

PRC Docket No. R2005-1

**Transit-Time Measurement System Statement of Work,
Provided in Response to DFC/USPS-26**

This Category 4 Library Reference consists of the Statement of Work for the operation of the External First-Class Mail (EXFC) and Priority Mail End-To-End service performance measurement systems, provided in response to interrogatory DFC/USPS-26.

**STATEMENT OF WORK
FOR
TRANSIT-TIME MEASUREMENT SYSTEM (TTMS)**

October 26, 2001

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I. SCOPE

The Transit-Time Measurement System (TTMS) contract will encompass all facets of end-to-end measurement developed and designed by the United States Postal Service (USPS) Office of the Consumer Advocate. The Customer Satisfaction Measurement group, within the Office of the Consumer Advocate, is responsible for all independent measurement of service performance.

II. MAIN GOAL

The main goal of the Transit-Time Measurement System (TTMS) is to measure service from the customer's point of view. The information gathered helps determine the effectiveness of system wide service performance in satisfying customer requirements.

III. PRODUCT LINE SPECIFICATIONS: FIRST-CLASS MAIL®

A.1 Background

The current External First-Class (EXFC) Measurement System produces daily, weekly, accounting period and quarterly estimates of originating, destinating and originating/destinating composite First-Class service performance for each of the 85 Performance Clusters from/to their overnight, two-day, and three-day service standard areas. Service performance is reported for First-Class Mail®. Characteristics reported include percent meeting service standard, and cumulative percent of mail arriving in one, two, three, four, and five days for each service standard. Service performance reports exclude Sundays and Federal holidays from service performance calculations. Reports are produced and delivered to USPS management electronically and in hardcopy format within ten days after the end of each postal quarter.

EXFC is conducted by employing a panel of "droppers" (people who induct mail) to enter specially manufactured test mail into the mail stream at pre-selected locations and on pre-determined dates. An independent reporter panel (people who receive mail) reports receipt of test mail. The resulting delivery information is compared to USPS delivery standards.

Induction of test mail occurs Monday through Saturday each week of the year, with the exception of Federal holidays. All test mail is entered into the mail stream via collection boxes, including those boxes served by the USPS that are at the bottom of chutes in publicly accessible buildings. EXFC test mail is not inducted in USPS lobbies.

Test mail is manufactured in a variety of shapes and sizes, including letters, flats and post cards. Test pieces are of differing colors, addressing styles, and indicia and are compatible with USPS automation and mechanization equipment. Finally, test pieces are not identifiable as such by USPS employees.

A.2 System Design, Implementation and Pilot Test

Within the first postal quarter after contract award, pilot test work must be performed to test the following: system design, system implementation, mail fabrication, bundle preparation, induction, reporting of mail pieces, report generation and data processing. The pilot test for First-Class Mail® must include one-third of the normal quarterly volume (see Section III.D.5.1 Test Volume) and be conducted in five USPS selected Performance Clusters for four weeks. The pilot test must be completed one month prior to live implementation. The pilot test results must be delivered to USPS Contracting Officer's Representative (COR) one week after completion.

The pilot test results must include a daily and weekly service performance report and data file for the five USPS selected Performance Clusters. Also, a validation review of all the processes will be conducted by the Customer Satisfaction Measurement group, within the Office of the Consumer Advocate. Live implementation for service performance testing under the terms of this contract will begin one postal quarter after contract signing.

A.3 Definition of First-Class Mail®

The definition of First-Class Mail® is shown in Section E100 of the Domestic Mail Manual (DMM) located at www.usps.com. All test mail produced by the supplier must conform to published standards shown in the DMM for First-Class Mail®.

A.4 Metered First-Class Mail®

Metering procedures are discussed in Section P030 of the DMM and, particularly, for First-Class Mail® in Section P100 of the DMM.

A.5 Test Mail Fabrication

The supplier must acquire materials and assemble test pieces. The USPS will provide postage for the test mail pieces. The USPS will provide postage for all communications between/from the reporters and droppers. The USPS will provide postage for all communications between/from the supplier and the reporters and between/from the supplier and the droppers.

Test mail pieces must be produced to represent a wide variety of First-Class Mail®. It is the intent of USPS to have test mailpieces produced in a way that will not allow the test mail pieces to be identified as being included in this service performance test. Thus, a wide variety of sizes, colors, addressing types, and indicia characteristics must be utilized when producing the test mail pieces. The combination of mail types (see Appendix II) reflects the current mail mix and will be updated upon request.

Each postal quarter the supplier shall produce mail in the types and proportions shown in Appendix II, Description of First-Class Mail® Piece Types. The supplier will send mail to each of the EXFC Performance Clusters in these types and proportions every postal quarter. The supplier must use automation compatible envelopes.

Each quarter the supplier must produce a breakdown of the number of each type of mail produced. The supplier shall produce the following tallies quarterly for each of Stamped and Metered First-Class Mail® by letters, flats and post cards:

Print Type

Type 1

Type 2

Type n

Color

Color 1

Color 2

Color n

Window type

Type 1

Type 2

Type n

Return Address

Address 1

Address 2

Address n

Day of Entry into Mail stream

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

Pre-barcoded Facing Identification Mark (FIM) A

PLANET Codes (see Appendix XII)

A.6 Physical Characteristics for First-Class Mail® (see Appendix II)

The following quarterly guidelines must be met for the characteristics of test mail:

<u>Shape Characteristic</u>	<u>% of Quarterly Mailing</u>	<u>Sub Group %</u>
Stamped, hand-addressed* letter	21.9	
One ounce or less		89
Greater than one ounce		11
Stamped, hand-addressed* flat	3.2	
Stamped, hand-addressed* post card	0.5	
Stamped and metered machine-addressed letter	68.8	
One ounce or less		93
Greater than one ounce		7
Metered machine-addressed flat	2.8	
Metered machine-addressed post card	2.8	

* Handwritten addresses must not include cursive machine type and must be clear, neat and legible. All handwritten addresses must be in black ink.

A.6.1 Additional Characteristics

In addition to the shape characteristics defined above, the following must be met to ensure that the test pieces include many of the characteristics of mail that actually flow through the mail stream.

Test pieces will be mailed to a Performance Cluster from Performance Clusters in its overnight, two-day, or three-day service standard area in approximately the same relative proportions as volumes, derived from USPS sources.

Barcodes on the pre-barcoded mail pieces will be at the ZIP + 4 + 2 level. A Facing Identification Mark, (FIM) A, as outlined in DMM Section C.100.5.2a, must be applied to some pre-barcoded pieces. All non-pre-barcoded mail pieces must have, at minimum, 5-digit ZIP Codes. PLANET Codes, as discussed in Appendix XII, must also be incorporated on 5 percent of the test mailpieces.

A.6.2 Size

The following table specifies sizes that must be used (refer to Appendix II):

<u>Size</u>	<u>% of Stamped Quarterly Mailing</u>	<u>% of Metered Quarterly Mailing</u>
3 5/8" x 6 1/2"	2 - 6	8 - 12
4 1/8" x 9 1/2"	21 - 25	19 - 23
Other	remainder	remainder

A.6.3 Color

No less than 60% and no more than 70% of the 3 5/8" and 4 1/8" envelopes must be white. Other colors must be automation compatible.

A.6.4 Windowed Envelopes and Return Addresses

Mail pieces must show a variety of formats for presentation of the address and return address. Cellophane-window and open-window envelopes, as well as, address labels must be utilized in the address. Preprinted return addresses, gummed labels, and handwritten addresses in various styles and formats must be used for the return address. All mail pieces inducted in the Caribbean must show Caribbean return addresses.

