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PRIVACY ACT STATEMENT

To the extent that the information you provide is about an individual, the Privacy Act will apply. Collection of that information is authorized by 39 USC 401. As a routine use, the information may be disclosed to an appropriate government agency, domestic or foreign, for law enforcement purposes; where pertinent, in a legal proceeding to which the USPS is a party or has an interest; to a government agency in order to obtain information relevant to a USPS decision concerning employment, security clearances, contracts, licenses, grants, permits, or other benefits; to a government agency upon its request when relevant to its decision concerning employment, security clearances, security, or suitability investigations, contracts, licenses, grants, or other benefits; to a congressional office at your request; to an expert, consultant, or other person under contract with the USPS to fulfill an agency function; to the Federal Records Center for storage; to the Office of Management and Budget for review of private relief legislation; to an independent certified public accountant during an official audit of USPS finances; to an investigator, administrative judge or complaints examiner appointed by the Equal Employment Opportunity Commission for investigation of a formal EEO complaint under 29 CFR 1614; to the Merit Systems Protection Board or Office of Special Counsel for proceedings or investigations involving personnel practices and other matters within their jurisdiction; to a labor organization as required by the National Labor Relations Act; to a federal, state or local agency, financial institution or other appropriate entity for the purpose of verifying an individual's or entity's eligibility or suitability for engaging in a transaction. In addition, the following disclosures may be made to any person: a solicitation mailing list when a purchase is highly competitive and competitions will not be harmed by release, or to provide an opportunity for potential subcontractors seeking business; a list of lessors of real or personal property to the Postal Service; a list of entities with whom the Postal Service transacts for goods or services, interests in real property, construction, financial instruments, or intellectual property; and the identity of the successful offeror. Completion of this form is voluntary; however, if this information is not provided, we will be unable to process your request.

PART 2 - PROVISIONS

PROPOSAL PREPARATION

1. Submission Requirements

Issue Date: June 10, 2009

Due Date: July 10, 2009, 2:00 PM MT

All suppliers MUST submit their proposals electronically only, plus send a copy on downloadable CD:

Caroline Z. Boyle
Travel, Retail, & Temporary Services CMC
US Postal Service
3300 S Parker Road, Suite 400
Aurora CO 80014-3500
caroline.z.boyle@usps.gov

The CD must be in a sealed envelope or package. Please be advised that this location is closed for business on week-ends and federal holidays. The Postal Service will not accept facsimile proposal submissions.

2. Proposal Preparation

All suppliers must submit their proposals electronically only by sending it to caroline.z.boyle@usps.gov. If the USPS elects to print the proposal, the document must be on 8 ½" x 11" paper with a font size of 10 or larger, with a minimum of 1" margins. Proposal pages should be sequentially numbered. Attachments should be marked or labeled to include supplier's name.

In addition to the required electronic proposals, the supplier must submit eight (8) CD copies of complete technical and management proposals. The supplier will also submit two (2) separate CDs with price proposal information. All files on the downloadable disk(s) must be compatible with Microsoft Office Word 2003, Microsoft Office Excel 2003, Microsoft Office PowerPoint 2003, or Adobe Reader (pdf format).

At a minimum, each supplier's written proposal must include the following:

A. Management and Technical Proposals

- 1) PS Form 8203 – completed as appropriate
- 2) Complete all required sections in Part 2, Provisions, of this solicitation
- 3) Written narrative to fully address each of the technical evaluation factors in Provision 4-2 (This section may not exceed 60 pages plus attachments)

B. Attachments to Management and Technical Proposals

- 1) Required Financial Statements - if accessible on the internet, please submit URL.
- 2) Copy of Quality Assurance Plan (See Clause 2-2)
- 3) Subcontracting Plan (See Clause 3-1)
- 4) References/Information regarding USPS contracts
- 5) Product samples (as required)

C. Price/Cost Proposal

Proposal must include a cost breakdown of unit prices for the items and services included in the CLINS as described on the 8203, and in the Statement of Objective (SOO).

No references to prices or costs should be included within the technical and management proposals.

COMPENSATION MODEL AND PRODUCT PRICING STRATEGY

Interested suppliers/offerors will recommend compensation model(s) (e.g. revenue sharing, straight profit margin, consignment, etc.) with their proposals. Suppliers/offerors will be required to provide detailed pricing information based on their compensation model(s) proposals, and take an active role in the development of an overall retail pricing strategy for the product category based on competitive market research, and supplier and USPS costs associated with the product. This USPS is interested in Scan Based Trading (SBT) SBT/consignment models, however the Postal Service is interested and open to other compensation models as we are sensitive to cost-benefit trade-offs and shared risks.

3. Retention of Documentation

All documentation becomes the property of the Postal Service. The Contracting Officer will retain the original documentation for the official file.

4. Solicitation Explanation or Interpretation

Suppliers are strongly urged to visit different post offices to inform themselves on the variations of post office configurations and conditions under which the work is to be performed.

Questions and requests for clarification or additional information concerning this solicitation must be received no later than 2:00 PM MT on Friday June 19, 2009. All such requests must be submitted to the Contracting Officer by email only:

Email: caroline.z.boyle@usps.gov

NO TELEPHONE INQUIRIES WILL BE ENTERTAINED.

