation must agree with the totals entered in individual AICs.

Note: CPUs must report unused meter labels in AIC 553 on PS Form 1412 and submit PS Form 3533 with attached labels as supporting documentation.

- e. Enter the CPU's PS Form 1412 via eMOVES.
- f. Log AICs 247 and AIC 647 activities (see Appendix III, Exhibit 1). The postmaster or designated employee may choose to use the FPR Net Financial Differences (AIC 247/647)—Line Detail report in the Accounting Data Mart (ADM) for monitoring AIC 247 and AIC 647 expenses.
- g. Examine the CPU's accountability annually for compliance (see subchapter 13-7).
- h. Ensure that the CPU's total accountability does not exceed its bonded amount.

-
- i. For discrepancies of \$100 or more, complete PS Form 571, *Discrepancies of \$100 or More in Financial Responsibility*, and submit to the appropriate Office of Inspector General (OIG). See Appendix II for the list of OIG field offices.

9-8.3.3 Printing Missing Money Order Report

1. In the eMOVES program, select "REPORTS."
2. Select "MISSING MONEY ORDER REPORT."
3. Select "VIEW BY ALL USERS."
4. Select "PRINT."

All blank money orders shipped to a CPU must also be tracked in eMOVES.

The host Post Office should enter new blocks in the unit money order files in MOVES. *From each of its CPUs, the host Post Office should obtain a copy of all PS Forms 17, whether for stock or money orders.*

Once all units are input for the day, file accountable documents as indicated above. Any other documentation should be attached to the PS Forms 1412 and filed by date. Maintain envelopes specifically for CPU business by the week. Annotate the unit numbers, dates, month/FY, and week of the enclosed reports on the outside of the envelope. Store in date order. These may be requested for random verification separately from the classified unit documents. Host Post Offices must input all CPU PS Forms 1412 into MOVES no later than 9:00 a.m. the next morning.

The host Post Office should receive all reports and documents *the morning of the next business day*, if possible. If the original reports don't reach the host Post Office the next morning, faxes are acceptable for data input. However, the original documents must follow and must be verified and filed. Hand delivery is considered if it is the only way to meet the schedule. The host Post Office must create a file box for the reports to ensure the receipts are used in sequential order without any being skipped. When the unit reports are input, all copies must be marked "Spoiled." The original and duplicate are submitted to the host Post Office with the daily PS Form 1412.

The data input person *must* verify all documents against the AICs on each PS Form 1412. When documents do not match the AIC, have been omitted from the report, or are not submitted, the data input person must correct the AIC and create the necessary trust or suspense item to balance PS Form 1412.

CARS CPU ACTIVATION CHECKLIST

**POST-AWARD PHASE 1
(After Contract Award)**

COR RESPONSIBILITIES

Order Basic Supplies

- Pre-Inked Counter Stamps
- Rate/Zone Chart
- IMM (International Mail Manual)
- Packaging Supplies (Priority, Express, Global)
- PUB 52 (Hazardous Materials)
- Product Information Brochures
- PUB 116 CPU Operations Guide
- Change of Address Kits – Mover's Guide

- Special Services forms
- Postal Bulletins
- DMM (Domestic Mail Manual)
- PUB 65 (ZIP Code Directory)
- Express Mail Network Directory
- Mail Size Template
- Round dater

Order/procure USPS Equipment

- Collection Box
- Registry Pouches, Seals, and Supplies
- Letter Trays

- Mail Tubs
- Sacks & Sack Racks

RETAIL SPECIALIST/CPU COORDINATOR RESPONSIBILITIES

- Order display fixtures (pegs & acrylics)
- CARS
- Counters & Casework
- Signage

**POST-AWARD PHASE 2
(Concurrent with Build-Out)**

COR RESPONSIBILITIES

- Store all USPS supplies and equipment for CPU
- Establish collection schedule
- Establish dispatch procedures in accordance with local policy

COR & RETAIL SPECIALIST/CPU COORDINATOR RESPONSIBILITIES

- Assist CPU Supplier with initial stamp order from Kansas City SFS
- Monitors construction activity
- Order POP continuity signage and hardware from Topeka Material Distribution Center (MDC)
- Identify the trainer and the training site for both the classroom and on-the-job training
- Develop CPU classroom training schedule (generally 24 hours) at least 15 days prior to opening
- Preferably schedule training immediately prior to opening
- Schedule on-the-job training (generally 16 hours) for the first two days after CPU opening
- Prepare training aids as needed (PUB 116 etc.)
- Thirty days prior to opening prepare and make provisions for promotional mailing

**POST-AWARD PHASE 3
(Build-Out Complete)**

COR RESPONSIBILITIES

- Transfer supplies/equipment to CPU site
- Assist CPU Supplier with equipment set-up/storage of supplies
- Ensure that classroom (generally 24 hour) training is completed

RETAIL SPECIALIST/CPU COORDINATOR RESPONSIBILITIES

Notify the following departments of the opening date of the new CPU:

- | | |
|---|---|
| <input type="checkbox"/> Consumer Affairs | <input type="checkbox"/> Expedited Services |
| <input type="checkbox"/> Inspection Service | <input type="checkbox"/> P&DC Registry Unit |
| <input type="checkbox"/> Denver CMC | |
| <input type="checkbox"/> Address Management Systems | |

Contact Denver CMC with the following information:

- | | |
|---|---|
| <input type="checkbox"/> Date build-out and signage completed | <input type="checkbox"/> CPU start date |
| <input type="checkbox"/> Date training was completed | |

- Develop Grand Opening plans
- Coordinate Grand Opening plans with Supplier and the COR
- Order Message Maker Advertising and Signage

OPENING DAY

COR RESPONSIBILITIES

- Begin on-site training (generally 16 hours) at CPU location
- Visit CPU to provide any additional support needed
- Ensure collection schedule is followed

GRAND OPENING DAY

COR RESPONSIBILITIES

- Identify affected delivery area to determine ad piece requirements
- Send invitations to local dignitaries
- Arrange for guest speakers (if applicable)
- Acquire red ribbon to cut, balloons, and give-a-ways

RETAIL SPECIALIST/CPU COORDINATOR RESPONSIBILITIES

- Notify local Corporate Relations Coordinator to contact media to advertise event
- Provide new alternate access posters to classified stations nearest the CPU location

FOLLOW UP

COR & RETAIL SPECIALIST/CPU COORDINATOR RESPONSIBILITIES

- Begin quarterly performance reviews
- Identify deficiencies and correct
- Coordinate advertising plans for increasing customer awareness of the CPU location with the CPU supplier (post card and cooperative advertising)

Exhibit 9.3 Press Release, CPU Opening

Use "POSTAL NEWS" Letterhead

Date:

Contact: (Name of submitter)

Phone:

FOR IMMEDIATE RELEASE

POSTAL SERVICE OPENS NEW CONTRACT UNIT

To increase convenience and access to postal services, a new Contract Postal Unit (CPU) has been opened at insert name of business. A full line of postal products and services are available at the new CPU including postage stamps, Express Mail® service, Priority Mail® service, special services, packaging products, and much more! The hours of operation provide convenient access on insert days of operation, from start/end hours.

The CPU also has a new look. "Customers will easily recognize the presence of postal services at new contract locations by the exterior and interior signage, as well as the new retail counter configuration and product display," says insert name of Postal Service official. The Postal Service™ has re-engineered the entire CPU program to better answer the needs of Postal Service customers nationwide.

For more information regarding CPU locations, please contact your local postmaster or insert name of Retail Specialist, at insert phone number.

Exhibit 9.6 Meter Activation Letter

POSTMASTER
City State Zip+4



(Date)

(Supplier's Name)
(Supplier's Business Name)
(Street Address)
(City, State ZIP+4)

Re: Authorization for Remote-Set Postage Meter

Dear (Supplier's Name):

As your Contracting Officer's Representative (COR), I am authorizing (CPU Site Name) Contract Postal Unit to operate a remote-set postage meter and use the Postal Meter Resetting System.

Listed below is the information required by the meter manufacture to establish a Postal Meter Resetting System meter account:

Finance Number: (XX-XXXX)
SFAS Unit I.D.: (XXXX)
ZIP Code: (XXXXX)

Please provide a copy of this letter of authorization to the meter manufacturer and maintain a copy in your files.

If you have any questions, please contact your District Retail Specialist at (XXX-XXX-XXXX).

Thank you.

(Name)
(Contracting Officer's Representative Position), (City), (ST), (ZIP+4)

cc: Manager, Accounting Operations

Exhibit 9.7 Authorized Postage Evidencing (Postage Meter) Systems Vendors

Data-Pac Mailing Systems Corp.

1217 Bay Rd
Webster, NY 14580-1958
800-355-1775
www.data-pac.com

FP Mailing Solutions

140 N. Mitchell Court, Suite 200
Addison, IL 60101-5629
800-341-6052
www.fp-usa.com

Hasler, Inc.

19 Forest Parkway
Shelton CT 06484-6140
800-243-6275
www.haslerinc.com

Neopost

30955 Huntwood Avenue
Hayward CA 94544-7084
800-624-7892
www.neopostinc.com

Pitney Bowes Inc.

1 Elmcroft Road
Stamford CT 06926-0700
800-322-8000
www.pitneybowes.com

Exhibit 9.8 Forms, Labels, and Envelopes Order Form

| Forms, Labels and Envelopes Order Form | | Quantity |
|--|--|----------|
| Date: _____ | | |
| 1096 Receipt | | |
| 152 Delivery Confirmation | | |
| 153 Signature Confirmation | | |
| 2865 International Return Receipt | | |
| 2976 Customs Form | | |
| 2976a Customs Form | | |
| 2976e Customs Envelope | | |
| 3546 Forward Order Change Notice | | |
| 3576 COA Notice to Correspondents | | |
| 3800 Certified Mail | | |
| 3804 Return Receipt for Merchandise | | |
| 3806 Registered Mail | | |
| 3811 Return Receipt | | |
| 3811a Return Receipt after Mailing | | |
| 3813 \$ 50 Ins | | |
| 3813p Insured Mail over \$50 | | |
| 3816 Collect On Delivery | | |
| 3817 Certificate of Mailing | | |
| 3830a Registry Bill | | |
| 3854 Registry Book | | |
| 4314c Consumer Service Card | | |
| 8076 Hold Order | | |
| 8099 Recorded Delivery | | |
| EP 11 Outside Registry Envelope | | |
| EP 399 Registered Mail Envelope | | |
| EP 875 White USPS Envelope | | |
| EP 9 Registry Bill Envelope | | |
| EP875 Envelope | | |
| Label 89 Reg Envelope Label | | |
| Label 200 Registered Label | | |
| Pub 122 Filing Indemnity Claims | | |
| Pub 227 Packaging Pointers | | |
| Pub 9 Philatelic Catalog | | |
| | | |

Exhibit 9.9 CPU Supplies Order Form

Date: _____

| Priority Mail Supplies | Quantity |
|----------------------------------|-----------------|
| Label 106 (stickers) | |
| Label 228 Mailing Labels | |
| Tape | |
| Video Boxes | |
| Standard Boxes & Flat Rate Boxes | |
| Small Window Envelopes | |
| Medium Envelopes | |
| Large Envelopes | |
| Delivery Confirmation Labels | |
| Signature Confirmation Labels | |
| Global Mail Supplies | |
| Small Envelopes | |
| Medium Envelopes | |
| Large Envelopes | |
| Global Label for Packages | |
| Express Mail Supplies | |
| Medium Envelopes | |
| Large Envelopes | |
| International Envelopes | |
| Mailing Labels | |
| Express Mail Stickers | |
| Other Supplies | |
| 1-800-ASK-USPS Cards | |
| Green Sacks | |
| Interoffice Envelopes | |
| Orange Sacks | |
| Notice 123, Ratefold | |
| Round-dater | |
| Seals | |
| Zone Chart | |
| Express Sacks | |
| Measuring Tape | |
| Mover's Guide | |

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Chapter 10 Managing the CPU

10-1 Introduction

The CPU has celebrated its grand opening, and both the customers and the suppliers are happy. However, the COR's responsibility does not end here. One of the main reasons that the Postal Service experiences problems with CPUs is a lack of consistent management and follow-through. The COR needs to make sure that the supplier is fulfilling its obligations under the contract and that the customers are receiving prompt, efficient, accurate, and courteous service.