A.6.5 Automation Requirement

Mail pieces must be produced in a manner to ensure compatibility with USPS automated and mechanized equipment. Characteristics of test pieces that must meet these requirements include:

- Cellophane reflectance for all letters and flats
- Ink/envelope reflectance for all letters and flats
- Flexibility of 1.5 oz. letters
- Quality of machine printing, i.e., ink spray
- Height, width, and ink density of barcodes on pre-barcoded pieces
- Location of the address block in open window and cellophane window test pieces
- FIM A markings.
- PLANET Codes

The ink used for meter impressions must be "hot" or must be detectable by the Advanced Facer Canceler System machines. Samples of all types of mail pieces must be tested for reflectance, automation compatibility and flexibility at various USPS field locations before being used in EXFC. The designated USPS COR must supervise this test. Thereafter, testing will be required at least twice a year throughout the course of the contract.

A.6.6 Changes in Mail Mix

The mail mix and percentages (as shown in Appendix II and Section III.D.5) may change should the USPS experience any significant shifts in the mail stream makeup. This should be reviewed annually.

A.6.7 Insert Sheets

All letters and flats must include an insert sheet, displaying the reporter's name, address and test piece ID number. Post cards must include an ID number.

A.6.8 Bundle Composition

The supplier must combine assembled test pieces into dropper bundles and must package and ship the bundles to droppers. Each bundle must contain no more than 40 pieces and include overnight, two-day and three-day service standard pieces. The relative proportion of mail in each bundle destined for the three different service standard areas must be approximately constant from bundle to bundle. This means overnight service standard pieces must be in proportion to the sample size shown for the two-day and three-day service standard pieces (see Section III.D.5.1).

The makeup of each service standard area, within each bundle, must include pieces for different destinating Performance Clusters. If there are ten or fewer test mail pieces required for a specific origin/destination pair in a postal quarter, then each one of these test mail pieces must be placed in a separate bundle. If there are eleven or more test mail pieces required for a specific origin/destination pair in a postal quarter, then no more than 20 percent of these pieces will be in the same bundle.

B. Dropper Panel

B.1 Definition and Distribution

A dropper is a person who inducts test mail in the origin ZIP Code areas.

- No members of a dropper's household may be employed by the USPS or similar carriers, such as, but not limited to, Federal Express, Airborne, UPS and DHL.
- No members of a dropper's household may be employed by media organizations, such as radio, newspapers, television stations, etc.
- No dropper can be a reporter.

The supplier must maintain a sufficient number of droppers in order to induct no more than four bundles per induction day per Performance Cluster (see Section III.D.1.1).

B.2 Recruitment and Training

The supplier must recruit a panel of droppers and back-up droppers, create all training materials and provide training. The USPS COR must be provided with a copy of all dropper instructions.

The supplier is responsible for monitoring individual dropper errors. Droppers must be released from their duties if they commit three serious mistakes, which cause data to be deleted or changed. Examples of serious mistakes are 1) a dropper calling the supplier with information for a bundle that had not been inducted or 2) inducting a bundle in an Express Mail or "local only" collection box.

B.3 Responsibilities

Test pieces must be entered into the mail stream in unbanded bundles. Droppers must induct mail during the allowable drop window that begins on the scheduled date of induction at 5:00 AM and continues until 30 minutes before the last scheduled pick up time. The only circumstance that a dropper will be allowed to induct mail prior to the induction day is when the last pickup time on the Collection Box Management System (CBMS) listing (this is provided to the supplier by the USPS) is later than the last pickup time posted on the selected collection box. In this instance only, the supplier may change the induction date from the day of the scheduled induction to the next day.

Droppers must record the following information from Decal 55, Collection Box Label (see Appendix VII): collection box ID number, last pickup time, address and date label printed. Any discrepancy must be reported to the supplier. If a discrepancy occurs concerning the last pickup time, Decal 55 information will determine the last pickup time.

The supplier will incorporate the use of cellular phones or other appropriate technology within the induction process. This technology, used by droppers to relay information at induction, will be checked for accuracy.

Droppers must notify the supplier, via the technology referred to above, of actual drop times and locations of all inductions on the day of induction. The supplier must produce documentation to USPS in all cases where changes to the original schedule occur. The supplier must also provide a report showing the number of times the scheduled induction date differs from the actual induction date for each dropper in every Performance Cluster. Also, if there is more than a two hour deviation from the forecasted induction time scheduled, the supplier must inform the COR. Finally, the supplier must develop a quality check to identify possible confidentiality breaches for droppers and reporters.

C. Reporter Panel

C.1 Definition and Distribution

Reporters account for the receipt of test mail pieces at their residence, business or P.O. box.

C.1.1 Business Reporters

Nationally, no more than ten percent of the reporters will be at business addresses. This rule does not apply if sufficient residential reporters cannot be recruited. Businesses selected must pick up their mail six days a week. Test mail pieces must not first be routed through a third party (i.e., mailroom) prior to being delivered to the reporter. The supplier must verify these requirements on a quarterly basis.

USPS may verify that the supplier has satisfied the restrictions of business reporters detailed above.

C.1.2 Post Office Boxholder Reporters

Reporters may be Post Office boxholders. Boxholder reporters are only permitted as reporters if the PO box is located at a United States Post Office. Boxholder reporters must know what time mail is available for pick-up and pick-up mail after that time six days (Monday through Saturday) a week. These issues must be addressed with boxholder reporters every postal quarter.

C.1.3 Reporter Distribution

Reporters must be distributed in many 5-digit ZIP Codes to assure widespread representation of areas of mail delivery. To accomplish this representation, a two-step process will be used as shown below:

C.1.3.1 Distribution Across 3-Digit ZIP Code Areas

The USPS will provide the supplier with an electronic data file. This file will include the number of residential and business deliveries in each 5-digit ZIP Code within each 3-digit ZIP Code prefix listed in Appendix I. Using this file, the supplier must calculate the relative proportion of residential and business deliveries represented by each 3-digit ZIP Code in its associated Performance Cluster. The supplier must obtain household and business reporters in 3-digit ZIP Codes in proportions matching those derived from the residential and business deliveries.

C.1.3.2 Distribution Within 3-Digit ZIP Code Areas

Once the number of reporters in a 3-digit ZIP Code area has been determined using the procedure described above, the supplier shall rank-order the number of residential deliveries in each 5-digit ZIP within the 3-digit ZIP. Using these volumes, cumulative proportions of the total representation within the 3-digit ZIP shall be developed, and break points identified as close as possible to 33 1/3%, 66 2/3%, and 100% on the cumulative list. These break points stratify the 5-digit ZIPs into three groups. To the extent feasible, 1/3 of reporters in the 3-digit ZIP prefix shall be recruited from among each of the three groups of 5-digit ZIPs. In addition, the supplier must attempt to recruit reporters from at least 50% of the 5-digit ZIP Codes within each group.

C.2 Recruitment and Training

The supplier is responsible for recruiting a panel of residential and business reporters. The following items must be incorporated into the supplier's reporter recruitment process for all types of reporters:

Reporters must be available to receive test mail each day, Monday through Saturday.

Reporters must receive their mail at their street address or Post Office Box and not through a third party or mailroom.

- No members of a reporter's household may be employed by the USPS or similar carriers, i.e., Federal Express, Airborne, UPS and DHL.
- No members of a reporter's household may be employed by media organizations, i.e., radio stations, newspapers, and television stations.
- No reporter may be a dropper.

Continued communication between the supplier and the reporters is required. Reporters must be polled at least once a year to verify their willingness to participate. The supplier may combine the verification along with any other mailings to the reporter.

The supplier must replace unreliable reporters. If reporters are removed for any reason, the supplier must replace them.

The supplier must create all training materials and train reporters to identify test mail. The USPS COR must be provided with a copy of all reporter instructions.

C.3 Responsibilities

On the day each test mail piece is received, reporters are required to write the date of receipt on the portion of the test piece that includes the test piece identification. Reporters must call the supplier within 24 hours of receipt to report the test mail. After the reporters call in the receipt information, they must place all insert sheets back into the correct test envelopes. Reporters must retain EXFC test mail pieces for at least 60 days.