Only the Contracting Officer listed above is authorized to provide information regarding this solicitation. Any information obtained from other sources should not be considered and is obtained at the risk of the supplier.

PROVISION A-1 RESTRICTION ON DISCLOSURE AND USE OF DATA (MARCH 2006)

Offerors that include in their proposals data they do not want used or disclosed by the Postal Service for any purpose other than proposal evaluation may take the following steps:

- a. Include on the front page or in the introductory material of their proposal the following: "This proposal includes data that may not be duplicated, used, or disclosed outside the Postal Service - in whole or in part - for any purpose other than to evaluate this proposal. If, however, a contract is awarded to this offeror as a result of - or in connection with - the submission of such data, the Postal Service will have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Postal Service's right to use information contained in the data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (Offeror insert numbers or other identification of sheets)."
- b. Mark each sheet of data they wish to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal."

PROVISION 1-4 PROHIBITION AGAINST CONTRACTING WITH FORMER POSTAL SERVICE OFFICERS OR PCES EXECUTIVES (MARCH 2006)

The offeror represents that former Postal Service officers or Postal Career Executive Service (PCES) executives will not be employed as key personnel, experts or consultants in the performance of the contract if such individuals, within 1 year of their retirement from the Postal Service, will be performing substantially the same duties as they performed during their career with the Postal Service. In addition, no contract resulting from this solicitation may be awarded to such individuals or entities in which they have a substantial interest, for 1 year after their retirement from the Postal Service, if the work called for in the solicitation requires such individuals to perform substantially the same duties as they performed during their career with the Postal Service.

PROVISION 1-5 PROPOSED USE OF FORMER POSTAL SERVICE EMPLOYEES (MARCH 2006)

In its proposal, the supplier must identify any former Postal Service employee it proposes to engage in the performance, directly or indirectly, in the performance of the contract. The Postal Service reserves the right to require the supplier to replace the proposed individual with an equally qualified individual.

PROVISION 3-1 NOTICE OF SMALL, MINORITY, AND WOMAN-OWNED BUSINESS SUBCONTRACTING REQUIREMENTS (MARCH 2006)

All suppliers, except small businesses, or unless this purchase is being made under commercial purchasing procedures, must submit with their proposals the contract-specific subcontracting plan required by Clause 3-1, Small, Minority, and Woman-owned Business Subcontracting Requirements. Generally, this plan must be agreed to by both the supplier and the Postal Service before award of the contract.

PROVISION 4-1 STANDARD SOLICITATION PROVISIONS (NOVEMBER 2007)

- 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. Offers may be submitted on PS Form 8203, Order/Solicitation/Offer/Award, letterhead stationary, or as otherwise specified in the solicitation. As a minimum offers must show:
 - (1) Solicitation number;
 - (2) The name, address and telephone number of the offeror;
 - (3) A technical description of the items being offered in sufficient detail to evaluate compliance with the requirements in the solicitation. This may include product literature, or other documents, if necessary;
 - (4) Terms of any expressed warranty;
 - (5) Price and any discount terms;
 - (6) "Remit to" address, if different from mailing address;
 - (7) A completed copy of the representations and certifications;
 - (8) Acknowledgment of Solicitation Amendments;
 - (9) Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items, and other references (including contract numbers, point of contact, with telephone numbers, and other relevant information); and
 - (10) If the offer is not submitted on PS Form 8203, include a statement specifying the extent of agreement with all terms and conditions and provisions included in the solicitation. Offers that fail to furnish required representations or information, or reject the terms and conditions of the solicitation, may be excluded from consideration.
- b. Business Disagreements. Business disagreements may be lodged with the Supplier Disagreement Resolution Official (SDR Official) if the supplier and the contracting officer have

failed to resolve the disagreement as described in 39 CFR Part 601 (available for review at www.gpoaccess.gov/ecfr). The SDR Official will consider the disagreement only if it is lodged in accordance with the time limits and procedures described in 39 CFR Part 601. The SDR Official's decisions are available for review at usps.com.

- c. **Product Samples.** Product samples must be submitted at or prior to the time specified for receipt of offers. Unless otherwise specified in the solicitation, these samples must be submitted at no expense to the Postal Service and returned at the sender's request and expense, unless they are destroyed during preaward testing.
- d. **Multiple Offers.** Offerors are encouraged to submit multiple offers presenting alternative terms and conditions or commercial items for satisfying the requirements of this solicitation. Each offer submitted will be evaluated separately.
- e. **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.
- f. **Type of Contract.** The Postal Service plans to award a Fixed Price Requirements contract under this solicitation, and all proposals must be submitted on this basis. Alternate proposals based on other contract types will be considered.
- g. **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.
- h. **Multiple Awards.** The Postal Service may accept any item or group of items of an offer, unless the offeror qualifies the offer by specific limitations. Unless otherwise provided in the Schedule, offers may not be submitted for quantities less than those specified. The Postal Service reserves the right to make an award on any items for quantity less than the quantities offered, at the unit prices offered, unless the offeror specifies otherwise in the offer.
- 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, 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 is incorporated in this solicitation by reference: (contracting officer will check as appropriate.)