10-2 COR Appointment

A COR is appointed at the time of contract award. The COR plays a major role in contract administration, providing training to the CPU operator and their employees, monitoring the CPU operation, and ensuring contract compliance.

10-3 Reviews and Examinations

10-3.1 CPU Performance Reviews

CPU performance reviews should be conducted by the COR on a quarterly basis to promote continuous quality performance and improve the business relationship (see [Exhibit 10.1.1](#), Quarterly Performance Review and [Exhibit 10.1.2](#), CARS "Quarterly Performance Review"). During these reviews, the following aspects of CPU performance will be evaluated and discussed:

- a. Operational efficiency.
- b. Aviation security.
- c. HAZMAT acceptance.
- d. Bank secrecy act if applicable.
- e. Sales skills and product knowledge.
- f. Retail products and services.
- g. Facility image.
- h. Revenue performance.

The COR must be sure to take the CPU file, including previous review sheets, to the performance review. Check to see if previously noted problems have been resolved. Analyze the situation to determine an action plan to improve performance or remedy a problem. The results of this review will help determine if the CPU is performing according to contractual requirements. If problems are not resolved, the COR must issue to the supplier a letter (CURE notice) citing specific conditions of unsatisfactory performance. If the supplier does not correct the problems then contact the Denver CMC and request termination of the contract.

10-3.2 CPU Financial Examinations (if applicable)

Financial examinations are conducted once a year (this does not apply to CPUs that are CARS units). Follow directions as stated in Handbook F-1, *Post Office Accounting Procedures*, Section 429.

Use PS Form 3294, *Cash and Stamp Stock Count and Summary*. Review the bond amount. Ensure that the bond has been paid and is current (ask for receipt or cancelled check if the expiration date is not on the bond itself). Ensure that the bond amount reflects current accountability. Ensure that the bond will not lapse before the next review. There is no tolerance for a CPU. If the audit results in an overage and there is no claim pending at the host Post Office, then the money goes to the supplier. If the audit results in a shortage, then the CPU supplier will pay the shortage on the day of the audit, preferably by check. If the amount of

the shortage is \$100 or more, the COR must prepare PS Form 571, *Discrepancy of \$100 or More in Financial Responsibility*.

10-3.3 Post Office Box Reviews

Placement of Post Office box service at a CPU is discouraged and requires an approved deviation from Retail Access Channels at Headquarters. In the event that a CPU does have Post Office boxes, the following procedures must be maintained:

- a. The CPU supplier must be aware of procedures governing Post Office box usage.
- b. The correct fees must be charged.
- c. PS Forms 1093, *Application for Post Office Box or Caller Service*, must be retained in an alphabetical file.
- d. Proper payment notification procedure must be followed.
- e. Boxes must be locked out and closed if payment is not made according to established procedure.
- f. The COR must review the CPU for compliance with the above-listed procedures when the financial audit is conducted.

10-3.4 Service Hours Reviews

10-3.4.1 Minimum-Rate-Based 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:

- e. Is the offeror an individual?
- f. Will the offeror personally operate the CPU more than 50 percent of the time?
- g. Will the CPU be operated in a facility devoted exclusively to CPU service?
- h. d. If there is another business operated at the CPU site, will the CPU's 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

The supplier must maintain a detailed record of its operating hours using the Monthly Report of Operations form (see [Exhibit 10 2](#)). The supplier must submit the original of this form to the COR no later than 2 working days after the close of the calendar month for review. The COR will review the form for contract compliance and retain the form in the CPU administrative file. If the supplier has exceeded the hours allowed, the COR must discuss the need to maintain this requirement with the supplier. If violations persist for 2 consecutive months, notify the Contracting Officer for assistance.

10-3.4.2 All Other CPU Contracts

The COR must insure that the CPU supplier is providing service to the public as specified in the contract. The supplier must provide service on the days and hours stipulated in the contract. If the supplier is not in compliance, then the COR must notify the district retail office. The COR and/or district retail office will notify the supplier that it is in violation of the contract by issuing a "cure notice," which is a letter citing specific conditions of unsatisfactory performance and stating a period of time allowed for correction. If not corrected, the Denver CMC, at the request of the CPU coordinator and COR, can terminate the contract.

10-3.5 CPU Revenue Performance

10-3.5.1 Overview

All CPUs should be evaluated on an annual basis to ensure that their revenue performance is cost effective for the Postal Service.

10-3.5.2 Reason for CPU Evaluation

Reasons for performing a CPU evaluation include the following:

- a. Identifying nonproductive CPUs
- b. Identifying changing market conditions to optimize the network.
- c. Increasing return on investment
- d. Identifying existing categories (types of business)

10-3.5.3 Determine CPUs to Be Evaluated

To determine which CPUs to evaluate, look at the following items:

- a. Total CPU revenue is less than \$100,000 per year.
- b. Cost per revenue dollar exceeds the guideline of 10 cents per revenue dollar, (unless an approved compensation rate deviation is on file).
- c. The percentage of stamp sales to meter sales is greater than 80/20. Do not include the following:
 - a. CPUs with Post Office boxes
 - b. Public service CPUs
 - c. Seasonal CPUs
 - d. Temporary (emergency) CPUs

For proper evaluation methods, see the Management Analysis for CPU Rate Increase Form included in [Exhibit 10.3](#), "Rate Increase Package."

10-4 Request for Rate Increase

10-4.1 Firm-Fixed Price Contracts

10-4.1.1 Request

10-4.1.1.1 CPU Supplier

A firm-fixed price contract CPU supplier may request a rate increase after being in operation for at least 1 year. When the supplier requests a rate increase, the district retail office or the Denver CMC will send the supplier a rate increase package (see [Exhibit 10.3](#)). The rate increase package includes a rate increase request form and a letter explaining the process to be followed in submitting a request. The rate increase package may also be downloaded from the CPAC Web site located at:

http://www.cpac.org/procurement/purchase_packages/forms.html

10-4.1.1.2 COR

The supplier will submit a completed rate increase request to the COR. Supporting documentation should include a justification regarding direct cost increases or increased benefits to the Postal Service. The COR will document how the CPU impacts the local Post Office and notify the CPU coordinator.

10-4.1.2 Review and Recommendation by COR and CPU Coordinator

10-4.1.2.1 COR

The COR determines if the need for this CPU still exists by doing the following:

- a. Identify if any other lower-cost service alternatives are available to the community.
- b. Determine if this CPU generates sufficient revenue to be considered for conversion to a performance-based contract.
- c. Review the request for completeness, proper documentation, and justification.
- d. Complete the Management Analysis for CPU Rate Increase Form (which is included in [Exhibit 10.3](#)).
- e. Submit the COR's recommendation along with the supplier's rate increase request to the CPU coordinator.

10-4.1.2.2 CPU Coordinator

The CPU coordinator completes the retail mapping and a revenue trend projection and provides this information to the COR. The COR then prepares a recommendation and sends it to the CPU coordinator, who reviews it and prepares a recommendation for review by the district manager (see [Exhibit 10.4](#), "Pay Increase Request Recommendation"). If the CPU coordinator recommends a rate increase, the CPU coordinator prepares and submits a funding document and justification for the district manager's signature. The funding document (see [Exhibit 10.5](#), "Sample eBuy Requisition for a Rate Increase for a Firm-Fixed Price CPU") should reflect the amount of the increase only. If the CPU coordinator does not recommend a rate increase, the CPU coordinator prepares a justification and submits the entire package to the Denver CMC.

10-4.1.3 Review and Processing by Denver CMC

10-4.1.3.1 Rate Increase Recommended

When an agreement on a rate increase is reached, the Denver CMC will issue a modification showing the increase in compensation. A copy of this modification will be sent to the following recipients:

- a. Supplier.

- b. COR.
- c. CPU coordinator.
- d. St. Louis ASC.

In accordance with the contract terms, the supplier must do the following:

- a. Continue with the modified contract for a minimum of 1 year.
- b. Wait 2 years before requesting another increase.

The effective date of the contract or last increase is the date used to compute the 1- and 2-year periods before termination of the contract or a request for another rate increase.

10-4.1.3.2 Rate Increase Not Recommended

When an agreement cannot be reached between the Postal Service and the supplier, or a rate increase is not processed by the Denver CMC, the contract continues at the existing payment rate unless terminated by either party in accordance with the Termination on Notice clause. A rate denial letter must be issued by the Denver CMC.

Disapproval of the request for a rate increase does not preclude the supplier from making additional requests at a later time (2 years after the previous approved rate increase).

10-4.1.4 Timeline for Request

The entire process — from when the supplier makes the initial request to when the Denver CMC completes its review and processing — should be completed in 30 business days.

10-4.2 Performance-Based Contract

A CPU supplier with a performance-based contract can request a rate increase after being in operation for 1 full year. The supplier must submit the request in writing following the same procedures used for a firm-fixed price contract stated in section 10-4.1. When reviewing the request, the COR and the CPU coordinator follow the same procedures used for a firm-fixed price contract stated in section 10-4.1.

Note: For a sample of a funding document for a performance-based CPU contract (similar to the funding document for a firm-fixed price CPU contract mentioned in 10-4.1.2.2), see [Exhibit 10.6](#), "Sample eBuy Requisition for a Rate Increase for a Performance-Based CPU." After the initial rate increase, the CPU supplier may request an additional rate increase after 2 years from the first rate increase based on the following conditions:

- a. Change in market conditions.
- b. Change in overhead expenses.
- c. Increase in customer traffic.

The CPU coordinator should make the CPU supplier aware of these conditions when establishing the contract.

10-5 Award of a Temporary Contract

10-5.1 Request

When a contract is terminated on short notice, or if, through unforeseen circumstances, the lack of a CPU creates a hardship on the community, the host Post Office, with the assistance of the CPU coordinator, may request that a short-term temporary (emergency) contract be awarded. This should be an option of last

resort because it is a very expensive option. The basic term of a temporary (emergency) contract is up to 6 months, and no extensions are allowed. Bond can be waived for the first 30 days of a temporary (emergency) contract only.

10-5.2 Solicitation for a Permanent CPU

A request package for a permanent performance-based CPU must be sent to Denver CMC within 30 days after the award of a temporary (emergency) contract.

10-6 Contract Modification

Only the Denver CMC is authorized to modify any term or condition, including pricing, of a CPU contract. Changes are processed through a modification. The CPU coordinator must provide justification and documentation to the Denver CMC to support the modification request. Copies of the modification are issued to the following:

- a. Supplier.
- b. COR.
- c. CPU coordinator.
- d. St. Louis ASC.