Reporters must notify the supplier if they are unable to receive mail for any reason. Such reasons may include vacation, illness and destruction of mailboxes. The reporter response rate must be at least 90%.

Boxholder reporters must supply the posted box mail available time to the supplier.

C.4 Return Address Panel

The Return Address Panel accounts for mail that is undeliverable to the address. When the EXFC and PETE return addresses on the test mailpieces and the meter indicia do not correspond with the induction location, the mail carrier collecting mail from the collection boxes may identify the test mail. Hence, the 3-digit ZIP Code in the return address on the test mailpiece must be in close proximity to the 3-digit ZIP Code of the induction location.

Members of the Return Address Panel must meet the following requirements:

- be able to receive returned mail at their address or P.O. box,
- no members of their household may be employed by the USPS or similar carriers,
- no members of their household may be employed by media organizations, and
- may not be a reporter or a dropper for EXFC or PETE.

The panel member must retain the returned test mail pieces and send them to the supplier. Return Address Panel members must notify the supplier if they are unable to receive mail for any reason.

D. Induction and Quality Control

D.1 Induction Process

D.1.1 Randomization of Induction Points

The supplier must randomly select locations for induction of test pieces from the USPS Collection Box Management System (CBMS). For each origin Performance Cluster, the number of locations selected in 3-digit ZIP Codes is based on the origin 3-digit ZIP code Origin/Destination Information System (ODIS) volumes. Further, for each 3-digit ZIP Code, the number of locations selected in 5-digit ZIP Codes shall be in proportion to the number of regular collection boxes in the 5-digit ZIP Codes according to CBMS. The CBMS file description will be supplied upon contract award.

Randomly selected collection box locations are provided to the dropper on a quarterly basis. Droppers must randomly choose collection boxes associated with each induction day with the exception that no more than one location in a 5-digit ZIP Code is used for induction on the same day. The supplier must perform inductions in a way which controls travel and other costs. Induction schedules must be developed and provided weekly in advance to USPS COR in electronic format.

D.1.2 Drop Window

The allowable drop window shall begin on the scheduled date of induction at 5:00 AM and continue to 30 minutes before the last scheduled collection time. The only circumstance that a dropper will be allowed to induct mail prior to the induction day is when the last pickup time in CBMS is later than the last pickup time posted on the selected collection box. In this instance only, the dropper may induct the test mail and change the induction date from the day of the scheduled induction to the next day.

D.1.3 Days and Weeks

Throughout the course of the postal quarter, test pieces must be inducted according to the following percentages by day of week:

Monday	19%
Tuesday	20%
Wednesday	17%
Thursday	16%
Friday	17%
Saturday	10%

The relative proportion of mail pieces inducted on each of these days must be within +/- three percent, e.g., the Monday range would be between 16 and 22 percent. Test mail volume flows to a Performance Cluster from each Performance Cluster in its overnight, two-day, or three-day service standard area must be inducted evenly across all weeks of a postal quarter.

D.1.4 Collection Boxes

If the collection times on the collection box label are not legible, missing, or if there is no label, droppers must be instructed to induct the test mail in a nearby alternate location with legible information. This location must not be within the same 5-Digit ZIP Code as any other bundles inducted the same day. If the alternate location has similar problems as the first, the dropper may induct the bundle and must notify the supplier. The supplier is then responsible for determining the last pick-up time for that collection location and the effective date of the induction. The supplier must report these occurrences to the USPS COR every accounting period.

CBMS will provide the necessary information for the supplier to ascertain the types (mixed, stamped, metered, local, etc.) of collection locations. The supplier must assure that only mixed, metered and

stamped boxes are used. Metered test pieces may be inducted in metered only collection boxes. Stamped test pieces may be inducted in stamped only collection boxes. Stamped and metered test pieces may be inducted in mixed collection boxes. Local, Priority and Express Mail boxes are prohibited for EXFC-test-mail-piece inductions.

The date shown in the metered postmark must be the actual date of deposit for metered mail inductions.

D.2 Frequency

The estimates must be computed and released every postal quarter by Performance Cluster (as defined for each three-digit ZIP Code(s) shown in Appendix I), Area and at the National level.

D.3 Definitions

Origin is defined as the point at which the mail is entered into the mailstream. Entry points are collection boxes or collection receptacles of mail chutes in buildings that have posted USPS collection schedules.

Destination is defined as the point at which the postal customer regularly collects (receives) his mail. Examples of destinations are residential and business mailboxes and post office boxes.

The number of days to deliver is the number of calendar days that elapse between the derived date of induction (based on the induction time and the last scheduled pick-up time), and the date that the mail is reported received. The number of days to deliver is adjusted for Sundays and Federal Holidays (nondelivery days).

If the mail is reported received on a Monday or on the day immediately following a holiday, then the number of days to deliver is reduced by the number of nondelivery days immediately preceding the day the mail is reported to have been received. If the mail is reported received on a Tuesday or on one day past a holiday, the number of days to deliver are not reduced.

Examples:

Regular Workweek:

Induction Day of Week	Receipt Day of Week	Days to Deliver
Friday	Saturday	1
	Monday	2
	Tuesday	4
	Wednesday	5

In this example, an overnight piece is on time if delivered on Saturday, a two-day or three-day piece is on time only if delivered on Monday. Tuesday delivery would be late regardless of commitment.

Holiday Monday Workweek:

Induction Day of Week	Receipt Day of Week	Days to Deliver
Friday	Saturday	1
	Tuesday	2
	Wednesday	5

In this example, an overnight piece is on time if delivered on Saturday, a two-day or three-day piece is on time only if delivered on Tuesday. Wednesday delivery would be late regardless of commitment.

Average delivery time must be computed as an arithmetic mean, properly weighted by the specified sample design considerations for overnight, two-day, and three-day service performance areas.

D.4 Percent Delivered within Service Standards

The USPS will provide, in electronic format, the service standards for First-Class Mail® between pairs of three-digit ZIP Codes. The supplier will compute the percentage of mail pieces that were delivered earlier than or on the standard for overnight, two-day, and three-day service performance areas. All 85 Performance Clusters have overnight, two-day and three-day service standards with the exception of Alaska (no overnight), Caribbean (no two-day) and Honolulu (no two-day). The supplier will also compute the cumulative percentage of mail pieces that were delivered in one, two, three, four, and five days. Percentages must take into consideration adjustments for Sundays and holidays, when warranted.

D.5 Volume Requirements

D.5.1 Test Volume

The following destinating volume of test mail is required for (destinating) estimates of combined stamped and metered First-Class Mail® service performance for each service performance cluster.

Sufficient test pieces will be entered each postal quarter into the mailstream for every destinating Performance Cluster to yield the following minimum sample pieces:

4785 pieces from the overnight service standard area reported and entered into the final file, 1500 pieces from the two-day service standard area reported and entered into the final file, and 1500 pieces from the three-day service standard area reported and entered into the final file.

The statistical precision is implicit in the mandated minimum sample sizes. The supplier will be required to specify the anticipated statistical precision deriving from the specified minimum sample sizes. The minimum sample size means the minimum and that the sample must be such that not one of the Performance Clusters will fall below the minimum in any quarter.

D.5.2 USPS Volume

The sample developed by the supplier must represent First-Class Mail® volume flows proportionately among the selected three-digit origin/destination ZIP pairs and must represent the actual overnight, two-day and three-day volume percent shown in the ODIS. Mail flows between EXFC performance clusters are based on ODIS 3-digit pair volume flows over the past three fiscal years. The number of pieces entered from each PC is in proportion to the ODIS origin volumes to the destination by service standard.

The USPS will provide the information necessary to be used in the creation of the weights for the development of the required estimates.

D.6 Documentation of Supplier Activities

The supplier must document computer programs that are used to select the sample, edit reporter data, and produce final reports. The supplier must maintain administrative records that verify response rates and actual responses of the reporters. The supplier must maintain records verifying reporter willingness to participate in the study. One copy of documentation sufficient to explain software, algorithms, calculations, and data flows used in computer programs must be supplied to USPS COR.