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

PROVISION 4-2 EVALUATION (MARCH 2006)

- a. **General.** The Postal Service will award a contract resulting from this solicitation to the supplier whose offer conforming to the solicitation is deemed to offer the Postal Service the best value, price and other factors as specified considered. Best value is reflected by the best combination of the technical evaluation factors and price. The USPS is more concerned with obtaining superior performance than with making an award at the lowest price. However, the USPS will not make award at a significantly higher cost to achieve slightly superior performance.

b. Management and Technical Factors

The following management and technical evaluation factors (in descending order of importance) will be used:

1) Greeting Card/Stationery Solution and Supporting Plans

The supplier will be evaluated on their ability to communicate the most comprehensive and cohesive plan to design, implement, analyze and support the Greeting Card/Stationery Program. From both a technical and business perspective, proposal evaluations will be performed against the overall methodology and operational plan to 1) develop, design, produce and maintain a range of Postal greeting card/stationery product line; 2) effectiveness of display merchandisers furnished by supplier; customer service to USPS retail channels; 3) inventory management system or just-in-time inventory system in up to 1,500 Point of Service (POS) sites, and 4) logistics to include warehousing, fulfillment, and distribution system.

PERFORMANCE METRICS

The supplier will include in their proposal performance metrics and weekly reports for evaluation to determine the success of the pilot such as, but not limited to

- Cards sell-through compared to orders
- Return on Investment (initial investment costs, such as, fixtures, installation, inventory loading, merchandisers, replenishment, and others)
- Best product assortment
- Evaluate merchandising solutions for sales opportunities
- Order/Fulfillment metrics, including transportation efficiency and order/fulfillment accuracy
- Customer Service metrics

These performance metrics are subject to approval by the Postal Service.

2) Sample

The offerors will provide Greeting Card samples similar to what they plan to propose to sell in the USPS lobbies. These samples will accompany the supplier's proposal, and mailed with the CDs to the Contracting Officer. The "like" sample will be evaluated for quality/workmanship as stated. Technical proposal in CD must include photographs, sketches, or drawings of greeting cards the supplier plans to sell in post office lobbies, along with any specifications listed in the SOO.

3) Supplier Capability

The supplier must have the ability to:

- Maintain a database of all retail locations and accept changes electronically.
- Provide an audit trail for all transactions
- Furnish merchandisers or display units for pilot and full deployment. Please include merchandiser/display investment, investment recovery, installation and maintenance. Installations must be simple due to safety and facility issues. (See Exhibit 3)
- Provide customer service to USPS retail channels;

- Provide an inventory management system or just-in-time inventory system, i.e., POSR, in approximately 1,500 POS sites
- Provide warehousing, fulfillment, and distribution system to enable the USPS retail channels to avoid inventory carrying costs and stale inventory, and maintain a financial commitment only to merchandise on-hand within its retail network/channels;
- Provide transportation of USPS “store ready” Greeting Card/Stationery Products to 15,000 Postal locations for full implementation.
- Meet USPS Delivery Schedule
 - Supplier will be required to provide the required quantities to all Greeting Card Test sites by **October 1, 2009**, and must be able to provide additional quantities within 30 days after issuance of a delivery order.
- Resources
 - Supplier’s proposal must demonstrate that they have the resources necessary to perform the requirements stated in the RFP, including the Statement of Objective.
 - Product Replenishment

The supplier will include in their proposal recommendation on product replenishment process after initial push of greeting cards/stationeries. The Postal system, eBay, may be used for this process. (See Exhibit 1)

(See Attachment 2 for detailed requirements.)

4) Past Performance

Suppliers must provide adequate information, including references, to verify satisfactory performance on contracts of similar magnitude. Satisfactory performance as defined by the Postal Service is quality of service, timeliness of performance (adherence to contract schedules, including the administrative aspects of performance), and customer satisfaction. Suppliers should be able to substantiate good customer relations (a history of being reasonable and cooperative with customers, commitment to customer satisfaction, integrity, and ethics). Suppliers must provide written narrative describing past performance, along with references. Supplier must include all information regarding any USPS contracts or agreements within the past five years.

(See Attachment 2)

5) Financial Capability

See detailed requirements in Attachment 2.

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 _____; or
 country of _____, if incorporated in a country other than the United States of America.

- 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, Kampuchean (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 U.S. Taxpayer Identification Number (TIN) in the space provided. The TIN is the offeror's Social Security number or other Employee Identification Number (EIN) used on the offeror's Quarterly Federal Tax Return, U.S. Treasury Form 941, or as required by Internal Revenue Service (IRS) regulations. 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 nonsegregated 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 the Conduct Supplier Capability Analysis topic of the Evaluate Proposals task of Process Step 2: Evaluate Sources, in the Postal Service's Supplying Practices). 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: (contracting officer will check as appropriate)
- (1) Provision 1-2: Domestic Source Certificate & Supplies
 - (2) Provision 1-3: Domestic Source Certificate - Construction Materials
 - (3) Provision 9-1: Equal Opportunity Affirmative Action Program
 - (4) Provision 9-2: Preaward Equal Opportunity Compliance Review
 - (5) Provision 9-3: Notice of Requirements for Equal Opportunity Affirmative Action

PROVISION 4-10 Application Information Security Requirements (AUGUST 2008)

The Postal Service is committed to creating and maintaining an environment that protects Postal Service information resources from accidental or intentional unauthorized use, modification, disclosure, or destruction. Handbook AS-805, Information Security, establishes Postal Service information security policies. Handbook AS-805-A, Application Information Security Assurance (ISA) Process, provides the process for identifying the sensitivity and criticality of the application system, determining information security requirements for protecting the application system, and ensuring appropriate cost-effective information security controls, mechanisms, and procedures are implemented to protect the application system. The supplier's proposal must indicate compliance with the policies delineated in Handbook AS-805, Information Security, and processes defined in Handbook AS-805-A, Application Information Security Assurance (ISA) Process.