The following actions can be handled by the COR, after discussion with the district retail office, without having to refer to the Denver CMC:

- a. Performance problems: The COR will, in conjunction with the CPU coordinator, send a written notice to the supplier if performance problems are not resolved after a discussion with the supplier. The COR will be specific regarding the problem and the time period allowed to correct the problem. If the supplier does not correct the problem within the allowed time period, then the COR may request termination of the contract.
- b. Change of hours: The COR will have the authority to change the hours of the contract by working directly with the supplier and providing written notice.
- c. Surety bonds: The COR will be able to increase or decrease the bond amount as needed, working with the bonding company and the supplier. (This is not applicable for CARS contracts.)
- d. Shortages: If a supplier refuses to pay a shortage, the COR will send notice to the bonding company requesting remuneration of the shortage as stated in the provisions of the surety bond.

10-7 Disputes

Disputes between the supplier and the COR will be referred to the Denver CMC for resolution.

10-8 Transfer of CPU Contracts (Novation)

Under no circumstances is a CPU supplier allowed to transfer or sell its interest in a CPU contract to a third party without going through the novation process, in which the Denver CMC, in consultation with counsel, can recognize and approve a third-party successor in interest. This approval is known as a novation agreement, and the policy for processing, approving, and executing a novation agreement is contained in the *Purchasing Manual* (PM)

6.5.4. Also see [\[redacted\]](#), "Contract Transference."

A CPU supplier who wants to transfer or sell its interest must contact the COR or the CPU coordinator to start the novation process. The COR or the CPU should carefully consider if the CPU is still needed before considering a novation.

The contracting officer (CO) at the Denver CMC, in cooperation with the COR and the CPU coordinator, must determine the capability of the buyer to continue the CPU operation before approving the transfer of ownership.

Novation agreements must be signed by all of the following:

- a. CPU supplier (seller).
- b. Successor in interest (buyer).
- c. CO at the Denver CMC.

The supplier must provide a document of sale or transfer of assets. If the transfer is not approved, the original supplier is still liable for performance under the contract. If the original supplier fails to perform sufficiently, the contract will be terminated.

10-9 Termination of Performance-Based and Firm-Fixed price contracts.

Contracts can be terminated by the use of either of the following:

- a. Termination on notice.
- b. A time-specific notice (usually 120 days) if in the best interest of the Postal Service.

All terminations must be processed by the Denver CMC.

Note: Some contracts have a 60-day termination clause. Refer to the individual contract to determine the time period for termination.

10-10 Termination Procedures

See [Exhibit 10.8](#), "CPU Termination Close-Out Procedure," and [Exhibit 10.9](#), "CPU Termination Close-Out Procedure for a CARS location," for the proper termination procedures. Also, the CPU coordinator must announce the termination to various offices (see [Exhibit 10.10](#), "CPU Closure Announcement").

Exhibit 10.1.1 Quarterly Performance Review

Contract Postal Unit Quarterly Performance Review

| | |
|----------|-----------------------|
| CPU Name | Administrative Office |
| Date | Reviewer Name |

| | Operational Efficiency | Yes | No | N/A |
|-------------------------------------|--|-----|----|-----|
| 1 | Does the supplier know who their Post Office contacts are, and are those names and phone numbers posted for employee reference? | | | |
| 2 | Does the supplier have sufficient stamp stock to meet their customer's needs? | | | |
| 3 | Are the hours of operation prominently displayed, visible to the public, and in accordance with the contract? | | | |
| 4 | Does the supplier have adequate coverage for breaks, lunches, and peak times? | | | |
| 5 | Are CPU personnel trained and knowledgeable on Aviation Security and Hazmat procedures? | | | |
| 6 | Are the employees knowledgeable on the Bank Secrecy Act? | | | |
| 7 | If applicable, is the supplier maintaining Postal Service exclusivity? | | | |
| 8 | Are the appropriate dispatch and handling procedures being followed? | | | |
| 9 | Is the supplier following all of the required PO Box procedures? | | | |
| 10 | Has the supplier provided adequate training to their employees on new and existing products and services, and has it been documented on the CPUs training record? | | | |
| 11 | Does the supplier and their employees offer the appropriate products and special services to their customers? | | | |
| 12 | Does the supplier have current DMMs, IMMs and rate charts available for employee use? | | | |
| 13 | Does the supplier retain up to 10% of their stamp credit, but not more than \$100 each evening? | | | |
| 14 | Does the supplier secure the cash, stamps, round daters, and money order imprinters during non-business hours and not leave them unattended during business hours? | | | |
| Courtesy and Professionalism | | | | |
| 15 | Do the supplier and their employees ask questions to determine the customer's needs? | | | |
| 16 | Do the supplier and their employees courteously greet and serve their customers? | | | |
| Facility Image | | | | |
| 17 | Does the supplier have forms and packaging products available and displayed for customers use? | | | |
| 18 | Are the check acceptance policy and credit/debit decals displayed and in good condition (if applicable)? | | | |
| 19 | Is all signage appropriate, professionally displayed, and contain current rate information? | | | |
| 20 | Is the supplier's facility clean and well maintained including counter work area, walls, floors, ceilings, etc.? | | | |
| | If applicable, are the Post Office box numbers clearly and professionally printed, not handwritten or taped? | | | |
| | Are the Aviation Mail Security labels posted near all inside/outside collection boxes? | | | |
| 21 | Are the supplier's collection times posted and correct? | | | |
| Revenue Performance | | | | |

| | | | | |
|---------------------------------|---|--|--|--|
| 24 | Is the supplier aware of how their revenue is calculated and their current performance? | | | |
| 25 | Is the supplier and their employees charging the appropriate fees for all mailing services? | | | |
| Comments/Recommendations | | | | |

Exhibit 10.1.2 CARS Quarterly Performance Review

CARS Contract Postal Unit Quarterly Performance Review

| | | Yes | No | NA |
|-------------------------------------|--|-----------------------|----|----|
| CPU Name | | Administrative Office | | |
| Date | | Reviewer Name | | |
| Operational Efficiency | | | | |
| 1 | Does the supplier know who their Post Office contacts are, and are those names and phone numbers posted for employee reference? | | | |
| 2 | Does the supplier have sufficient stamp stock to meet their customer's needs? | | | |
| 3 | Are the hours of operation prominently displayed, visible to the public, and in accordance with the contract? | | | |
| 4 | Does the supplier have adequate coverage for breaks, lunches, and peak times? | | | |
| 5 | Are CPU personnel trained and knowledgeable on Aviation Security and Hazmat procedures? | | | |
| 8 | Are the appropriate dispatch and handling procedures being followed? | | | |
| 9 | Is the supplier following all of the required PO Box procedures? | | | |
| 10 | Has the supplier provided adequate training to their employees on new and existing products and services, and has it been documented on the CPU's training record? | | | |
| 11 | Does the supplier and their employees offer the appropriate products and extra services to their customers? | | | |
| 12 | Does the supplier secure round daters and other accountable items during non-business hours and not leave them unattended during business hours? | | | |
| 13 | Does the supplier use the touch screen for all transactions? | | | |
| 14 | Is the mouse and keyboard disconnected and placed in a secure location? | | | |
| 15 | Is the customer monitor in use and visible to customers? | | | |
| Courtesy and Professionalism | | | | |
| 15 | Do the supplier and their employees ask questions to determine the customer's needs? | | | |
| 16 | Do the supplier and their employees courteously greet and serve their customers? | | | |
| Facility Image | | | | |
| 17 | Does the supplier have forms and packaging products available and displayed for customers use? | | | |
| 19 | Is all signage appropriate, professionally displayed, and contain current rate information? | | | |
| 20 | Is the supplier's facility clean and well maintained including counter work area, walls, floors, ceilings, etc.? | | | |
| 21 | If applicable, are the Post Office box numbers clearly and professionally printed, not handwritten or taped? | | | |
| 22 | Are the Aviation Mail Security labels posted near all inside/outside collection boxes? | | | |
| 23 | Are the supplier's collection times posted and correct? | | | |
| Revenue Performance | | | | |
| 24 | Is the supplier aware of how their revenue is calculated and their current performance? | | | |
| 25 | Is the supplier and their employees charging the appropriate fees for all mailing services? | | | |
| Comments Recommendations | | | | |

Exhibit 10.2 Monthly Report of Operations

U. S. Postal Service Monthly Report of Operations for Minimum-Rate Contracts

Contract Postal Unit, Contract No. _____

Administrative Post Office _____

Location of CPU _____

Supplier (Name, Address, and ZIP+4) _____

Month and Year Covered by Report _____

Hours of Operations*

| DATE | # HOURS | DATE | # HOURS | DATE | # HOURS |
|------|---------|------|---------|------|---------|
| 1. | | 2. | | 3. | |
| 4. | | 5. | | 6. | |
| 7. | | 8. | | 9. | |
| 10. | | 11. | | 12. | |
| 13. | | 14. | | 15. | |
| 16. | | 17. | | 18. | |
| 19. | | 20. | | 21. | |
| 22. | | 23. | | 24. | |
| 25. | | 26. | | 27. | |
| 28. | | 29. | | 30. | |
| 31. | | | | | |

Monthly Total: _____ **Hours**

Remarks: _____

By signing this form, the supplier certifies that the hours of operation shown were in accordance with the contract terms and conditions and were required to perform the services specified for this reporting period.

Supplier's Signature _____ Date: _____

Exhibit 10.3 Rate Increase Package



TO: [Name] [Address] [City, State, Zip+4]
[Contract Number]

RE: Rate Increase Request Package [Insert Contract Number]

You are receiving this letter due to your request concerning a rate increase for your contract. The terms of the contract concerning a rate increase for a contract postal unit are as follows.

A price adjustment may be requested in accordance with the appropriate Price Adjustment Clause or Provision in your contract. A price increase is not considered unless the contract (firm-fixed) has been operating for at least two full years or two years since the last increase. If you have a performance-based contract, you must have operated for at least one full year from your operational start date and/or two full years since your last increase. You must document and justify the requested increase in detail based on one or more of the following:

1. Direct cost increases pro-rated specific to the contract postal unit operation:
 - a. Rent
 - b. Utilities
 - c. Taxes
 - d. Labor (only if you employ someone to operate the unit full or part time).
2. Show an increased benefit for the U.S. Postal Service:
 - a. Increased real revenue (revenue not resulting from fee or rate increases) or transactions.
 - b. Major physical improvements to the contract unit.

You may include other pertinent justifications not covered on the enclosed form.

Should you decide to proceed with your request, **complete the enclosed form and submit everything to your local Administrative Post Office for processing.**

The administrative Post Office will do an analysis of your CPU and submit a recommendation to the District Office. Based on the recommendation of the District Office, your rate increase request will then be sent to the Denver CMC office. Upon receipt of the recommendation and authorization from the District Office the Denver CMC office will submit to you the approval, partial approval, or denial of your request.

Sincerely,

[Signature]
[Insert your name and title here]

Enclosure

CC: Postmaster/COR, [City, State, Zip+4]
CPU Coordinator [Insert District Name Here]

RATE INCREASE REQUEST FORM

(This form is to be completed by the Supplier)

Check one of the boxes below and fill in your requested increase amount:

I am requesting a rate increase for a **Firm-fixed** Contract Postal Unit.

INCREASE OF \$ _____

From: \$ _____ To: \$ _____ per year.

I am requesting a rate increase for a **Performance-based** Contract Postal Unit.

INCREASE OF _____ %

From: _____ % To: _____ % per year.