D.7 Retrieval and Storage of Test Mail Pieces

The USPS will request all overnight pieces from zero bundles. A zero bundle is a bundle in which all overnight pieces have failed to meet service standards. These pieces must be maintained by the supplier for at least four (4) months and be made available to USPS personnel upon request. Information on the zero bundle test piece, such as the postmark date, postmark ZIP Code and the ID tag barcode must be captured.

D.8 Record Retention

The supplier is responsible for storing all records, hardcopy, tapes, and disks, generated by this study. When the contract is concluded, all records, including source code for the computer programs developed, must be transferred to USPS.

D.9 Reporter Data Accuracy

The supplier must validate the accuracy of reporter data and the USPS COR must receive information confirming this validation process.

The USPS may independently conduct tests of reporter accuracy. The supplier must fabricate sufficient additional test mail to test two reporters per postal quarter in each of the EXFG Performance Clusters upon USPS request. This test mail will not be used to measure service performance. The supplier shall also produce a report summarizing these results upon request.

D.10 Address Hygiene

The supplier must maintain the file of delivery addresses with address hygiene and other address correction products such as the Address Management System (AMS) and the National Change of Address (NCOA) prior to live implementation and during the length of the contract. Caribbean addresses must be closely monitored.

D.11 Reporter Address File

Address hygiene products must evaluate the potential reporter address file within two months of reporter selection. At monthly intervals thereafter, the supplier must run reporter addresses through the address hygiene products. The supplier must document receipt of information concerning change of addresses for reporters and how the address changes were handled for reporting purposes. The supplier must use the NCOA to monitor reporter address changes. The supplier must supply to USPS COR verification of address hygiene in accordance with the requirements.

E. Deliverables

E.1. Quarterly Data Presentation

Data must be tabulated each USPS quarter. Sample report formats are shown below. While the formats listed may be changed upon mutual agreement, estimates of service to a Performance Cluster from a service standard area for total First-Class Mail® are necessary.

E.1.1 Matrix Report Format (see Appendices IV and V)

SERVICE PERFORMANCE SUMMARY																	
DESTINATING SCORE, COMBINED INDICIA																	
PC	OT	OVERNIGHT				TWO-DAY				THREE-DAY				NATION			
		%	+/-	AVG	+/-	%	+/-	AVG	+/-	%	+/-	AVG	+/-	%	+/-	AVG	+/-
		RANGE	DAYS	RANGE	OT	RANGE	DAYS	RANGE	OT	RANGE	DAYS	RANGE	OT	RANGE	DAYS	RANGE	
A		XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX
B		XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX
C		XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX
D		XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX

AREA 1 TOTAL																	
AA		XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX
BB		XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX
CC		XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX	XX.XX	X.XX	X.XX	X.XX

AREA 2 TOTAL																	
AREA 11 TOTAL																	
NATIONAL TOTAL																	

This report must also be tabulated for an originating score for each service standard and the originating/destinating two/three-day composite.

E.1.2 Profile Report Format (see Appendices IV and V)

SERVICE PERFORMANCE PROFILE					
DESTINATING SCORE, OVERNIGHT					
PC	PERCENT DELIVERED WITHIN				
	1 DAY	2 DAYS	3 DAYS	4 DAYS	5 DAYS
A	XX.XX	XX.XX	XX.XX	XX.XX	XX.XX
B	XX.XX	XX.XX	XX.XX	XX.XX	XX.XX
C	XX.XX	XX.XX	XX.XX	XX.XX	XX.XX
D	XX.XX	XX.XX	XX.XX	XX.XX	XX.XX

AREA 1 TOTAL					
AA	XX.XX	XX.XX	XX.XX	XX.XX	XX.XX
BB	XX.XX	XX.XX	XX.XX	XX.XX	XX.XX
CC	XX.XX	XX.XX	XX.XX	XX.XX	XX.XX

AREA 2 TOTAL					
AREA 11 TOTAL					
NATIONAL TOTAL					

This report must also be tabulated for the originating score for each service standard.

E.1.3 Additional Data Presentations

Use the format shown in Section III.E.1.2 to present data for each of the three service standard areas (overnight, two-day, and three-day). Performance Clusters, Area Offices and the Nation, as shown in Sections III.E.1.1 and III.E.1.2, require rollup reports. Ninety-five percent confidence intervals must be produced with the rolled-up estimates. Performance Clusters, Area Offices and the Nation, must reflect weighting of Performance Cluster scores by the volume associated with each Performance Cluster. See Appendix X for quarterly estimation formulas.

E.2 Quarterly Reports

The end of the quarter results must be provided to the USPS within 10 calendar days of the end of the postal quarter. Results will be supplied in the following formats:

- Bound hardcopy "results book" (7 copies) containing the reports (specifics to be provided at contract award)
- File containing the reports in Sections III.E.1.1 and III.E.1.2 in an electronic format (Appendix IV and V)
- File detailing information about each test mail piece used in computing quarterly service performance must be uploaded to the USPS mainframe. The required EXFC mail piece file layout is displayed in Appendix III.

- Hardcopy report of the sampling plan and estimation procedures for USPS review. This plan must include a detailed description of the sample design and selection procedures, and the estimation procedures for First-Class Mail® service by performance cluster. The plan must also include a description of the computation methodology of standard error.
- Explanation of the development of the sample by induction and delivery points.
- Hardcopy report of the procedures used for recruiting reporters and droppers.
- One hardcopy of data cleaning instructions.
- Test postage safeguard process.
- Explanation of the accounting system used for service charges pertaining to shipping and mailing of test mail.

Supplier representatives are required to present the quarterly results to USPS personnel at USPS Headquarters the second Tuesday after the end of each postal quarter.

USPS is responsible for releasing the quarterly data to the appropriate internal and external customers.

E.3 Interim Reports

The following interim reports are required:

- Electronic files uploaded to the USPS mainframe (see Appendix III, Layout of EXFC Daily/Weekly Data File):
 - Daily overnight results file by 11:30 a.m. Eastern Time (ET)
 - Weekly 2- and 3-day results file by 2:00 p.m. ET each Tuesday
- Electronic files sent to USPS personnel via email:
 1. Excel spreadsheet containing weekly, AP-to-date and PQ-to-date results of pieces reported received, pieces meeting standard, percent meeting standard and estimated 95% confidence interval. This report will be generated by Performance Cluster alphabetically listed within USPS Area Offices and the nation. This report is for overnight, two-day and three-day service standards. This file must be transmitted by 2:00 p.m. ET each Tuesday.
 2. Excel spreadsheet containing a postal quarter-to-date report of pieces reported received, pieces meeting standard and percent meeting standard for every service standard for each zero bundle. A zero bundle is a bundle in which no overnight mail pieces were reported received on time. This report must be in alphabetical order by Performance Cluster within each Area by induction date. The 5-digit ZIP code of induction for each bundle must be displayed along with the collection box ID. Subtotals for each Performance Cluster must be displayed. This file must be transmitted by 2:00 p.m. ET each Tuesday.
 3. Excel spreadsheet containing AP results for PLANET Code mail piece information on pieces read, pieces meeting standard, percent meeting standard and estimated 95% confidence interval. This report will be generated in alphabetical order by Performance Cluster within each Area and must include a National total. This report is for overnight, two-day and three-day service standards. This file must be transmitted by 11:30 a.m. ET each Wednesday.

E.4 Other Reports

E.4.1 Quarterly Performance Cluster Rankings

These required reports are in an excel spreadsheet containing Performance Cluster rankings of destination on-time results compared to the same postal quarter last year.

E.4.2 Quarterly Trend Report

These required reports are in an excel spreadsheet containing a trend report including the last five postal quarters with on-time results and +/- ranges for overnight, two-day and three-day standards by National, Area Office and Performance Cluster. Historical data will be provided by the COR.