After contract award and before beginning performance on this contract, the supplier must coordinate ISA activities with the Postal Service's Corporate Information Security Office (CISO) and complete

ISA templates and provide applicable documentation and deliverables as directed by the Postal Service.

PART 3 - CONTRACT CLAUSES

CLAUSES INCORPORATED BY REFERENCE

The above clauses are incorporated by reference as if set forth in full text. The text of these clauses may be accessed electronically at this address: <http://www.usps.com/purchasing/purchasingpubs/pubsmenu.htm> or, upon request, will be provided by the contracting officer.

CLAUSE B-1 DEFINITIONS (MARCH 2006)

As used in this contract, the following terms have the following meanings:

- a. Contracting officer. The person executing this contract on behalf of the Postal Service, and any other officer or employee who is a properly designated contracting officer; the term includes, except as otherwise provided in the contract, the authorized representative of a contracting officer acting within the limits of the authority conferred upon that person.
- b. Subcontracts. Except as otherwise provided in the contract, the term includes purchase orders under this contract.

CLAUSE B-3 CONTRACT TYPE (MARCH 2006)

This is a Fixed Price Requirements contract.

CLAUSE B-15 NOTICE OF DELAY (MARCH 2006)

Immediately upon becoming aware of any difficulties that might delay deliveries under this contract, the supplier will notify the contracting officer in writing of them. The notification must identify the difficulties, the reasons for them, and the estimated period of delay anticipated. Failure to give notice may preclude later consideration of any request for an extension of contract time.

CLAUSE B-17 DISALLOWANCE OF COSTS (MARCH 2006)

- a. The contracting officer may at any time issue the supplier a written notice of intent to disallow specified costs under this contract that have been determined not to be allowable under the contract terms.
- b. The supplier may, after receiving a notice of intent to disallow costs, submit a written response to the contracting officer, with justification for allowance of the costs. If the supplier does respond within 60 days, the contracting officer will, within 60 days of receiving the response, either make a written withdrawal of the notice or issue a written decision.

CLAUSE B-18 SUBCONTRACTS (MARCH 2006)

- a. Subcontract, as used in this clause, includes, but is not limited to, purchase orders and changes and modifications to purchase orders. The supplier must notify the contracting officer reasonably in advance of entering into any subcontract if the supplier does not have a purchasing system approved by a federal government agency and if the subcontract:

- (1) Is to be a cost-reimbursement, time-and-materials, or labor-hour contract estimated to

- exceed \$25,000 including any fee;
- (2) Is proposed to exceed \$100,000; or
 - (3) Is one of a number of subcontracts with a single subcontractor, under this contract, for the same or related supplies or services that in the aggregate is expected to exceed \$100,000.
- b. The advance notification required by paragraph a above must include:
- (1) A description of the supplies or services to be subcontracted;
 - (2) Identification of the type of subcontract to be used;
 - (3) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the competition obtained;
 - (4) The proposed subcontract price and the supplier's cost or price analysis;
 - (5) The subcontractor's current, complete, and accurate cost or pricing data if required by other contract provisions; and
 - (6) A negotiation memorandum reflecting:
 - (a) The principal elements of the subcontract price negotiations;
 - (b) The most significant consideration controlling establishment of initial or revised prices;
 - (c) The reason cost of pricing data were or were not required;
 - (d) The extent, if any, to which the supplier did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;
 - (e) The extent, if any, to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the supplier and subcontractor; and the effect of any such defective data on the total price negotiated;
 - (f) The reasons for any significant differences between the supplier's price objective and the price negotiated; and
 - (g) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation must identify each critical performance element, management decisions used to quantify each incentive element, reasons for incentives, and a summary of all trade-off possibilities considered.
- c. The supplier agrees to select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.
- d. The contracting officer may disapprove any subcontract in writing for which advance notification is required under paragraph a above.
- e. Even if the supplier's purchasing system has been approved, the supplier must obtain the contracting officer's written consent before placing subcontracts that have been selected for special surveillance and so identified in the Schedule of the contract.
- f. The lack of disapproval does not constitute a determination:
- (1) Of the acceptability of any subcontract terms or conditions;
 - (2) Of the acceptability of any subcontract price or of any amount paid under any subcontract; or
 - (3) To relieve the supplier of any responsibility for performing this contract.

- g. No subcontract under this contract may provide for payment on a cost-plus-a-percentage-of-cost basis.