Documentation and justification for this increase is as follows:

1. My unit showed an increased benefit for the U.S. Postal Service as follows:

a. Increase real revenue:

200__ Revenue - \$ _____

200__ Revenue - \$ _____

200__ Revenue - \$ _____

b. Major physical improvements to the contract unit (if applicable):

2. Direct cost increases in the preceding two years, PRO-RATED specific to the contract postal unit operation, are as follows:

a. Rent increased from \$ _____ To: \$ _____

b. Utilities increased from \$ _____ To: \$ _____

c. Taxes increased from \$ _____ To: \$ _____

d. Labor costs increased from \$ _____ To: \$ _____

Other: See attached documentation

I am aware of the clause/provision wherein this request does not guarantee a rate increase and negotiations may be entered by both parties to arrive at a mutually acceptable rate. Additionally, if the rate is increased, I may not terminate the contract for one year from the effective date of the increase as consideration for the increase, nor may I request an increase until the completion of two years' operation from the effective date of the previous increase.

Signature of Supplier

Date

Contract number:

{insert Contract # - state}

Contract postal unit location:

{insert CPU Name - city - state}



[Date]

[City, State, ZIP]
U. S. POSTAL SERVICE
[C/OB - Address]
[C/OB - City, State, Zip+4]

RE: Rate Increase Request - [Insert Contract Number and Supplier Name]

The supplier for the above contract has requested a rate increase. **(If the above contract is a Firm-fixed contract, this is a good time to consider a new-performance based CPU format instead of a rate increase. Contact your CPU Coordinator for more information).**

Attached to this letter are:
(Insert an X in the appropriate boxes)

- (1) [] The supplier's request
- (2) [] A Management Analysis form for a contract postal unit rate increase.
- (3) [] Sample eBuy requisition.

Whether you fully approve, partially approve, or deny the request, you must forward the completed forms to the CPU Coordinator for your District. The CPU Coordinator will review and forward the forms to this office after obtaining required signatures.

[Your signature]
[Insert your name and title here]

Attachment(s)

MANAGEMENT ANALYSIS FOR A CPU RATE INCREASE

(This form is to be completed by the COR - DO NOT share this information with your CPU Supplier)

Contract Number: _____ [Insert Contract Number]
Supplier's Name: _____ [Insert Supplier Name]
Current Annual Rate: _____ [Insert Current Annual Rate or Percentage]
Surety Bond Amount: _____ [Insert Surety Bond Amount]
CPU Name: _____ [Insert CPU Name or Other Contract Designation]

1. Is the unit meeting the estimated revenue? Yes No
2. Indicate revenue for each of the last three (3) years: 200 _____
 200 _____ 200 _____
3. Number of Weekly Hours of Operation: _____ Days Operated: S M T W T F S
4. Number of PO Boxes (if applicable): _____
5. Current Product Mix: Stamps _____% Weigh & Rate _____%
6. Does supplier have a meter? Yes No
7. Based on the Product Mix in Line 5, would it be more cost-effective for the USPS to have this supplier switched to Stamps on Consignment instead of being a CPU?
 Yes No If no, why not?

8. Effective date of last increase (must be at least 2 years): _____
9. Cost per dollar of revenue (current rate and proposed rate): _____
10. How many complaints have you received regarding service at this unit in the past year? _____
11. What additional services should the supplier provide?

12. Is the contract still cost-effective for the USPS? _____ Yes _____ No
13. If terminated, what service alternatives are available? _____

14. Cost of alternative: _____
15. Would the community be acceptable to change? _____
16. Surety bond, if applicable, is to be increased to the amount: _____
17. If this increase is for a firm-fixed CPU, have you considered **converting to the new performance based CPU** format? What are the results?

____ Rate increase is approved for \$_____ based on the above and attached justification. The funded amount is indicated on the attached EBUY requisition.

____ Rate increase is not approved. The contract continues at the current rate unless terminated by either party pursuant to the contract terms.

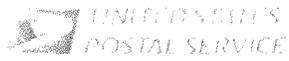
COR Name: _____ COR Title: _____

COR Office (City, State, ZIP+4): _____ COR Phone: _____

Date: _____

Exhibit 10.4 Pay Increase Request Recommendation

Retail Operations
Suncoast District



December 31, 2007

1. Donna St. Martin, Manager, Retail
2. Tony Brescia, Manager, Marketing
3. Gerald Pate, Mgr., Post Office Operations
4. Mike Jordan, District manager
5. Dave Richardson, (A) Mgr., Finance
6. RETURN TO RETAIL SPECIALIST AFTER SIGNATURES

**Re: Pay Increase Request – Holmes Beach CPU, Bradenton Beach FL
Contract #475630-94-2494**

This CPU supplier has asked for an increase from \$55,000 to \$72,594 and the COR is recommending this request be approved. The last increase to \$55,000 was effective in January 2005 so the supplier can apply for an increase.

Background

- CPU has been providing postal services on the island since 1987. Current supplier has had the contract since 1994.
- Postmaster has received no complaints on service this past year.
- CPU is operated adjacent to a card/gift shop in its' own 1160 sq ft storefront. The 450 post office boxes take up 25 linear feet of wall space.
- CPU is located almost in the middle of an island off the coast of Bradenton and in the heart of the 'downtown' Holmes Beach area on the main road on the island.
- The area is very seasonal with tourism and winter residents during October through April.

Mapping

- CPU is located 2 miles south of the Anna Maria MPO and 3 miles north of the Bradenton Beach MPO. CPU is administered by the Bradenton Beach MPO.
- Population growth during the next five years should be about 12,000 residents.
- There are three consignment locations on the island.

Retail Analysis

- CPU's revenue in FY 06 was \$397,729 and based on the present trend is estimated at \$374,189 in FY 07.
- Anna Maria Post Office had revenue of \$332,237 in FY 06. Bradenton Beach MPO had revenue of \$420,586. Bradenton Beach retail productivity is up \$34.68/hour.
- There are currently no outstanding suspense items for this CPU.
- Costs for the past three years to operate the CPU each month are as follows:
 Electric: from \$120.00 to \$125.45 for difference of: \$5.45
 Water/Sewer: \$21.00 to \$53.94 for difference of: \$32.94
 Telephone: \$34.00 to \$36.00 for difference of: \$2.00
 Lease: \$1255.58 to \$1512.28 for difference of: \$256.70
 Wages: \$3748.23 to \$450.63 for difference of: \$202.40
 Other: \$269.14 to \$300.19 for difference of: \$13.05
 Difference in costs per month over past 3 years: \$551.54
 Total monthly costs of \$6,049.49 x 12 = \$72,593.88 annually for the CPU.
- Cost-to-revenue ratios for other CPUs in the district which have a similar number of post office boxes are:

| Name of CPU | Annual Cost | FY 02 Revenue | Ratio | With Retail Business |
|----------------|-------------|---------------|-------|----------------------|
| Cortez Road | \$66,296 | \$676,508 | 9.8% | No |
| Manatee | \$51,942 | \$345,246 | 15.0% | No |
| Grove City | \$54,000 | \$437,413 | 12.3% | Yes |
| Lk St George | \$83,968 | \$848,758 | 10.0% | No |
| Lockwood Ridge | \$58,450 | \$661,904 | 8.8% | Yes |
| Pinecraft | \$55,000 | \$663,812 | 8.3% | No |
| Holmes Beach | \$55,000 | \$397,729 | 13.8% | No |

Recommendation

I do not agree with the Postmaster's recommendation to increase this supplier's annual rate to \$72,594. Although 1 PT and 2 FT employees are used during season, off-season has 1 FT with some assistance and 1 PT employee. The PT employee is utilized 2 hours per day to handle all duties associated with the post office box rentals. The other major cost, of course, is the large amount of leased space. Revenue is dropping slightly and 15 fewer post office boxes are rented than were rented at the time of the last increase. However, the CPU does encompass almost 1200 square feet of space as a "stand-alone" operation and is centrally located on the island. This CPU relieves the Bradenton Beach and Anna Maria post offices, especially during winter season. My recommendation is we offer no more than \$63,000 as the proposed annual rate.

Retail Specialist

Exhibit 10.5 eBay Requisition for a Rate Increase for a Firm-Fixed Price CPU

Off Catalog Print Requisition

Admin Office FIN

Bill To: 113075
 FORT MYERS PO
 SUNCOAST CS DISTRICT
 SOUTHEAST CSAO
 Budget Group:

Ship To: 184K7N(MAILING)
 RETAIL OPERATIONS
 USPS
 6013 BENJAMIN RD STE 201
 TAMPA, FL 33634-5183
 ATTN: CHRISTINA D SCACCA

Purchasing Information

Purchasing Method: Route Req to Supply Mgt
Vehicle: No
Payment Type: Expense

Delivery Instructions

Required Delivery Date: 06/18/2008
 None.

After Approval Contact

None.

After Approval, Route Requisition To

Travel, Retail & Temp Svcs - (Denver)

| Qty | UOM | Description | Bill To/ Ship To | Unit Price/ GL Acct # | Extended Price/ Pymt Amt |
|-----|-----|---|------------------|-----------------------|--------------------------|
| 1 | EA | RATE INCREASE OF \$16,000 TO BRING COMPENSATION FROM \$152,500 TO \$168,500 Item # / Commodity: UNKNOWN / Transportation and Storag Supplier / PO #: DENVER CMC / P00016008892 Ship To: Same as Requisition Header | | 16,000.0000 52301 | 16,000.00 0.00 |

Estimated tax (\$): 0.00
 Estimated shipping / handling cost (\$): 0.00
Total goods and services (\$): 16,000.00
Total Payment Value (\$): 0.00

| Date | Subject | Created By | Note |
|-------------------------|----------------------|------------|---|
| 06/18/2008 13:33:39 CST | Justification R3PYY0 | | CPU has been in operation since September 1990 and their last rate increase occurred in April 2006. If CPU closed, \$1,266,631 in customer transactions (FY 07 revenue) would move to Cape Coral South, which would equate to \$177,573 in additional labor associated costs (LDC 45 usage at |

\$37.44 per hour). The request package has been reviewed and approved by the Mkt'g Mgr. and District Mgr.

06/18/2008 Attachment R3PYYO
13:33:16
CST

See attachment

Supplier request & Management
Analysis

| Event Date | User Name | Description | Change Level |
|---------------------|--------------------|-----------------|--------------------|
| 06/03/2008 09:40:03 | CHRISTINA D SCACCA | Changed Bill To | Requisition |
| | Old Bill To | | New Bill To |
| | 118929 | | 113075 |

| Status | Approver/Delegatee | Phone | Approver Type/Value | Approved By/Date |
|----------|--------------------|--------------|---------------------|---------------------------------|
| APPROVED | DONNA R ST MARTIN | 8953 | Limit (\$500) | DONNA R ST MARTIN 06/18/2008 |
| APPROVED | ARNETTA COBB | 813-354-6039 | Limit (\$25000) | ARNETTA COBB 06/23/2008 |
| APPROVED | TIMOTHY C HEALY | 813-354-6099 | Adhoc | TIMOTHY C HEALY 06/23/2008 |
| APPROVED | FINAL SYSTEM CHECK | | FINAL SYSTEM CHECK | FINAL SYSTEM CHECK |

| PO # | Name, Address & Account # | Contact Information |
|--------------|--|--|
| P00016008892 | DENVER CMC 3300 S PARKER RD #400 AURORA, CO 80014-3500 ACCT # | SHERYL GRAY Telephone: 303-743-1252 Fax: |

Exhibit 10.6 Sample eBuy Requisition for a Rate Increase for a Performance-Based CPU

Off Catalog Print Requisition

Admin Office FIN

Bill To: 050378
 ATASCADERO PO
 SIERRA COASTAL CS DI
 PACIFIC CSAO
 Budget Group:

Ship To: 189118(MAILING)
 POSTMASTER
 USPS
 9800 EL CAMINO REAL
 ATASCADERO, CA 93422-9998
 ATTN: POSTMASTER

Purchasing Information

Purchasing Method: Route Req to Supply Mgt
Vehicle: No
Payment Type: Expense

After Approval Contact

Name: DONNA NEWTON, **Telephone:** 661-775-6691
Address: RETAIL SPECIALIST
 USPS
 28201 FRANKLIN PKWY
 SANTA CLARITA, CA 91383-9605

Delivery Instructions

Required Delivery Date: 07/17/2008
 None.