E.4.3 Collection Box Discrepancy Report (refer to Section III.B.3)

When the supplier receives discrepancies that droppers noted from collection boxes, they must be compared to the collection box information contained in the Collection Box Management System (CBMS), which resides on the USPS mainframe. USPS will provide access to this data. When the information collected by the dropper does not match the information in CBMS, a CBMS Comparison Report must be generated. These reports must be sent to the USPS by email every accounting period (formats will be provided at contract award).

E.4.4 Boxholder Reporter Quality Check Report

Boxholder reporters must supply the posted "box mail available time" to the supplier. On a semi-annual basis, the supplier must report how the boxholder reporter availability times compare to the posted box mail available time given by the post office where the box is located. This report must state how the availability times were determined.

E.4.5 Delivery Mode Report

The USPS will provide the supplier with a data file containing information on deliveries in each 5-digit ZIP Code. This file contains the type of each delivery. The supplier will generate a delivery mode report using this data file and the service performance information collected. The weighting methodology will be determined by the USPS and communicated to the supplier before the report is generated each postal quarter.

E.4.6 Boxholder Reports

Quarterly reports of service performance to boxholders and non-boxholders in each Performance Cluster, and the nation, are required. These reports must display overall service performance, performance to PO Boxes, performance to non-PO Boxes, and the difference between the PO Box and non-PO Box performance. In addition, the high, low, and mean performance clusters performance to PO Boxes and non-PO Boxes shall be provided by the supplier.

E.5 Summary of Deliverables

Service performance reports must be received on at least 90% of pieces mailed each postal quarter. Achievement of this response rate is the responsibility of the supplier and must be maintained at the Performance Cluster level. Seven copies of the quarterly reports, discussed in Section III.E.2 above, must be generated and given to the USPS COR ten days after the end of the postal quarter. Two copies of the additional reports, shown in Sections III.E.4.1, III.E.4.2, III.E.4.4, III.E.4.5, and III.E.4.6 above must also be generated.

F. Oversight, Evaluation and Supplier Responsibility

F.1 Oversight

USPS personnel, including but not limited to, the Contracting Officer (CO), COR, USPS Inspection Service and Office of the Inspector General (OIG), must be allowed access to production and administration facilities. USPS must also have access to all data and files maintained by the supplier so that checks can be performed. The supplier must provide the necessary personnel clearances and space for verification activities by USPS personnel.

F.2 Evaluation

USPS will evaluate the supplier's work at least once a year. Evaluations will cover the scope of all operations conducted by the supplier for the EXFC service performance measurement study, including, but not limited to, verification of: entry of mail into the mail stream, reporter information, data processing for sample selection and report production. The USPS COR will discuss the outcome of the evaluation with the supplier to determine the appropriate remedies within the scope of the contract.

The supplier must develop an understanding of the use and purpose of EXFC. The supplier is required to maintain a responsive working relationship with the USPS COR.

F.3 Supplier Responsibility

The supplier must provide the services of professional statisticians (at least one senior statistician and one subordinate statistician) with in-depth knowledge of sampling techniques (includes design), estimation methods, and variance estimation methods.

The USPS Contracting Officer must be contacted in writing when there are any changes in key personnel associated with the project. (Reference Section H, Definition of Key Personnel, clause OB-165, of the solicitation.)

The supplier must provide documentation of the work being done and briefing on the progress on activity to the USPS COR or designee(s), along with specifically described reports, on a monthly basis and as requested.

The COR or designee(s) must be kept fully informed during the execution of the research and development phase of this effort as well as during the implementation phase. The supplier shall consider the COR or designee(s) as the Customer Satisfaction Measurement group liaison throughout the duration of this contract.

The supplier is required to have physical security at the supplier's computer site to ensure that documents, computers and equipment, related to this contract are protected.

The supplier is required to provide a written disaster recovery plan and documented system development life cycle for all computerized systems.

IV. PRODUCT LINE SPECIFICATIONS: PRIORITY MAIL

A.1 Background

The USPS requires measurement of service performance for identified Priority Mail. This service has been designed for domestic articles of First-Class Mail® weighing more than 13 ounces and, at the mailer's option, any other mail matter (including regular First-Class Mail®) weighing 13 ounces or less. The maximum weight limit for domestic Priority Mail is 70 pounds.

The marking "Priority" or "Priority Mail" must be placed prominently on the address side of each piece of single-piece rate Priority Mail. In other words, single-piece Priority Mail must be clearly identified in order to be assured the proper service, even though all First-Class Mail® weighing more than 13 ounces is, by definition, Priority Mail. Priority Mail is considered to be clearly identified as such if and only if it is placed in a USPS Priority Mail envelope or box or marked with USPS Priority Mail labels or tape. Handwriting, printing, or rubber-stamping the words "priority mail," on an envelope or payment of postage at Priority Mail rates is insufficient to categorize the piece as identified Priority Mail.

To provide customers with better and more competitive service, the USPS is interested in measuring identified Priority Mail overnight and two-day service reliability of delivery in relation to its service standard. Reports are produced and delivered to USPS management within ten days after the end of each postal quarter.

The current Priority End-to-End (PETE) system produces weekly, accounting period and quarterly estimates of originating, destinating and originating/destinating composite Priority Mail service performance for each of the 85 Performance Clusters. This system is designed to provide quarterly estimates of originating, destinating and originating/destinating composite Priority Mail service performance for all 85 Performance Clusters, encompassing 301 3-digit ZIP Codes, from their overnight and two-day service standards within their surface and air networks.

These networks represent about 70% of the nation's destinating, identified Priority Mail volume. The Priority Mail sample must be in proportion to the mail flows from each of the 85 Performance Clusters, using selected three-digit ZIP Code origin areas, to all 85 Performance Clusters, using selected three-digit ZIP Code destination areas shown in Appendix XI.

PETE is conducted by employing a panel of "droppers" (people who induct mail) to enter specially manufactured test mail into the mail stream at pre-selected locations and on pre-determined dates. An independent reporter panel (people who receive mail) reports receipt of test mail. The resulting delivery information is compared to USPS delivery standards.

Induction of test mail occurs Monday through Saturday each week of the year, with the exception of Federal holidays. Priority Mail may be dropped off at a post office, in a collection box, or with the regular letter carrier while he/she is making a routine delivery or collection at a business location.

Test mail is manufactured in a variety of shapes and sizes. Test pieces are not identifiable as such by USPS employees.

A.2 System Design, Implementation and Pilot Test

Within the first postal quarter after contract award, system design, system implementation and pilot test work will be done to test the supplier's following processes: mail fabrication, bundle preparation, induction, reporting of mail pieces, and data processing (which includes report generation). The pilot test for Priority Mail must include one-third of the normal quarterly volume (see Section IV.D.4, Volume Requirements) and be conducted in five USPS selected Performance Clusters for four weeks. The pilot test must be completed one month prior to live implementation. The pilot test results must be delivered to USPS COR one week after completion.

The pilot test results must include a daily and weekly service performance report and data file for the five USPS selected Performance Clusters. Also, a validation review of all the processes will be conducted by the Customer Satisfaction Measurement group, within the Office of the Consumer Advocate. Live implementation for service performance testing under the terms of this contract will begin one postal quarter after contract signing.

A.3 Definition

The definition of Priority Mail is shown in Section E120 of the Domestic Mail Manual (DMM) located at www.usps.com. All test mail produced by the supplier must conform to published standards shown in the DMM for Priority Mail.

A.4 Test Mail Fabrication

The supplier must acquire materials and assemble test pieces. The USPS will provide postage, Priority Mail envelopes, Priority Mail boxes, Priority Mail labels, and Priority Mail tape for Priority Mail test pieces. The USPS will provide postage for all communications between/from the supplier and the reporters and between/from the supplier and the droppers. The USPS will provide all shipping costs for test mail bundles shipped to droppers.