CLAUSE B-19 EXCUSABLE DELAYS (MARCH 2006)

- a. Except with respect to defaults of subcontractors, the supplier will not be in default by reason of any failure in performing this contract in accordance with its terms (including any failure by the supplier to make progress in the prosecution of the work that endangers performance) if the failure arises out of causes beyond the control and without the fault or negligence of the supplier. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the government in its sovereign capacity or of the Postal Service in its contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the supplier.
- b. If failure to perform is caused by the failure of a subcontractor to perform or make progress and arises out of causes beyond the control of both the supplier and subcontractor, and without the fault or negligence of either of them, the supplier will not be deemed to be in default, unless:
 - (1) The supplies or services to be furnished by the subcontractor are obtainable from other sources;
 - (2) The contracting officer orders the supplier in writing to procure the supplies or services from other sources; and
 - (3) The supplier fails to comply reasonably with the order.
- c. Upon request of the supplier, the contracting officer shall ascertain the facts and extent of failure, and if the contracting officer determines that any failure to perform was occasioned by any of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of the Postal Service under any termination clause included in this contract.
- d. As used in this clause, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

CLAUSE B-30 PERMITS AND RESPONSIBILITIES (MARCH 2006)

The supplier is responsible, without additional expense to the Postal Service, for obtaining any necessary licenses and permits, and for complying with any applicable federal, state, and municipal laws, codes, and regulations in connection with the performance of the contract. The supplier is responsible for all damage to persons or property, including environmental damage, that occurs as a result of its omission(s) or negligence. The supplier must take proper safety and health precautions to protect the work, the workers, the public, the environment, and the property of others.

CLAUSE 1-7 ORGANIZATIONAL CONFLICTS OF INTEREST (MARCH 2006)

- a. Warranty Against Existing Conflicts of Interest. The supplier warrants and represents that, to the best of its knowledge and belief, it does not presently have organizational conflicts of interest that would diminish its capacity to provide impartial, technically sound, objective research assistance or advice, or would result in a biased work product, or might result in an unfair competitive advantage, except for advantages flowing from the normal benefits of performing this agreement.
- b. Restrictions on Contracting. The supplier agrees that during the term of this agreement, any extensions thereto, and for a period of 2 years thereafter, neither the supplier nor its affiliates will perform any of the following:
 - (1) Compete for any Postal Service contract for production of any product for which the supplier

prepared any work statement or specifications or conducted any studies or performed any task under this agreement.

(2) Contract (as the provider of a component or the provider of research or consulting services) with any offeror competing for any Postal Service contract for production of any product for which the supplier prepared any work statements or specifications or conducted any studies or performed any task under this agreement.

(3) Contract (as the provider of a component or the provider of research or consulting services) with the offeror which wins award of a Postal Service contract for production of any product for which the supplier prepared any work statement or specifications or conducted any studies or performed any task under this agreement.

c. Possible Future Conflicts of Interest. The supplier agrees that, if after award of this agreement, it discovers any organizational conflict of interest that would diminish its capacity to provide impartial, technically sound, objective research assistance or advice, or would result in a biased work product, or might result in an unfair competitive advantage, except advantages flowing from the normal benefits of performing this agreement, the supplier will make an immediate and full disclosure in writing to the contracting officer, including a description of the action the supplier has taken or proposes to take to avoid, eliminate, or neutralize this conflict of interest.

d. Nondisclosure of Confidential Material

(1) The supplier recognizes that, in performing this agreement, it may receive confidential information. To the extent that and for as long as the information is confidential, the supplier agrees to take the steps necessary to prevent its disclosure to any third party without the prior written consent of the contracting officer.

(2) The supplier agrees to indoctrinate its personnel who will have access to confidential information as to the confidential nature of the information, and the relationship under which the supplier has possession of this information.

(3) The supplier agrees to limit access to the confidential information obtained, generated, or derived, and to limit participation in the performance of orders under this agreement to those employees whose services are necessary for performing them.

e. Postal Service Remedy. If the supplier breaches or violates any of the warranties, covenants, restrictions, disclosures or nondisclosures set forth under this clause, the Postal Service may terminate this agreement, in addition to any other remedy it may have for damages or injunctive relief.

CLAUSE 2-2 QUALITY MANAGEMENT SYSTEM (MARCH 2006)

a. The supplier must use a documented quality management system to monitor and measure its performance against contract requirements. As a minimum, that quality assurance system must include all of the following:

(1) A process management system that includes documented work processes (including support processes), mechanisms to monitor and measure processes, systematic approaches for addressing nonconformance complaints with an emphasis on root cause analysis and corrective and preventative action, analysis of performance measurement, and regularly scheduled and documented quality management system reviews;

(2) A means of assessing customer satisfaction that includes scheduled customer satisfaction reviews or surveys, customer focus groups, or other means of securing ongoing customer feedback;

- (3) Supplier management that includes supplier selection criteria and monitoring and assessing supplier performance; and
- (4) A determination of the necessary competencies for personnel performing work during contract performance. Suppliers must:
 - (a) As necessary, provide training and take other actions to meet this requirement; and
 - (b) Maintain current records of education, training, skills and experience.
- b. The Postal Service has the right to evaluate the acceptability and effectiveness of the supplier's quality management system prior to award, and to verify that it is in use and effective during contract performance.
- c. The supplier must maintain records and metrics pertaining to this quality management system in accordance with the record retention requirements of the contract.
- d. The supplier must be able to demonstrate that the supplies and services being purchased conform to contract requirements. The Postal Service may require correction of defects and nonconformance at no cost to the Postal Service. If the supplier fails or refuses to correct the defects or nonconformance the Postal Service may, in addition to any other remedies provided by this contract:
 - (1) Acquire replacement supplies or services from other sources at the supplier's expense; or
 - (a) Accept the supplies or services at a reduced price.