After Approval, Route Requisition To

Travel, Retail & Temp Srvc - (Denver)

| Qty | UOM | Description | Bill To/ Ship To | Unit Price/ GL Acct # | Extended Price/ Pymt Amt |
|-----|-----|--|---------------------|--------------------------|--------------------------------|
| 1 | EA | CARS - RATE INCREASE Item # / Commodity: UNKNOWN / Business administration s Supplier / PO #: ATASCADERO SHELL / P00016156601 Ship To: Same as Requisition Header | | 6,000.0000 52301 | 6,000.00 0.00 |

Estimated tax (\$): 0.00
 Estimated shipping / handling cost (\$): 0.00
Total goods and services (\$): 6,000.00
Total Payment Value (\$): 0.00

| Date | Subject | Created By | Note |
|----------------------------|----------|------------|---|
| 06/18/2008 18:23:55 CST | Approved | KG7GKR | Rate increase is approved for nine percent base on the the following justification. 1. Increase revenue. 2. Decrease wait time in line. 3. Keeping Customers go to competitors. 4. No increase since contract |

Supplier Request &
 Management Analysis

awarded 4/12/2006

06/17/2008 Attachment GOMEZLL See attachment
14:37:32
CST

06/17/2008 Justification GOMEZLL Contract Postal Unit is requesting a rate increase from 6-percent to 9-
14:37:09 percent. NTE \$6,000. See attachment.
CST

| Event Date | User Name | Description | Change Level |
|---------------------|--------------------|-----------------|--------------------|
| 06/17/2008 14:32:46 | LINDA GOMEZ-PENA | Changed Bill To | Requisition |
| | Old Bill To | | New Bill To |
| | 058102 | | 050378 |

| Status | Approver/Delegatee | Phone | Approver Type/Value | Approved By/Date |
|----------|--------------------|------------------------------|---------------------|----------------------------------|
| APPROVED | MICHAEL A MADRIGAL | 661-775-6600 | Limit (\$2000) | MICHAEL A MADRIGAL 06/17/2008 |
| APPROVED | MARIE U MCCOY | 661-775-6544 | Mandatory | MARIE U MCCOY 06/18/2008 |
| APPROVED | RALPH TAPIA | 661-775-6800 | Limit (\$250000) | RALPH TAPIA 06/18/2008 |
| APPROVED | PRISCILLA JENG | 661-392-6201 | Adhoc | PRISCILLA JENG 06/18/2008 |
| APPROVED | MICHAEL MARTINO | District MGR 661-775-6700 | Adhoc | MICHAEL MARTINO 06/19/2008 |
| APPROVED | KERRY L WOLNY | 661-775-7800 | Adhoc | KERRY L WOLNY 06/19/2008 |
| APPROVED | FINAL SYSTEM CHECK | | FINAL SYSTEM CHECK | FINAL SYSTEM CHECK |

| PO # | Name, Address & Account # | Contact Information |
|--------------|--|---|
| P00016156601 | ATASCADERO SHELL 2000 EL CAMINO REAL ATASCADERO, CA 93422-1542 ACCT # | RANDY SHORES Telephone: 805-462-2000 Fax: |

Exhibit 10.7 Contract Transference



UNITED STATES POSTAL SERVICE

CURRENT SUPPLIER NAME:
CURRENT SUPPLIER ADDRESS:
CURRENT SUPPLIER CITY, STATE, ZIP:

RE: Transfer of Contract (Novation) - (Insert Contract Number)

It is our understanding that you are interested in transferring this contract postal unit. Transfer of a contract is possible if a supplier sells their assets in which the Contract Postal Unit is operated **and** if it is in the best interest of the Postal Service.

To affect a transfer of the above-referenced contract, the following documents are required:

1. A copy of the legal transfer document. (Bill of Sale).
2. A Novation Agreement (Attachment 1) completed by both the Transferor, the current supplier, and the Transferee, the new supplier. This document **MUST** have **original** signatures.
3. The Business Proposal (Attachment 2) completed by the Transferee.
4. The **original** of a properly executed surety bond, if applicable, (Attachment 3) in the amount of \$ _____ (Insert Bond Amount) with a Power of Attorney, naming the transferee as the Principal, and evidence that the premium has been paid on the mentioned bond. (The original or duplicate receipt of payment showing the expiration date is sufficient.) The bond must be obtained from a bonding company approved by the Treasury Department. The Approved Sureties Listing Treasury Circular 570 can be found on the Internet at: <http://www.fms.treas.gov/c570/index.html>. An Irrevocable Letter of Credit is acceptable in lieu of a surety bond. See instructions and required verbiage in (Attachment 4). If a bond or an Irrevocable Letter of Credit cannot be obtained, cash is the only other option.
5. Complete Representations and Certifications (Attachment 5)
6. Completed EFT (Electronic Funds Transfer) form.
*In accordance with the payment clause of your contract, the postal service will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and 5 CFR 1315. Payments under this contract will be made by the Postal Service electronic funds transfer. Payments will be issued automatically, in arrears, by the St. Louis Accounting Service Center, within 30 days after the end of each month. Upon completion of the direct deposit form, by both yourself and your financial institution, the **original** form should be sent to this office for further processing.*
7. Contracting Officer Representative (COR) approval letter (Attachment 6) needs to be completed by the COR at the Administrative Office.

After these documents are received, reviewed, and the transfer is approved by the Contracting Officer, a contract modification will be issued to recognize a new Successor-In-Interest for the Contract. **Until such time, the current supplier is responsible for continued operation of this unit in accordance with the terms and conditions of the contract.**

Upon completion, the above documents and a copy of the bond or Irrevocable Letter of Credit should be sent directly to the Denver CMC, 3300 S Parker Rd, Ste 400, Aurora, CO 80014-3500 or electronically to Denver's email address: CMC, Travel, Retail & Temporary Services. The **original** bond or Irrevocable Letter of Credit goes directly to the COR address on the instructions of the bond form.

Please contact me at _____ with any questions or concerns.

Sincerely,

[Signature]
[Printed Name and Title]

Attachments: As Noted

cc: Postmaster / COR [Insert Name and Title]
CPU Coordinator, [Insert Name and Title]

A U. S. POSTAL SERVICE CONTRACT CANNOT BE SOLD.

HOWEVER, THE PRIVATE BUSINESS MAY BE SOLD BY THE OWNER. IN THIS INSTANCE, A NOVATION FOR A NEW SUCCESSOR-IN-INTEREST OF THE CONTRACT MAY BE AFFECTED IF IT IS IN THE BEST INTEREST OF THE POSTAL SERVICE. A NOVATION ALWAYS OCCURS AFTER THE SALE OF THE BUSINESS.

The following is provided for your information:

As referenced in USPS Supplying Principles & Practices effective May 2006:

- 1. The Postal Service generally prohibits contract Novation (see paragraph b of Clause 4-1. However, the Postal Service may recognize a third party as the successor in interest when that party's interest arises out of the transfer of (a) all the supplier's assets; or (b) the entire portion of the assets involved in performing the contract*
- 2. Situations in which Novation may be permitted include but are not limited to (a) Sale of the supplier's assets with a provision for assuming liabilities; (b) transfer of assets as part of a merger or corporate consolidation; and (c) incorporation of a proprietorship or partnership, or formation of a partnership.*
- 3. Before concurring in a contract Novation the Contracting Officer must determine the capability of the successor in interest (see Transfer of Contract Clause).*
- 4. When it is not in the Postal Service's interest to concur in a contract Novation, the original supplier remains responsible for contract performance, and the contract may be terminated for default for failure to perform.*

NOVATION AGREEMENT

(a) THE PARTIES TO THIS AGREEMENT:

This agreement is entered into as of _____, by and among _____
(Date) (Name and address of Transferor)

(hereinafter referred to as the "Transferor") and _____
(Name and address of Transferee)

(hereinafter referred to as the "Transferee") and the United States Postal Service (hereinafter referred to as the "Postal Service").

(b) THE FACTS ON WHICH THE PARTIES AGREE AND WHICH FORM A BASIS FOR THIS AGREEMENT:

- (1) THE U. S. POSTAL SERVICE has entered into a contractual agreement with the transferor, namely Contract Number (*Insert Contract Number*) to include all modifications to any contractual documents made between the U. S. Postal Service and the transferor before the effective date of this agreement. Included in the term "contractual agreement" is any contractual agreement under which performance has been accepted and payment has been completed if the U. S. Postal Service or the transferor has any remaining rights, duties, or obligations under this contractual agreement. Hereafter the term "contract" shall include the contractual agreement as defined in this paragraph (b)(1).
- (2) By virtue of a _____ between the
(Type of Legal Transfer Document)
transferor and the transferee executed on _____, the transferor
(Date of Transfer)
has transferred to the transferee the assets of the transferor by of the transferor that are necessary to perform the contract.
- (3) The transferee has acquired all of the assets of the transferor by virtue of the above transfer.
- (4) The transferee has assumed all obligations and liabilities of the transferor under the contract by virtue of the previously mentioned transfer.
- (5) The transferee is in a position fully to perform all obligations that may exist under the contract.
- (6) It is consistent with the Postal Service's interest to recognize the transferee as the successor party to the contract.
- (7) Evidence of the above transfer has been filled with the Postal Service.

(c) IN CONSIDERATION OF THESE FACTS, THE PARTIES HEREBY AGREE THAT:

- (1) The transferor confirms the transfer to the transferee, and waives any claims and rights it now has or may have in the future against the Postal Service in connection with the contract.
- (2) The transferee agrees to be bound by and to perform the contract in accordance with the conditions contained in the contract. The transferee also assumes all obligations and liabilities of all claims against the transferor under the contract as if the transferee were the original party to the contract.
- (3) The transferee ratifies all previous actions taken by the transferor with respect to the contract, with the same forces and effect as if the action had been taken by the transferee.

- (4) The Postal Service recognizes the transferee as the transferor's successor in interest in and to the contract. The transferee by this agreement becomes entitled to all rights, titles and interests of the transferor in and to the contract as if the transferee were the original party to the contract. Following the effective date of this agreement, the term "supplier" as used in the contract shall refer to the transferee.
- (5) Except as expressly provided in this agreement, nothing in it shall be construed as a waiver of any rights of the Postal Service against the transferor.
- (6) All payments and reimbursements previously made by the Postal Service to the transferor, and all other previous actions taken by the Postal Service under the contract, shall be considered to have discharged those parts of the Postal Service's obligations under the contract. All payments and reimbursements made by the Postal Service in the name of the transferor after the date of this agreement shall have the same force and effect as if made to the transferee and shall constitute a complete discharge of the Postal Service's obligations under the contract, to the extent of the amounts paid or reimbursed.
- (7) The transferor and the transferee agree that the Postal Service is not obligated to pay or reimburse either of them for, or otherwise give effect to, any cost, taxes, or other expenses, or any related increases, directly or indirectly arising out of or resulting from the transfer or this agreement, other than those that the Postal Service in the absence of this transfer or agreement would have been obligated to pay or reimburse under the terms of the contract.
- (8) The transferor guarantees payments of all liabilities and the performance of all obligations that the transferee (i) assumes under this agreement or (ii) may undertake in the future, should this contract be modified under their terms and conditions. The transferor waives notice of, and consents to, any such future modifications.
- (9) The contract shall remain in full force and effect, except as modified by this agreement.