The supplier must provide any other material necessary to fabricate test mail pieces that are not supplied by the USPS (see Appendix IX). The supplier must maintain quality control to ensure test mail pieces meet all mailing requirements.

Priority Mail test pieces will be inducted into the USPS by the following methods: 75% in collection boxes (65% metered and 10% stamped and not directly in front of a post-office), 20% over-the-counter (including 100 Delivery Confirmation pieces per Performance Cluster) and 5% Small Business pick-ups. Business reporters must receive approximately 50 percent of test mail and household reporters must receive approximately 50 percent. The business reporters must not be receiving their mail through a third party, since the object of the study is to measure on-time performance to the addressed recipient, and there is no means of determining whether a third party has delivered the piece promptly. Business reporters selected must pick up their mail six days a week.

The Priority Mail mix and distribution may change should the USPS experience any significant volume shifts in the Priority mailstream. The types, weights, and distribution of the Priority Mail packages are shown in Appendix IX.

B. Dropper Panel

B.1 Definition and Distribution

A dropper is a person who inducts test mail in the origin ZIP Code areas.

- No members of a dropper's household may be employed by the USPS or similar carriers, such as, but not limited to, Federal Express, Airborne, UPS and DHL.
- No members of a dropper's household may be employed by media organizations, such as radio, newspapers, television stations, etc.
- No dropper may also be a reporter, except a small business dropper. A small business dropper may also be a small business reporter.

The supplier must maintain a sufficient number of droppers in order to induct no more than four bundles per induction day per Performance Cluster (see Section IV.D.1.6.1).

B.2 Recruitment and Training

The supplier must recruit a panel of droppers and back-up droppers, create all training materials and provide training. The supplier must develop and distribute to each dropper instructions providing for the collection of data, test contingencies, other information and follow up with a complete telephone briefing of their responsibilities. The USPS COR will be provided a copy of these instructions.

The supplier must contact any droppers that have not reported induction information on the scheduled induction day. All problems, including deviations from and exceptions to the forecasted inductions must be documented and reported.

The supplier is responsible for monitoring individual dropper errors. Droppers must be released from their duties if they commit three serious mistakes that cause data to be deleted or changed.

B.3 Responsibilities

Test pieces must be entered into the mail stream in unbanded bundles. Droppers must induct mail during the allowable drop window that begins on the scheduled date of induction at 5:00 AM and continues until 30 minutes before the last scheduled collection time. The only circumstance that a dropper will be allowed to induct mail prior to the induction day is when the last pickup time in CBMS is later than the last pickup time posted on the selected collection box. In this instance only, the supplier may change the induction date from the day of the scheduled induction to the next day.

Droppers must notify the supplier of actual drop times and locations of all inductions on the day of induction. The supplier must produce documentation to USPS in all cases where changes to the original schedule occur. The supplier must also provide a discrepancy report showing the number of times the scheduled induction date differs from the actual induction date for each dropper in every Performance Cluster (see Section III.E.4, Other Reports).

The supplier must maintain quality assurance levels for the induction of test mail. All dropper documentation must be available for review by the USPS COR. The dropper must report all deviations from plan to the supplier for all test pieces.

Droppers must induct unbanded test bundles in collection boxes, over-the-counter or at a small business. Droppers must verify the contents of each bundle and report any deviation from a master list prior to induction.

Droppers must maintain an induction log as part of the routine paperwork associated with each induction. Droppers must record the following information from the Decal 55 (collection box label, see Appendix VII): collection box ID number, the last pickup time, address and the date label printed. After inductions are made the droppers must notify the supplier of successful inductions or to report any problems. Any discrepancy must be reported to the supplier. If a discrepancy occurs concerning the last pickup time, Decal 55 information will determine the last pickup time.

C. Reporter Panel

The supplier must recruit sufficient reporters located in the destination ZIP Code areas to ensure that reported results will be based on valid data within the overnight and two-day service standard. The reporter response rate must be at least 90%.

C.1 Reporter Distribution

Reporters must be distributed in many 5-digit ZIP Codes to assure widespread representation of areas of mail delivery. To accomplish this representation, a two-step process will be used as shown below in Sections IV.C.1.1 and IV.C.1.2.

C.1.1 Distribution Across 3-Digit ZIP Code Areas

The USPS will provide the supplier with an electronic data file, which includes the number of residential and business deliveries in each 5-digit ZIP Code within each 3-digit ZIP Code prefix listed in Appendix XI. Using this file, the supplier must calculate the relative proportion of residential and business deliveries represented by each 3-digit ZIP Code in its associated Performance Cluster.

C.1.2 Distribution Within 3-Digit ZIP Code Areas

Once the number of reporters in a 3-digit ZIP Code area has been determined using the procedure described above, the supplier must rank-order the number of residential and business deliveries in each 5-digit ZIP within the 3-digit ZIP. Using these volumes, cumulative proportions of the total representation within the 3-digit ZIP must be developed, and break points identified as close as possible to 33 1/3%, 66 2/3%, and 100% on the cumulative list. These break points stratify the 5-digit ZIPs into three groups. To the extent feasible, 1/3 of reporters in the 3-digit ZIP prefix must be recruited from among each of the three groups of 5-digit ZIPs. In addition, the supplier must attempt to recruit reporters from at least 50% of the 5-digit ZIP Codes within each group.

C.2 Recruitment and Training

The supplier is responsible for recruiting a panel of residential and business reporters. The following items must be incorporated into the supplier's reporter recruitment process for all types of reporters:

- Reporters must be available to receive test mail each day, Monday through Saturday.
- Reporters must receive their mail at their street address or Post Office Box and not through a third party or mailroom.
- No members of a reporter's household may be employed by the USPS or similar carriers, i.e., Federal Express, Airborne, UPS and DHL.
- No members of a reporter's household may be employed by media organizations, i.e., radio stations, newspapers, and television stations.
- No reporter may also be a dropper except a small business reporter. A small business reporter may also be a small business reporter.

Continued communication between the supplier and the reporters is required. Reporters must be polled at least once a year to verify their willingness to participate. The supplier may combine the verification along with any other mailings to the reporter.

The supplier must replace unreliable reporters. If reporters are removed for any reason, the supplier must replace them.

The supplier must create all training materials and train reporters to identify test mail. The USPS COR must be provided with a copy of all reporter instructions.

C.3 Responsibilities

On the day each test mail piece is received, reporters are required to write the date of receipt on the portion of the test piece that includes the test piece identification. Reporters must call the supplier within 24 hours of receipt to report the test mail. After the reporters call in the receipt information, they must place all insert sheets back into the correct test envelopes. Reporters must retain PETE stamped test mail pieces for at least 30 days.

C.4 Post Office Boxholder Reporters

Reporters may be Post Office boxholders. Boxholder reporters are eligible as reporters if the PO box is located at a United States Post Office. The P.O. box should be of sufficient size so that any test mail piece will fit inside. When a boxholder reporter receives notification to pick up mail at the counter, the receipt date will be recorded as unknown. In addition, the supplier must ensure boxholder reporters pick up mail six days per week. Boxholder reporters must know the posted box mail available time and pick up mail after that time. These issues must be addressed with all boxholder reporters every six months.

C.5 Return Address Panel

The Return Address Panel accounts for mail that is undeliverable to the address. When the EXFC and PETE return addresses on the test mailpieces and the meter indicia do not correspond with the induction location, the mail carrier collecting mail from the collection boxes may identify the test mail. Hence, the 3-digit ZIP Code in the return address on the test mailpiece must be in close proximity to the 3-digit ZIP Code of the induction location.

Members of the Return Address Panel must meet the following requirements:

- be able to receive returned mail at their address or P.O. box,
- no members of their household may be employed by the USPS or similar carriers,
- no members of their household may be employed by media organizations, and
- may not be a reporter or a dropper for EXFC or PETE.