**CLAUSE 2-9 DEFINITION OF DELIVERY TERMS AND SUPPLIER'S RESPONSIBILITIES
(MARCH 2006)**

- a. If the contract specifies "f.o.b. destination," the following apply:
 - (1) "F.o.b. destination" means delivery to the specified delivery point. Transportation costs are included in the contract price.
 - (2) "F.o.b. destination, within the consignee's premises" means delivered free of expense to the Postal Service, within the doors of the specified building, including delivery to specific rooms when specified.
 - (3) The supplier must:
 - (a) Pack and mark shipments to comply with contract specifications or, in their absence, prepare shipments in accordance with carrier requirements;
 - (b) Prepare and distribute commercial bills of lading;
 - (c) Be responsible for loss or damage occurring before receipt at the specified point of delivery;
 - (d) Furnish a delivery schedule and designate mode of delivery;
 - (e) Bear all delivery costs to the specified point of delivery; and
 - (f) Deliver goods, that meet the prescribed physical limitations of the current U.S. Postal Service 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.
- b. If the contract specifies "delivered Postal Service facility, door, platform, or private siding," the following apply:
 - (1) "Delivered postal facility, door, platform, or private siding" means delivery free of expense to the Postal Service:
 - (a) To the door of Postal Service facilities having no platforms or private siding;
 - (b) On the platform at Postal Service facilities having platforms but no private siding; or

- (c) On the private siding at Postal Service facilities having private siding.
- (2) In addition to fulfilling the requirements of the Responsibility for Supplies clause, the supplier must:
 - (a) Pack and mark shipments to protect the goods from normal transportation hazards, promote prompt delivery, and comply with packing and marking specifications of the contract;
 - (b) Unload material at the door or on the platform in the case of b.1(a) and (b) above, free of expense to the Postal Service;
 - (c) Properly prepare and distribute commercial bills of lading; and
 - (d) Be responsible for loss or damage occurring before delivery to the specified delivery point.

c. If the contract specifies "f.o.b. origin," the following apply:

- (1) "F.o.b. origin" means delivery on board the indicated type of conveyance of the carrier (or of the Postal Service), at the specified point from which the shipment will be made and from which line haul transportation service (as distinguished from switching, local drayage, or other terminal service) begins. Transportation costs are borne by the Postal Service.
- (2) The supplier must:
 - (a) Pack and mark shipments to comply with contract specifications or, in their absence, prepare the shipment in accordance with carrier requirements and good commercial practices and secure the lowest applicable transportation charge.
 - (b) Order specified carrier equipment when requested by the Postal Service. Otherwise, order appropriate carrier equipment not in excess of capacity to accommodate the shipment.
 - (c) When loaded by the supplier, load, stow, trim, block, and/or brace shipments as required by the carrier's rules and regulations.
 - (d) Be responsible for loss or damage occurring before delivery to the carrier; and for loss or damage due to improper packing/marketing and, when loaded by the supplier, from improper loading, stowing, trimming, blocking, and/or bracing of the shipment.
 - (e) Complete the government bill of lading supplied by the Postal Service or, when none is supplied, prepare a commercial bill of lading or other transportation receipt, to show:
 - (i) A description of the shipment in terms of the governing freight classification or tariff under which the lowest freight rates are applicable;
 - (ii) The seals affixed to the conveyance, including the serial number on them, or other identification;
 - (iii) The length and capacity of cars or trucks ordered and furnished;
 - (iv) Other pertinent information required to effect prompt delivery to the consignee, including the routing and the name, delivery, and postal address of the consignee;
 - (v) Special instructions or annotations requested by the Postal Service for commercial bills of lading (for example, "To be converted to a government bill of lading"); and
 - (vi) The signature of carrier's agent and the date the shipment is received.
 - (f) Distribute the bill of lading, or other transportation receipt, as directed by the Postal Service.
 - (g) Supply with each invoice a memorandum copy of the government bill of lading, clearly indicating the signature of the carrier's agent, date of pickup, and the weight accepted by the carrier. If the weight is determined by the carrier after pickup, it must be annotated on the memorandum copy of the government bill of lading along with the following:

"I certify that the weight information is that obtained from the carrier.

Signed: "

- (3) Where delivery is to be made to points not included above, either of the following apply:
 - (a) If the Postal Service has not specified otherwise, the supplier must ship on government bills of lading.
 - (b) If the Postal Service specifies that shipment is to be made on endorsed commercial bills of lading the supplier will be required to prepay all transportation charges, as follows:
 - (i) Delivery to the door of the specified destination by freight or express common

carriers on articles for which store-to-door delivery is provided free, or subject to a charge pursuant to published tariffs or schedules filed with the federal and/or state regulatory bodies governing such carriers.