THE U. S. POSTAL SERVICE

BY: _____
 Typed Name: _____
 TITLE: CONTRACTING OFFICER

SIGNATURE OF TRANSFEROR

BY: _____
 Typed Name: _____
 & Title: _____

(Corporate Seal)

SIGNATURE OF TRANSFEREE

BY: _____
 Typed Name: _____
 & Title: _____

Business Proposal - Contract Postal Unit

Contract No: (Insert Contract Number)

LOCATION: I will operate the Contract Postal Unit at the following location:

Name contract to be listed under: _____
D.B.A.: _____
Business Street Address: _____
City, State, ZIP+4: _____
Room or Suite Number (with building): _____
Number of square feet provided: _____
Telephone Number: _____
Federal Tax Identification No.: _____
(OR) Social Security No.: _____ in Name of: _____

OPERATION: I will operate the unit as follows: (Discuss who will staff the unit; you, others, or a combination of the two. Also discuss how the unit will be staffed when the primary operators are sick, etc.)

CAPABILITY: The following is a summary of my capabilities and experience, as well as the qualifications of others (if any) that I will use to operate the unit:

| |
|-----------------------------------|
| Business Refs.: 1) _____ 2) _____ |
| Name, Address: _____ |
| _____ |
| _____ |
| Phone No.: _____ |
| Contact Person: _____ |

Signature of Transferee: _____
Printed Name & Title: _____
Mailing Address _____
(If different from Business): _____
City, State, ZIP+4: _____
Home Telephone No.: _____
Email Address: _____

Mail checks and correspondence to: Business Address: _____ Mailing Address: _____

For the purpose of NOVATION - Transferee must complete & sign this form.

CONTRACT POSTAL UNIT BOND

INSTRUCTIONS

1. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of this form. **The legal name on the bond must be the same as the legal name on the contract.** The bond must be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved, evidence of authority must be furnished.
2. Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein.
3. Corporations executing the bond must affix their corporate seals. Individuals must execute the bond opposite the word "Seal"; and, if executed in Maine or New Hampshire, must also affix an adhesive seal.
4. **MAIL THE ORIGINAL BOND AND ALL CORRESPONDENCE RELATING TO THE BOND TO:**
US POSTAL SERVICE
ATTN CPU COR
STREET ADDRESS
CITY, STATE ZIP+4

THE TREASURY DEPARTMENT'S LIST OF APPROVED SURETIES
MAY BE ACCESSED ON THE INTERNET AT:

<http://www.fms.treas.gov/e570/index.html>

CHECKLIST FOR Contract Postal Unit Bond

Your bond **MUST** include the following:

8. Surety company/corporation who is approved by the Treasury Department and on the Treasury list.
9. Proper penal sum (dollar amount) in accordance with contract, unless written amendment from COR.
10. Signature of principal.
11. Signature of corporate surety representative.
12. Public Notary on signature of individual representing corporate surety.
13. Power of Attorney on signature of individual representing corporate surety.
14. Corporate seal of corporate surety (if available).

CONTRACT POSTAL UNIT BOND

USPS CONTRACT NUMBER: _____

DATE BOND EXECUTED: _____

PENAL SUM OF BOND: \$ _____

BOND NUMBER: _____

CONTRACT UNIT LOCATION: _____

| | | | |
|-----------|---|--|--------------------------------------|
| PRINCIPAL | (Legal name and business address. Name must match what is on your contract) | TYPE OF ORGANIZATION ("X" one) | |
| | | <input type="checkbox"/> Individual | <input type="checkbox"/> Partnership |
| | | <input type="checkbox"/> Joint Venture | <input type="checkbox"/> Corporation |

STATE OF INCORPORATION

SURETY(IES) Name(s) and business address(es) _____

KNOW ALL MEN BY THESE PRESENTS, that we, the Principal and Surety(ies) hereto, are firmly bound to the United States Postal Service (the Postal Service) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: Provided, That, where the Sureties are corporations acting as co-sureties, we the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of each Surety, but if no limit of liability is indicated, the limit of liability will be the full amount of the penal sum.

THE CONDITION OF THIS OBLIGATION IS that the Principal and the Postal Service entered into the contract identified above for the operation of a Contract Postal Unit.

NOW THEREFORE, If the Principal(s):

- (a) performs and fulfills all duties and trusts imposed on it as supplier in accordance with the terms of the contract and such rules, regulations and directions as the Postal Service or its authorized representative will prescribe pursuant to the contract; and
- (b) faithfully accounts for, deliver, and pays over to the Postal Service or its authorized representative all moneys, stamps, postage value available in the postage evidencing system (postage meter), stamped paper, money order stock, mail matter, Postal Service property furnished pursuant to the contract, and all other property of every kind which comes into its possession (including the possession of its employees or agents) during the performance of the contract; then this obligation will be void and of no effect; otherwise it will remain in full force and effect.

THIS BOND and the obligation hereunder will remain in full force and effect until the contract identified herein ends or is terminated in accordance with its provisions. However, the surety may cancel this bond upon 120 days written notice given to the Postal Service and the Principal at any time after the expiration of the three-year period following the start of the bonded contract. In addition, the surety may cancel this bond at any time that the surety has the written consent of both the Postal Service and the Principal, or that the Principal furnishes to the Postal Service a substitute bond on terms equivalent to this bond with a surety satisfactory to the Postal Service.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Contract Postal Unit Bond and have affixed their seals on the date set forth above.

PRINCIPAL

| | | | |
|--------------|------|------|----------------|
| Signature(s) | 1. | 2. | Corporate Seal |
| | Seal | Seal | |

Name(s) & Title(s) (Typed) 1. 2.

CORPORATE SURETY(IES)

| | | |
|----------------|---------------|-----------------|
| Name & Address | STATE OF INC. | LIABILITY LIMIT |
|----------------|---------------|-----------------|

Signature(s) 1. 2.

Name(s) & Title(s)(Typed) 1. 2.

****** ALL CORRESPONDENCE RELATING TO THIS BOND SHOULD BE MAILED TO:**

US POSTAL SERVICE
ATTN CPU COR
STREET ADDRESS
CITY, STATE ZIP+4

IRREVOCABLE LETTER OF CREDIT REQUIREMENTS

1. Since all organizations may have different forms or formats for their irrevocable letters of credit, the US Postal Service requires the postal function to be listed as the "Beneficiary" and list it as the following:

US Postal Service
Street address
City, State Zip+4

2. The letter of credit will also state the letter is for the dollar amount necessary.
3. The letter shall state as its Terms and Conditions the following text:

"Lender shall honor the drafts submitted by the Beneficiary under the following terms and conditions.

Presentation of the original letter of credit and a certified letter from an authorized representative of the US Postal Service stating that (enter names of principals) DBA (name of business) are in default in their obligations regarding (enter Contract Postal Unit designation, city, and state.)

This letter of credit shall be automatically extended for an additional period of one year from the present and each future expiration date unless we have notified you in writing, not less than ninety (90) days before such expiration date, that we elect not to renew this letter of credit. This letter of credit is in effect ninety (90) days following any termination of the contract unless written consent is given by the Postal Service."

The above should be submitted on official letterhead from the financial institution and signed by the President or his official designee.

4. When a Letter of Credit is presented the supplier must execute the Postal Service Bond by completing the Principal portion and inserting in the Surety portion the following on Page 2 and 3:

Irrevocable Letter of Credit
Financial Institution (Insert Name, City, State)
Irrevocable Letter of Credit Number (Insert number)

5. The financial institution that issued the letter of credit is not required to sign the Postal Service bond form

2.4 PROVISION 4-3 REPRESENTATIONS AND CERTIFICATIONS (DECEMBER 2003) (4.2.2)

e. Type of Business Organization. The offeror, by checking the applicable blocks, represents that it:

(7) Operates as:

- a corporation incorporated under the laws of the state of _____;
- an individual;
- a partnership;
- a joint venture;
- a limited liability company;
- a nonprofit organization; or
- an educational institution; and

(8) Is (check *all* that apply)

- a small business concern;
- a minority business (indicate minority below):
 - Black American
 - Hispanic American
 - Native American
 - Asian American:
- a woman-owned business; or
- none of the above entities.

(9) Small Business Concern. A small business concern for the purposes of Postal Service purchasing means a business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees, unless a different size standard has been established by the Small Business Administration (see 13 CFR 121, particularly for different size standards for airline, railroad, and construction companies). For subcontracts of \$50,000 or less, a subcontractor having no more than 500 employees qualifies as a small business without regard to other factors.

(10) Minority Business. A minority business is a concern that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group, namely U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian Americans. (Native Americans are American Indians, Eskimos, Aleuts, and Native Hawaiians. Asian Americans are U.S. citizens whose origins are Japanese, Chinese, Filipino, Vietnamese, Korean, Samoan, Laotian, Kampuchea (Cambodian), Taiwanese, in the U.S. Trust Territories of the Pacific Islands or in the Indian subcontinent.)

(11) Woman-owned Business. A woman-owned business is a concern at least 51 percent of which is owned by a woman (or women) who is a U.S. citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.

(12) Educational or Other Nonprofit Organization. Any corporation, foundation, trust, or other institution operated for scientific or educational purposes, not organized for profit, no part of the net earnings of which inures to the profits of any private shareholder or individual.

f. Parent Company and Taxpayer Identification Number.

(5) A parent company is one that owns or controls the basic business policies of an offeror. To own means to own more than 50 percent of the voting rights in the offeror. To control means to be able to formulate, determine, or veto basic business policy decisions of the offeror. A parent company need not own the offeror to control it; it may exercise control through the use of dominant minority voting rights, proxy voting, contractual arrangements, or otherwise.

(6) Enter the offeror's Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security number or other Employee Identification Number used on the offeror's Quarterly Federal Tax Return U.S. Treasury Form 941. Offeror's TIN: _____

(7) Check this block if the offeror is owned or controlled by a parent company:

2.3 PROVISION 4-3 REPRESENTATIONS AND CERTIFICATIONS (DECEMBER 2003) (4.2.2) (Cont.)

(8) If the block above is checked, provide the following information about the parent company:

Parent Company's Name: _____
Parent Company's Main Office: _____
Address: _____
No. and Street: _____
City: _____ State: _____ Zip Code: _____
Parent Company's TIN: _____

(6) If the offeror is a member of an affiliated group that files its federal income tax return on a consolidated basis (whether or not the offeror is owned or controlled by a parent company, as provided above) provide the name and TIN of the common parent of the affiliated group:

Name of Common Parent _____
Common Parent's TIN _____

g. Certificate of Independent Price Determination.

(1) By submitting this proposal, the offeror certifies, and in the case of a joint proposal each party to it certifies as to its own organization, that in connection with this solicitation:

- (d) The prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to the prices with any other offeror or with any competitor;
- (e) Unless otherwise required by law, the prices proposed have not been and will not be knowingly disclosed by the offeror before award of a contract, directly or indirectly to any other offeror or to any competitor; and
- (f) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.

(4) Each person signing this proposal certifies that:

- (c) He or she is the person in the offeror's organization responsible for the decision as to the prices being offered herein and that he or she has not participated, and will not participate, in any action contrary to paragraph a above; or
- (d) He or she is not the person in the offeror's organization responsible for the decision as to the prices being offered but that he or she has been authorized in writing to act as agent for the persons responsible in certifying that they have not participated, and will not participate, in any action contrary to paragraph a above, and as their agent does hereby so certify; and he or she has not participated, and will not participate, in any action contrary to paragraph a above.