The panel member must retain the returned test mail pieces and send them to the supplier. Return Address Panel members must notify the supplier if they are unable to receive mail for any reason.

D. Induction and Quality Control

D.1 Induction Process

D.1.1 Collection Boxes

Droppers must induct mail in the collection boxes between the hours of 5:00 am and 30 minutes prior to the last pick-up time posted on the Label 55. The only circumstance that a dropper will be allowed to induct mail prior to the induction day is when the last pickup time in CBMS is later than the last pickup time posted on the selected collection box. The dropper may induct the test mail and change the induction date from the day of the scheduled induction to the next day.

CBMS will provide the necessary information for the supplier to ascertain the types (mixed, stamped, metered, local, etc.) of collection boxes. The supplier must assure that only mixed, metered, stamped and Priority collection boxes are used. Local and Express Mail collection boxes are prohibited for inductions.

D.1.2 Over-the-Counter

Droppers must induct mail over-the-counter in post offices during the authorized drop window. The authorized drop window begins when the retail window opens and ends 30 minutes prior to the posted last dispatch time. (Refer to Section IV.A.4)

D.1.3 Small Business

Small business droppers must induct test pieces in their outgoing mail 30 minutes prior to their normal carrier pickup time. Small business droppers must include the actual induction date and time the test mail pieces are available for carrier pickup. Then the actual date the mail is collected by the carrier must be recorded on their induction log. Small business reporters that are small business droppers can not induct test mail pieces addressed to themselves.

D.1.4 Induction Days

Throughout the course of the postal quarter, test pieces must be inducted according to the following percentages by day of week:

Monday	19%
Tuesday	20%
Wednesday	17%
Thursday	16%
Friday	17%
Saturday	10%

The relative proportion of mail pieces inducted on each of these days must be within +/- three percent, e.g., the Monday range would be between 16 and 22 percent. Test pieces must be inducted in roughly equal volumes each week of the postal quarter.

D.1.5 Induction Weeks

Test pieces must be inducted in roughly equal volumes each week of the postal quarter.

D.1.6 Randomization of Induction Points

Inductions are not to occur over-the-counter, in a collection box or in a small business within the same 5-digit ZIP Code area on the same induction day.

D.1.6.1 Collection Box Induction Points

The supplier must randomly select locations for induction of test pieces from the USPS Collection Box Management System (CBMS). For each origin performance cluster, the number of locations selected in 3-digit ZIP Codes is based on the origin 3-digit ZIP code ODIS volumes. Further, for each 3-digit ZIP Code, the number of locations selected in 5-digit ZIP Codes shall be in proportion to the number of regular collection boxes in the 5-digit ZIP Codes according to CBMS. The CBMS file description will be supplied upon contract award.

Randomly selected collection box locations are provided to the dropper on a quarterly basis. Droppers must randomly choose collection boxes associated with each induction day with the exception that no more than one location in a 5-digit ZIP Code is used for induction on the same day.

D.1.6.2 Over-the-Counter Induction Points

Inductions made Over-the-Counter at retail units are selected at random. When the number of retail units are limited within a 3-Digit ZIP Code, an induction point may be cautiously selected more than once in a postal quarter. Dropper identification must be protected.

D.1.6.3 Induction Schedules

The supplier must perform inductions in a way which controls travel and other costs. Induction schedules must be developed and provided weekly in advance to the USPS COR in electronic format.

The supplier must provide for data collection, data screening, data editing, and data entry services for reporters and droppers. Information on induction logs must be verified against the planned induction dates, times, locations and methods of entry.

D.2 Frequency

The address file containing the potential reporters must be evaluated by address hygiene products not more than two months prior to the selection of reporters. The supplier must run the reporter addresses through the address hygiene products at monthly intervals.

D.3 Percent Delivered within Service Standards

The USPS will provide, in electronic format, the service standards for Priority Mail between pairs of three-digit ZIP Codes. The supplier will compute the percentage of mail pieces that were delivered earlier than or on the standard for overnight and two-day service performance areas. The supplier will also compute the cumulative percentage of mail pieces that were delivered in one, two, three, four, and five days. Percentages must take into consideration adjustments for Sundays and holidays, when warranted.

D.4 Volume Requirements

The supplier must present, for USPS review and approval, a sample, which is nationally representative of domestic Priority Mail performance within the specified Origin/Destination ZIP Code matrix. The sample consists of the largest-volume three-digit ZIP Code origins within the 85 Performance Clusters and the largest volume three-digit ZIP Code destinations within the 85 Performance Clusters. The sample developed by the supplier must represent Priority Mail volume flows proportionately among the selected three-digit origin/destination ZIP pairs and must represent the actual overnight and two-day volume percent shown in the Origin/Destination Information System (ODIS). The supplier must show the computation used to determine standard error for each service performance estimate.

Mail flows are based on ODIS volumes within the Priority Mail network and are determined independently for surface and air. The number of pieces entered from each PC is in proportion to the ODIS origin volume to the destination by service standard for the Priority Mail network.

The number of test mailings specified for the sample must yield a minimum number of reported-destinating test mail sample size of 931 useable pieces for surface transportation and 469 useable pieces for air transportation per postal quarter for each Performance Cluster's network.

The statistical precision is implicit in the mandated minimum sample sizes. The supplier will be required to specify the anticipated statistical precision deriving from the specified minimum sample sizes. The minimum sample size means the minimum and that the sample must be such that not one of the Performance Clusters will fall below the minimum in any quarter.

D.5 USPS Service Standard

The supplier must develop a sample of overnight and two-day service standard mail pieces that are deposited in the selected origin areas and are delivered in the selected destination areas. All 85 Performance Clusters have overnight, two-day and three-day service standards with the exception of Alaska (no overnight), Caribbean (no two-day) and Honolulu (no two-day). Honolulu and Caribbean will have only surface pieces allocated to ZIP Code pairs according to ODIS volumes. Alaska will only have air pieces, with the minimum sample size of 931, allocated to ZIP Code pairs according to ODIS volumes.

D.6 Documentation of Supplier Activities

The supplier must document computer programs (source code) used to select the sample, edit reporter data, and produce final reports. The supplier must maintain administrative records that verify response rates and actual responses by the reporters. The supplier must maintain records verifying reporter willingness to participate. One copy of documentation sufficient to explain algorithms, calculations, and data flows used in computer programs must be supplied to USPS COR.

D.7 Retrieval and Storage of Test Mail Pieces

The reporters must retain all Priority Mail test pieces for 30 days. The supplier, upon request of the USPS, will retrieve Priority Mail test pieces from the reporters in order to answer specific inquiries. This retrieval process infrequently occurs (less than 50 pieces per year).

D.8 Retention of Records

The supplier is responsible for storing all records, hardcopy, tapes, and disks, generated by this study. When the contract is concluded, all records must be transferred to USPS, including the source code for the computer programs developed.

D.9 Reporter Data Accuracy

The supplier must validate the accuracy of reporter data. The supplier must produce a quarterly report summarizing the results. USPS may independently conduct test of reporter accuracy. To support any USPS test, the supplier must fabricate sufficient additional test mail to test two reporters per postal quarter in each of the Priority Mail Performance Clusters. This test mail will not be used to measure service performance.

D.10 Address Hygiene

The supplier must maintain the file of delivery addresses with address hygiene and other address correction products such as Address Management System (AMS) and National Change of Address (NCOA) both prior to and during the length of the contract. Caribbean addresses must be closely monitored.

D.10.1 Address Labels

The supplier must address, code, and apply address labels to the test pieces. Address information on documents sent to droppers must be verified against information on address labels.

D.10.2 Assembling and Shipment of Test Mail Pieces

The supplier must combine assembled test pieces into dropper groups ("bundles") and must package and ship test pieces to droppers. Each bundle must include, when possible, overnight and two-day service standard pieces. Each bundle must also include, when possible, surface and air pieces. A bundle should consist of about 6 pieces along the surface network and about 3 pieces that would travel along the air network with each of these air pieces going to a different Performance Cluster.