- (ii) Delivery to siding at destination if not covered under (1) above.
- (iii) Delivery to the freight station nearest destination if not covered under (1) or (2) above.
- (iv) The supplier must annotate the commercial bill of lading as follows: "Property of the United States Postal Service."
- (v) The actual transportation costs will be added to the supplier's invoice as a separate item. The costs must be based on the lowest published rate on file with the Interstate Commerce Commission or any state regulatory body. They must be supported by freight or express receipts marked "prepaid." If the receipts are not obtainable, annotate the invoice as follows:

"I certify that the items identified on this invoice were shipped prepaid, and freight or express receipts in support thereof are not obtainable:

Name:

Destination:

Names of Carriers:

Weight of shipment:

Transportation charges claimed:"

- (4) The Postal Service reserves the right to specify the mode of transportation and routing to be employed.

CLAUSE 2-20 OPTION TO RENEW (WITH PRELIMINARY NOTICE) (MARCH 2006)

This contract is renewable, at the option of the Postal Service, by the contracting officer giving written notice of renewal to the supplier within the period specified in the Schedule; provided that, the contracting officer will have given preliminary notice of the Postal Service's intent to renew at least 60 days before this contract is to expire (such a preliminary notice will not be deemed to commit the Postal Service to renewals). If the Postal Service exercises this option for renewal, the contract as renewed includes this option clause. The duration of this contract, including renewals, may not exceed the time limit set forth in the Schedule.

CLAUSE 2-29 ECONOMIC PRICE ADJUSTMENT (INDEX METHOD) (MARCH 2006):

Regardless of actual changes in the cost of labor and material during the performance period of this contract, price adjustments necessitated by such changes shall be made only as provided in this clause. The contracting officer shall place in the contract Schedule an adjustment formula that describes the elements that will be used to determine the adjusted contract price. The adjustment formula may identify some or all of the following as appropriate:

- (1) Contract line items, cycles, production runs or such other portion of the contract that will be subject to adjustment according to this clause;
- (2) Base unit price to be adjusted;
- (3) Portion of the base unit price subject to adjustment;
- (4) Index that will be used for the adjustment, paying particular attention to describe the index to avoid confusion over which release (i.e., preliminary, seasonally adjusted, subsequently revised, or final), issue, or date will be applicable;
- (5) Percent of the price governed by the chosen index;
- (6) Adjustment period;
- (7) Base period; and

- (8) Degree of specificity of the result (i.e., number of decimal places to be used).
- (9) Should the selected index be discontinued or substantially altered, both parties shall agree upon an appropriate replacement

CLAUSE 2-43 REQUIREMENTS (MARCH 2006)

- a. This is a requirements contract for supplies or services described in the Schedule for the period specified. The supplies or services are not purchased until ordered. If the Postal Service's requirements do not result in orders in the quantities described as estimated or maximum in the Schedule, that fact may not be the basis for an equitable price adjustment unless specifically provided elsewhere in this contract.
- b. Delivery or performance must be as directed in orders issued in accordance with the Ordering clause and the contract Schedule. The supplier must furnish to the Postal Service, when ordered, the supplies or services specified in the Schedule, subject to any limitations in the Delivery-Order Limitations clause or in the contract Schedule. Orders may require delivery to multiple destinations or performance at multiple locations.
- c. Except as otherwise provided in this contract, the Postal Service must order from the supplier all the supplies or services specified in the Schedule that are required to be purchased by the activity or activities identified in the Ordering clause or the Schedule.
- d. The Postal Service is not required to purchase from the supplier requirements in excess of any limit on total orders under this contract.
- e. If the Postal Service urgently requires delivery or performance before the earliest date specified under this contract, and if the supplier will not accept an order providing for the accelerated delivery or performance, the Postal Service may purchase the urgently required supplies or services from another source.
- f. Any order issued during the effective period of this contract and not completed within that period must be completed by the supplier within the time specified in the order, and the rights and obligations of the supplier and the Postal Service with respect to the order will be the same as if the order were completed during the effective period of the contract.

Alternate Paragraph c. (see the Select Contract Type topic of the Develop Sourcing Strategy task of Process Step 2: Evaluate Sources from the Supplying Practices)

- c. The estimated quantities are not the total requirements of the activities specified in the Ordering clause or the Schedule, but are estimates of either specified portions of requirements or of requirements in excess of the quantities that the activities can themselves furnish within their own capabilities. Except as this contract otherwise provides, the Postal Service must order from the supplier either the portion of a designated activity's requirements for supplies and services specified in the Schedule or the requirements that exceed the quantities the activity can itself furnish within its own capabilities.

CLAUSE 3-1 SMALL, MINORITY, AND WOMAN-OWNED BUSINESS SUBCONTRACTING REQUIREMENTS (MARCH 2006)

- a. All suppliers except small businesses must submit a subcontracting plan that is specific to this contract, and that separately addresses subcontracting with small, minority, and woman-owned businesses. A plan approved by the Postal Service must be included in and made a part of the contract. Lack of an approved plan may make the supplier ineligible for award. A subcontract is defined as any agreement (other than one involving an employer-employee relationship) entered into by a Postal Service supplier or subcontractor calling for supplies or services required for performance of the contract or subcontract.
- b. The supplier's subcontracting plan must include the following:
 - (1) Goals, in terms of percentages of the total amount of this contract that the supplier will endeavor to subcontract to small, minority, and woman-owned businesses. The supplier must include all subcontracts that contribute to contract performance, and may include a proportionate share of supplies and services that are normally allocated as indirect costs.