(5) Modification or deletion of any provision in this certificate may result in the disregarding of the proposal as unacceptable. Any modification or deletion should be accompanied by a signed statement explaining the reasons and describing in detail any disclosure or communication.

h. Certification of Nonsegregated Facilities.

(2) By submitting this proposal, the offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained. The offeror agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract.

2.3 PROVISION 4-3 REPRESENTATIONS AND CERTIFICATIONS (DECEMBER 2003) (4.2.2) (Cont.)

- (2) As used in this certification, segregated facilities means any waiting rooms, work areas, rest rooms or wash rooms, restaurants or other eating areas, time clocks, locker rooms or other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment area, transportation, or housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise.
- (3) The offeror further agrees that (unless it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors before awarding subcontracts exceeding \$10,000 that are not exempt from the provisions of the Equal Opportunity clause; that it will retain these certifications in its files; and that it will forward the following notice to these proposed subcontractors (except when they have submitted identical certifications for specific time periods):

Notice: A certification of non segregated facilities must be submitted before the award of a subcontract exceeding \$10,000 that is not exempt from the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (quarterly, semiannually, or annually).

e. Certification Regarding Debarment, Proposed Debarment, and Other Matters

(This certification must be completed with respect to any offer with a value of \$100,000 or more.)

- (1) The offeror certifies, to the best of its knowledge and belief, that it or any of its principals
 - (a) Are ___ are not ___ presently debarred or proposed for debarment, or declared ineligible for the award of contracts by any Federal, state, or local agency;
 - (b) Have ___ have not ___, within the three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property;
 - (c) Are ___ are not ___ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (b) above;
 - (d) Have ___ have not ___ within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in conjunction with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and
 - (e) Are ___ are not ___ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subparagraph (d) above.
- (2) The offeror has ___ has not ___, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal, state, or local agency.
- (3) "Principals," for the purposes of this certification, means officers, directors, owners, partners, and other persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
- (4) The offeror must provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (5) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered as part of the evaluation of the offeror's capability (see PM 2.1.9 c.3). The offeror's failure to furnish a certification or provide additional information requested by the contracting officer will affect the capability evaluation.
- (6) Nothing contained in the foregoing may be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (7) This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, Title 18, United States Code.

(8) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Postal Service, the Contracting Officer may terminate the contract resulting from this solicitation for default.

f. **Incorporation by Reference.** Wherever in this solicitation or contract a standard provision or clause is incorporated by reference, the incorporated term is identified by its title, its provision or clause number assigned to it in the Postal Service's Purchasing Manual, and its date. The text of incorporated terms may be found in Appendix A (for provisions), or Appendix B (for clauses) of the Purchasing Manual, accessible online at <http://www.usps.com/purchasingmanual/purchasingmanual>. If checked, the following provision(s) is incorporated in this solicitation by reference: (Contracting officer will check as appropriate.)

- (6) Provision 1-2, Domestic Source Certificate – Supplies (January 1997)
- (7) Provision 1-3, Domestic Source Certificate – Construction Materials (January 1997)
- (8) Provision 9-1, Equal Opportunity Affirmative Action Program (January 1997)
- (9) Provision 9-2, Pre-award Equal Opportunity Compliance Review (January 1998)
- (10) Provision 9-3, Notice of Requirements for Equal Opportunity Affirmative Action (January 1997)

DETERMINATION OF MINIMUM OR NON-MINIMUM RATE SUPPLIER (To be completed by supplier)

- f. Is the offeror an individual, Yes, No? If "Yes," continue.
- g. Will the offeror personally operate the CPU more than 50% of the time, Yes, No? If "Yes," continue.
- h. Will the CPU be operated in a facility devoted exclusively to CPU service, Yes, No? If "No," continue.
- i. Identify the other commercial activity to be conducted at the CPU site:

- j. Will the CPU's revenues exceed the other commercial activity's revenues (CPU revenue is gross revenues received by the Contract Postal Unit from its customers, less all credits, allowances and refunds allowed or granted to customers and less also the face or principal amount of all money orders issued by the CPU, and excluding amounts received from the supplier itself, or from persons or entities controlling, controlled by, or under common control with the supplier),
 Yes, No?

If questions a, b, and c are all "Yes", or questions a, b, and e are "Yes," this is a minimum rate offer to which the clause in your contract and the other minimum rate provisions apply.

A. Instructions

You (USPS® Suppliers and payees) must use this form to initiate or change Electronic Funds Transfer (EFT) payments made through the USPS Accounts Payable System. To set up EFT payments for the first time, you must bring the form to your financial institution for verification before you submit it to the USPS for processing. Follow instructions in Sections B through D of the form. Mail the completed form to:

ACCOUNTS PAYABLE SUPPLIER MAINTENANCE GROUP
 SAN MATEO ACCOUNTING SERVICE CENTER
 UNITED STATES POSTAL SERVICE
 2700 CAMPUS DRIVE
 SAN MATEO CA 94497-9432

CPUT PAYMENT - CONTRACT POSTAL UNIT

B. USPS Information: (Contracting officer, purchasing specialist, or other USPS representative completes.)

| | |
|---|--|
| 1. USPS Contact Person's Name | 5. Accounts Payable Supplier Name |
| 2. USPS Organization Name | 6. Accounts Payable Supplier Number |
| 3. Telephone Number (include area code) | 7. Site Name(s) |
| 4. Mailing Address (No., street, ste., PO box no., city, state, ZIP+4®) | 8. Contract Numbers to Which Payments Referenced Here Apply (if any) |
| | 9. Additional Information/instructions |

C. Supplier/Payee Information: (Suppliers/Payees complete and sign this section before Section D is verified.)

Privacy Act statement: Your information will be used to transmit payment data electronically to your financial institution. Collection is authorized by 39 USC 41001, 1005, 1206, and 2008.

Providing the information is voluntary, but if not provided, your payments will not be processed electronically. We may only disclose your information as follows: legal proceedings; to law enforcement when the USPS or requesting agency becomes aware of a violation or law; to a congressional office at your request; individuals under contract with the USPS; to entities authorized to perform audits; to labor organizations as required by law; to federal, state, local or foreign agencies regarding personnel matters; to the Equal Employment Opportunity Commission; to the Merit Systems Protection Board or Office of Special Counsel; financial entities regarding financial transaction issues. For more information regarding our Privacy Policy visit www.usps.com.

| | |
|--|---|
| 1. Supplier/Payee Name | 5. Taxpayer Identification Number |
| 2. Supplier Contact Person | 6. Contract Number(s) to Which Payments Referenced Here Apply (Only if different in addition to those listed in B8 above. Add attachment if necessary.) |
| 3. Contact Person Telephone Number (include area code) | 7. Change All Payments Made by the USPS to you by this EFT Request? No |
| 4. Address (No., street, ste., PO Box no., city, state, ZIP+4) | 8. Mailing Address (Only if different from C4-No., street, ste. PO box no., city, state) |

Supplier/Payee Certification: I certify that I am entitled to receive the above described payments from the USPS. By signing this form, I authorize these payments to be transmitted to the financial institution named below, and deposited in the account number specified. The financial institution listed below has provided/verified the accuracy of the information recorded in Section D.

| | |
|--------------|----------|
| 9. Signature | 10. Date |
|--------------|----------|

D. Financial Institution Information: (Complete or verify this section if completed by the requesting supplier or payee named in Section B completed form to the requester, or mail it to the address in Section A.)

| | | |
|--|--|---------------------------|
| 1. Financial Institution Name | 2a. Branch Name | 2b. Branch Routing Number |
| 3. Branch Address (No., street, city, state, ZIP+4) | | |
| 4a. ACH/EFT Coordinator Name | 4b. Telephone Number (include area code) | |
| 5. Depositor Account Number (Circle One) Checking Savings | 6. Depositor Account Name/Title | |
| 7a. Name of Authorized Official | 7b. Title of Authorized Official | |
| 8a. Financial Institution Signature | 8b. Date Signed | |

1. Agency Information Section: Federal agency prints or types the name and address of the Federal program agency originating the vendor miscellaneous payment, agency identifier, agency location code, contact person name and telephone number of the agency. Also, the appropriate box for ACH format is checked
2. Payee/Company Information Section: Payee prints or types the name of the payee/company and address that will receive ACH vendor/miscellaneous payments, social security or taxpayer ID number, and contact person name and telephone number of the payee/company. Payee also verifies depositor account number, account title, and type of account entered by your financial institution in the Financial Institution Information Section.
3. Financial Institution Information Section: Financial institution prints or types the name and address of the payee/company's financial institution who will receive the ACH payment, ACH coordinator name and telephone number, nine digit routing transit number, depositor (payee/company) account title and account number. Also, the box for type of account is checked, and the signature, title, and telephone number of the appropriate financial institution official are included.

Burden Estimate Statement

The estimated average burden associated with this collection of information is 15 minutes per respondent or record keeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Financial Management Service, Facilities Management Division, Property and Supply Branch, Room B-101, 3700 West Highway, Hyattsville, MD 20782 and the Office of Management and Budget, Paperwork Reduction Project (1510-0056), Washington, DC 20503.



CPU LOCATION: _____

SUPPLIER NAME: _____

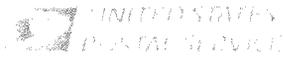
CONTRACT NUMBER: _____

As the Contracting Officer Representative (COR), I have met with, and approve of, the new supplier for the operation of the contract postal unit listed above.

Contracting Officer's Representative

Date

Exhibit 10.8 CPU Termination Close-Out Procedure



Contract Postal Unit Termination Close-Out Procedure for FF & PB (AIC)

- Notify the following departments of the termination date:
 - Accounting
 - Address Information Systems
 - Consumer Affairs
 - Inspection Service
 - P&DC Registry Unit
 - Purchasing Specialist
 - Stamp Distribution Office
- Notify the Facilities Office to remove any Postal Service-purchased signage by the termination date.
- The contracting officer representative (postmaster or supervisor) must audit stock on PS Form 3294, *Cash and Stamp Stock Count and Summary*.
 - Shortage must be paid immediately
 - For overage posted in AIC 057, the Accounting Office will issue a check.
- Deposit remaining cash and report it in AIC 090 (Postage Sales).
- Enter remaining stamp stock in AIC 848.
- Zero out PS Form 1412-A, *Daily Financial Report*, write FINAL REPORT, and send it to the Accounting Office.
- Return stamp stock to your office accountability, enter in AIC 841.
- Retrieve all Postal Service equipment and supplies from contractor. (Note all equipment returned to the Postal Service, sign and copy the original equipment list for verification.)

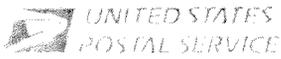
If you have any questions, please call your retail specialist.