D.10.3 Documentation

The supplier must supply to USPS COR verification of address hygiene in accordance with the requirements above.

D.11 Reporter Address File

The supplier must document receipt of information concerning address changes of reporters and how these were handled for reporting purposes.

Reporters must be polled at least twice yearly to verify address accuracy. The supplier must use the NCOA to monitor reporter address changes.

E. Deliverables

The supplier must provide both written reports and electronic format of valid data records. Tables of Priority Mail results are to be aggregated at the Performance Cluster, Area Office and National levels. The supplier must provide files and file formats for test mail, service performance data. The supplier will be responsible for maintaining the performance data confidentiality.

The supplier shall provide the following items:

- Three hardcopies of the sampling plan and estimation procedures for USPS review and approval. This plan must include a detailed description of the sample design and selection procedures, and the estimation procedures for Priority Mail service by performance cluster. The plan must also include a description of the computation methodology of standard error.
- Development of the sample by induction and delivery points.
- Hardcopy report of the procedures used for recruiting reporters and droppers.
- Seven copies of the final report on test description/execution and data tabulations.
- One copy of data cleaning instructions.
- Study results presentation to USPS management at USPS HQs.
- Test postage safeguards.
- A service charge accounting system for shipping and mailing test mail.

E.1 Quarterly Reports

End of quarter results must be provided to the USPS within 10 calendar days of the end of the postal quarter. Results will be supplied in the following formats:

Bound hardcopy "results book" (7 copies) containing the reports (specifics to be provided at contract award)

File detailing information about each test mail piece used in computing quarterly service performance must be uploaded to the USPS mainframe. The required file layout is displayed in Appendix VIII.

Weekly file transmission to the USPS main frame by 2:00 p.m. ET every Tuesday. An electronic backup capability must also exist.

Performance Cluster rankings of destinating on-time results compared to the same postal quarter last year. The supplier must provide a five postal quarter trend report for overnight and two-day service standards by National, Area Office, and Performance Cluster on-time results and +/- ranges. Historical results will be provided by the Postal Service.

On-time performance of business versus residential reporters for overnight and two-day service standards by National, Area Office, and Performance cluster results and +/- ranges each quarter.

There is currently no requirement for daily Priority Mail uploads to the mainframe. However, the supplier must have the capability to produce Priority Mail reports on a daily basis.

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There is currently no requirement for daily Priority Mail uploads to the mainframe. However, the supplier must have the capability to produce Priority Mail reports on a daily basis.

Electronic files sent to USPS personnel via email:

1. Excel spreadsheet containing weekly, AP-to-date and PQ-to-date results of pieces reported received, pieces meeting standard, percent meeting standard, and estimated 95% confidence level. This report will be generated by Performance Cluster alphabetically listed within USPS Area Offices and a National total. This report is for overnight and two-day service standards within the surface, commercial air and FedEx transportation networks. Service performance for each transportation network must be calculated and reported. These weekly reports are required and must be transmitted to USPS personnel via email by 11:30 a.m. ET every Tuesday.
2. Excel spreadsheet containing a postal quarter-to-date report of pieces reported received, pieces meeting standard and percent meeting standard for every service standard for each failed bundle. A failed bundle is a bundle which no mail pieces were reported received on time. This report must be in alphabetical order by induction date. The 5-digit ZIP code of induction for each bundle must be displayed along with the collection box ID with the exception of over-the-counter inductions. Failed bundles that were inducted over-the-counter must only show the 3-digit ZIP code of induction. Subtotals for each Performance Cluster must be displayed. These weekly reports are required and must be transmitted to USPS personnel via email by 11:30 a.m. ET every Tuesday.

E.2 Performance Reports

Quarterly reports of service performance to boxholders and non-boxholders in each Performance Cluster, and the nation, are required. These reports must display overall service performance, performance to PO Boxes, performance to non-PO Boxes, and the difference between the PO Box and non-PO Box performance. In addition, the high, low, and mean performance to PO Boxes and non-PO Boxes shall be provided. Two copies of these reports must be generated and given to the USPS COR ten days after the end of the postal quarter.

E.3 Boxholder Reporter Quality Check Report

Boxholder reporters must supply the posted "box mail available time" to the supplier. On a semi-annual basis, the supplier must report how the boxholder reporter availability times compare to the posted box mail available time given by the post office where the box is located. This report must also state how the availability times were determined. Two copies of this report must be generated and given to the USPS COR during the appropriate quarterly meeting.

F. Oversight, Evaluation and Supplier Responsibility

F.1 Oversight

USPS personnel, including but not limited to the Contracting Officer (CO), COR, USPS Inspection Service and the Office of the Inspector General (OIG) must be allowed access to production facilities. USPS must also have access to mail entry logs so mail entry checks can be performed. The supplier must provide the necessary space and clearances for the USPS personnel to perform verification activities

F.2 Contract Evaluation

USPS will evaluate the supplier's work periodically. Evaluations will cover the scope of all operations conducted by the supplier for the Priority Mail service performance measurement study. The USPS COR will discuss the evaluation with the supplier to determine the appropriate remedies within the scope of the contract.

F.3 Supplier Responsibility

The supplier must provide the services of professional statisticians (at least one senior statistician and one subordinate statistician) with in-depth knowledge of sampling techniques (includes design), estimation methods, and variance estimation methods.

The USPS Contracting Officer must be contacted in writing when there are any changes in key personnel associated with the project. (Reference Section H, Definition of Key Personnel, clause OB-165, of the solicitation.)

The supplier must provide documentation of the work being done and briefing on the progress on activity to the USPS COR or designee(s), along with specifically described reports, on a monthly basis and as requested.

The COR or designee(s) must be kept fully informed during the execution of the research and development phase of this effort as well as during the implementation phase. The supplier shall consider the COR or designee(s) as the Customer Satisfaction Measurement group liaison throughout the duration of this contract.

The supplier is required to have physical security at the supplier's computer site to ensure that documents, computers and equipment, related to this contract are protected.

The supplier is required to provide a written disaster recovery plan and documented system development life cycle for all computerized systems.

V. SPECIAL AD-HOC REPORTS (DELIVERY ORDERS)

A. Background

Throughout the duration of this contract there will be specific EXFC and PETE requests for ad-hoc work. Due to the varied nature of the work, the supplier must perform the work as a combination of designated efforts and groups of efforts within a limited total commitment of time and costs to comply with USPS' objectives. Work on specific ad-hoc efforts or groups of efforts will be initiated by written authorization of the USPS Contracting Officer under a separate delivery order arrangement to this contract. The delivery order(s) will describe the purpose, type, extent and duration of the specific transit-time measurement requested.

B. Delivery Orders

It is anticipated that delivery order(s) will be issued concurrently with live implementation for Failed Mail Diagnostic Reports and Customized City/Performance Cluster Reports, as described below.

B.1 Failed Mail Piece Diagnostic Report (Accounting Period)

This report shows all "failed mail piece" diagnostic information for failed mail pieces by a performance cluster (EXFC or PETE). This information must include: mail piece description, induction date, receipt date, delivery days, zero bundle status, origin 3-digit ZIP Code, destination 3-digit ZIP Code, postmark date, postmark ZIP, ID tag information (Machine ID, ID tag site, Day of month, Time of day), Optical Character Reader (OCR) information (OCR spray date, time and ID), coding platform, damaged status and any additional comments. (see Appendix XIII)

B.2 Customized City/Performance Cluster Report (Weekly)

This report will be customized for a city/performance cluster (EXFC or PETE). It will split the 3-digit EXFC or PETE ZIP codes into an origin/destination matrix of smaller components for these 3-digit ZIPs. This report will show service performance for these smaller components in the specified city/performance cluster areas. This weekly report will include accounting period and postal quarter-to-date summaries. (see Appendix XIV)