Exhibit 10.9 CPU Termination Close-Out Procedure for a CARS Location

CARS Termination Process

| Activity | Additional Info |
|--|---|
| District retail notifies Denver CMC of termination via written communication from CPU supplier or if USPS wants to terminate, notification will come from Retail and/or COR | Denver CMC issues contract mod with termination date and notifies: IGI, HQ RAC, KC-SFS, district retail representative, and COR |
| District retail requests return boxes from the CPAC program office providing the following: Terminated CARS CPU Name: Terminated CARS Finance Number and Site ID: Termination Date: Complete Name and address of where the return shipping boxes should be sent. | District retail or COR must bring: Seven (7) Label 41s (G-10 permit imprint) per system, the CARS Inventory Control Checklist, Equipment Tracking Form and CARS Shutdown Instructions. These documents (except labels) are available on the CPAC BlueShare. |
| District retail coordinates with CPU supplier to perform the "PSD Withdrawal" procedures using the CARS Shut Down Instructions and remove the equipment at close of business on the termination date. | The CPU supplier should print all/any reports before powering down the system. There will be no other opportunity to retrieve historical data after the RP5700 is removed. |
| District retail completes and maintains the "CARS Inventory Control Checklist" and the "Equipment Tracking Form" for the equipment. Scan and email the "Equipment Tracking Form" to <i>CARS Deployment</i> email or fax it to: CPAC Program office (202) 268-4699. | Return equipment to: Innovations Group, Inc., 2751 Prosperity Ave., Suite 400, Fairfax, VA 22031-4350. Upon request, District retail will provide the HQ CPAC program office with a copy of the CARS Inventory Control Checklist. |
| All equipment must be returned immediately. In the event that the equipment cannot be returned on the termination date, district retail/COR is responsible for securing the equipment until it can be shipped. | District retail or the CPU supplier may be charged for parts that are damaged or not returned promptly. |

Exhibit 10.10 CPU Closure Announcement



(DATE)

Accounting Services
Address Information Systems
Consumer Affairs
Purchasing Specialist

Inspection Service
P&DC Registry Unit
Stamp Distribution Office

SUBJECT: Contract Postal Unit Termination

Please take the appropriate action to remove **(NAME) Contract Postal Unit** from your official list of active contract postal units. The CPU will close on **(DATE)**.

| | |
|---------------------------|--|
| Contract Unit Name | |
| Unit I.D. | |
| Contract Number | |
| Store Name | |
| Street Address | |
| City, State ZIP | |
| CPU Telephone # | |
| Business Hours | |
| Mid-Day Closing | |
| Contractor's Name | |
| Contractor's Phone # | |
| COR | |
| Postmaster | |
| Post Office | |
| Address | |
| City, State ZIP+4 | |
| Telephone Number | |

If you have any questions, please contact me at (TELEPHONE NUMBER).

(NAME)
Retail Specialist/CPU Coordinator

cc: MPOO
Postmaster (CITY)
Retail, Manager

Exhibit 10.11 Checklists for CPU Modifications

RATE INCREASES

| <u>Rate Increase Checklist</u> | <u>Rate Increase "Not Approved" Checklist</u> |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Supplier's fully completed Rate Increase Request Form <input type="checkbox"/> Approved eBuy Funding document <input type="checkbox"/> Management Analysis for a CPU Rate Increase (form) <input type="checkbox"/> Deviation (Approved by program office if increase is over 10%) <input type="checkbox"/> COR/District Approval Letter <input type="checkbox"/> Provide 2-week lead-time for processing | <ul style="list-style-type: none"> <input type="checkbox"/> Supplier's fully completed Rate Increase Request Form <input type="checkbox"/> Management Analysis for a CPU Rate Increase (form) <input type="checkbox"/> COR/District Approval Letter <input type="checkbox"/> Provide 2-week lead-time for processing |

NOVATIONS

| <u>PB and FF Novation Checklist</u> | <u>CARS Novation Checklist</u> |
|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Bill of Sale <input type="checkbox"/> Novation Agreement <input type="checkbox"/> Business Proposal <input type="checkbox"/> Representations and Certifications <input type="checkbox"/> Authorized Bond, letter of credit, or check <input type="checkbox"/> EFT Form <input type="checkbox"/> District/COR approval letter approving of novation <input type="checkbox"/> Provide 2-week lead-time for processing | <ul style="list-style-type: none"> <input type="checkbox"/> Bill of Sale <input type="checkbox"/> Novation Agreement <input type="checkbox"/> Business Proposal <input type="checkbox"/> Representations and Certifications <input type="checkbox"/> Pitney Bowes CARS/CPU Authorization form with voided check) <input type="checkbox"/> EFT Form <input type="checkbox"/> Statement from Current supplier that Stamps and Money in Meter have been sold to the new supplier (if applicable) <input type="checkbox"/> District/COR approval letter approving of Novation <input type="checkbox"/> Provide 2-week lead-time for processing |

TERMINATIONS

| <u>USPS Termination</u> | <u>Supplier Termination</u> | <u>1-Day Emergency Termination</u> |
|---|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Termination on Notice - requires 120 days (Older contracts are 60 days – check clause) <input type="checkbox"/> Retail email notification to Denver <input type="checkbox"/> Provide the contract number and CPU name in email <input type="checkbox"/> Reason for termination <input type="checkbox"/> Cure letters (if applicable) <input type="checkbox"/> Termination mod must be processed by Denver CMC | <ul style="list-style-type: none"> <input type="checkbox"/> Retail emails notification of termination to Denver <input type="checkbox"/> Provide the contract number and CPU name in email <input type="checkbox"/> Reason for termination and termination date <input type="checkbox"/> Supplier termination request letter must be attached <input type="checkbox"/> Termination mod must be processed by Denver CMC <input type="checkbox"/> Provide 2-week lead-time for processing | <ul style="list-style-type: none"> <input type="checkbox"/> Only used if in the best interest of the Postal Service <input type="checkbox"/> Retail email notification to Denver <input type="checkbox"/> Provide the contract number and CPU name in email <input type="checkbox"/> Reason for termination and termination date <input type="checkbox"/> Applicable Cure Letter(s) must be attached <input type="checkbox"/> Applicable OIG or Inspection Report <input type="checkbox"/> Termination mod must be processed by Denver CMC <input type="checkbox"/> This termination type allows the supplier appeal rights <input type="checkbox"/> Provide 2-week lead-time for processing |

Chapter 11 Compensating the CPU

11-1 Introduction

The last part of the CPU process, and the most important part to the supplier, is the compensation. It is very important to maintain a strong partnership with CPU suppliers and to ensure that their payment is correct and timely. A CPU, like any other business, depends on its cash flow to meet its expenses. Failure to provide the correct finance number, unit ID or site ID, and district code for input into either Contract Postal Unit Technology (CPUT) or APEX could result in delays in payment and dissatisfaction from the supplier.

11-2 Types of Compensation

11-2.1 Performance-Based CPU Contract

11-2.1.1 Overview

A performance-based contract pays the supplier for the revenue generated from the sale of Postal Service products and services. This compensation can consist of the following:

- a. A percentage of all the revenue.
- b. A split percentage of all the revenue.
- c. A fixed flat monthly fee and a percentage of stipulated revenue.

The rate of compensation should be fair both to the supplier and the Postal Service and should reflect current market conditions and need. If the CPU provides Post Office box service, the supplier is compensated at the rate of 33 percent for the Post Office box revenue that is generated through the CPU. This rate is nonnegotiable.

11-2.1.2 Payment Schedule

Payments will be made in arrears, by the St. Louis Accounting Service Center (ASC), 30 days after the end of each month.

11-2.1.3 CPU Payment

In accordance with the CPU contract, payment for all new CPUs will be made via electronic funds transfer (EFT). However, the first payment will be by paper check to allow sufficient time for the EFT to be established. Before the CPU can start operations or receive payment, the Denver CMC must have received the CPU bond (if required) and the supplier's direct deposit form.

The A/E or CPU coordinator must have approved the build-out and accepted the facility for the Postal Service.

Written notification from the CPU coordinator, verifying that all training and site specification requirements have been complied with and accepted by the Postal Service must have been received. Included in this notification will be the effective start date for the contract, the district code, and the unit or site ID assigned to the CPU. St. Louis ASC will use these documents to establish a payment account within the Apex System.

11-2.1.4 Contract Postal Unit Technology (CPUT)

Contract Postal Unit Technology (CPUT) is a Web-based application that contains the system that calculates the correct supplier payment each month. The payment reflects the applicable payment agreed upon in the supplier's CPU contract.

CPUT access is allowed to the following personnel:

- a. Purchasing specialists who are tasked with issuing CPU contracts have read-and-update capability in this system.
- b. Headquarters personnel who are tasked with administering the CPU program have read-and- write capability.
- c. Area retail personnel who are tasked with making specific non-contract-related changes to the CPU information in CPUT have read-and-write capability.
- d. District retail personnel who are tasked with monitoring CPU performance have read-only capability.
- e. COR.

11-2.2 Firm-Fixed Price CPU Contract

11-2.2.1 Overview

A firm-fixed price contract pays the supplier a fixed annual amount over a 12-month period. This amount of compensation is not dependent on the amount of revenue that is generated by the CPU.

Payment Schedule

The St. Louis ASC will make payment automatically, in arrears, in 12 equal monthly installments. Seasonal contracts will be paid, in arrears, at the end of each month of service. Public service contracts are paid once annually, in arrears, after the contract anniversary date or on the contract termination date. Payment will be made for all firm-fixed price contracts within 30 days after the end of the performance period.

11-2.2.2 Temporary (Emergency) CPU Contracts and Seasonal CPU Contracts Payments

Temporary (emergency) and seasonal CPU contracts are paid a fixed annual rate, automatically, in arrears, by the St. Louis ASC, in equal monthly installments.

11-3 Logon ID

To obtain access to the CPUT system, you will need to complete an application in e-Access.

11-4 Training

Training is provided by the San Mateo Integrated Business Systems Solutions Center (IBSSC) team and also by the CPUT user's manual, which is accessible on the CPAC Web site at <http://supply.blueshare.usps.gov/sites/cpac/default.aspx> (click on *CPUT Technology* and then on *User Guide*). Refer any questions or concerns regarding this system to the San Mateo IBSSC. The CPUT support number is located in the user's manual.

Chapter 12 Community Post Offices (CPOs)

12-1 Introduction

A community Post Office (CPO) is a contract postal unit that is usually located in a small, rural community and provides a full line of Postal Service products and services to local Postal Service customers. A CPO bears its community's name and ZIP Code as part of a recognized mailing address.

CPOs provides Post Office box service and may also offer general delivery and left-notice article services. CPOs is authorized by award of firm-fixed price contracts.

12-2 Establishment of a CPO

When the need for a CPO is established, the COR and the CPU coordinator will work together to prepare a CPU request package for a firm-fixed price CPU contract. Once completed, the CPU request package will be submitted to the Denver CMC for the solicitation and award of the CPU contract. Under the terms of the contract, the supplier is paid automatically, in arrears, by the St. Louis ASC, in 12 equal monthly installments.

12-3 Activation of a CPO

Once the CPO contract has been awarded, the COR must meet with the supplier to establish a partnership, answer any questions, and conduct the initial training as defined in the contract. The COR and the CPU coordinator will work together to obtain and forward to the CPO supplier all of the required Postal Service-supplied property, equipment, and supplies necessary to operate the CPO.

12-4 Management of a CPO

The COR is normally a postmaster of a classified office (Administrative Office) located near the CPO. The COR is responsible for supporting the CPO supplier with information updates, ongoing training on Postal Service procedures, financial auditing, bond verification, aviation security, HAZMAT, and any other support activities that would normally be provided by a COR to a contract unit. CPOs may accept insurance claims but cannot process them. Claim forms must be sent to the nearest Post Office for processing.

12-5 Request for Rate Increase

All requests for a rate increase must follow the procedures outlined in chapter 10.

12-6 Transfer of a CPO Contract (Novation)

In the event of the sale of a business that is operated in conjunction with the CPO, follow the procedures outlined in chapter 10.

12-7 Termination of a CPO Contract

Guidelines for terminating a CPO contract are in chapter 10. When terminating a CPO, the district has two options:

- a. Solicit for another CPO.
- b. Turn the file over to a district Post Office discontinuance coordinator.