- (2) A statement of the:
 - (a) Total dollars planned to be subcontracted under this contract; and
 - (b) Total of that amount planned to be subcontracted to small, minority, and woman-owned businesses.
- (3) A description of the principal types of supplies and services to be subcontracted under this contract, identifying the types planned for subcontracting to small, minority, and woman-owned businesses.
- (4) A description of the method used to develop the subcontracting goals for this contract.
- (5) A description of the method used to identify potential sources for solicitation purposes and a description of efforts the supplier will make to ensure that small, minority, and woman-owned businesses have an equitable opportunity to compete for subcontracts.
- (6) A statement as to whether the offer included indirect costs in establishing subcontracting goals for this contract and a description of the method used to determine the proportionate share of indirect costs to be incurred with small, minority, and woman-owned businesses.
- (7) The name of the individual employed by the supplier who will administer the subcontracting program and a description of the individual's duties.
- (8) Assurances that the supplier will require all subcontractors receiving subcontracts in excess of \$1,000,000 to adopt a plan similar to the plan agreed to by the supplier.
- (9) A description of the types of records the supplier will maintain to demonstrate compliance with the requirements and goals in the plan for this contract. The records must include at least the following:
 - (a) Source lists, guides, and other data identifying small, minority, and woman-owned businesses;
 - (b) Organizations contacted in an attempt to locate sources that are small, minority, and woman-owned businesses;
 - (c) Records on each subcontract solicitation resulting in an award of more than \$100,000, indicating whether small, minority, or woman-owned businesses were solicited and if not, why not; and
 - (d) Records to support subcontract award data, including the name, address, and business size of each subcontractor.
- c. Reports. The supplier must provide reports on subcontracting activity under this contract on a calendar-quarter basis. The report must be one of the types described in Clause 3-2, Participation of Small, Minority, and Woman-owned Businesses.

CLAUSE 3-2 PARTICIPATION OF SMALL, MINORITY AND WOMAN-OWNED BUSINESS (MARCH 2006)

- a. The policy of the Postal Service is to encourage the participation of small, minority, and woman-owned business in its purchases of supplies and services to the maximum extent practicable consistent with efficient contract performance. The supplier agrees to follow the same policy in performing this contract.
- b. Subject to the agreement of the supplier and the Postal Service, the supplier will report subcontracting activity on one of the following bases:
 - (1) Showing the amount of money paid to subcontractors during the reporting period;
 - (2) Showing subcontracting activity that is allocable to this contract using generally accepted accounting practices; or
 - (3) A combination of the methods listed above.
- c. The supplier will submit a report to the contracting officer within 15 calendar days after the end of each calendar-year quarter, describing all subcontract awards to small, minority, or woman-owned businesses. The contracting officer may require more frequent reports.

CLAUSE 4-1 GENERAL TERMS AND CONDITIONS (JULY 2007)

- a. Inspection and Acceptance. The supplier will only tender for acceptance those items that conform to the requirements of this contract. The Postal Service reserves the right to inspect or test supplies or services that have been tendered for acceptance. The Postal Service may require

repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in contract price. The Postal Service must exercise its post acceptance rights (1) within a reasonable period of time after the defect was discovered or should have been discovered and (2) before any substantial change occurs in the condition of the items, unless the change is due to the defect in the item.

- b. 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 contracting officer;
 - (2) The surety or sureties upon any bond; and
 - (3) The office, if any, designated to make payment, and the contracting officer has acknowledged the assignment in writing.
 - (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.

c. 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 paragraph s). Nothing in that clause excuses the supplier from proceeding with the contract as changed.

d. Reserved

e. Reserved

f. Reserved

g. Invoices

(1) The supplier's invoices must be submitted before payment can be made. The supplier agrees that submission of an invoice to the Postal Service for payment is a certification that:

(a) Any services being billed for have been performed in accordance with the contract requirements; and

(b) Any supplies for which the Postal Service is being billed have been shipped or delivered in accordance with the instructions issued by the contracting officer and that the supplies are in the quantity and of the quality designated in the contract.

(2) To ensure prompt payment, an original invoice (or electronic invoice, if authorized) must be submitted to the address designated in the contract to receive invoices for each destination and shipment. An invoice must contain:

(a) The supplier's name, remit to address (including ZIP+4) and phone number;

(b) Unique invoice number and invoice date;

(c) Any applicable task or delivery order number;

(d) A description of the supplies or services and the dates delivered or performed;

(e) The point of shipment or delivery;

(f) Quantity, unit of measure, unit price(s) and extension(s) of the items delivered;

(g) Shipping and payment terms, including GBL number if applicable; and

(h) Any additional information required by the contract.

h. 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.

i. Payment

(1) Payment will be made for items accepted by the Postal Service that have been delivered to the delivery destinations set forth in this 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 may be made by the Postal Service either by electronic funds transfer (EFT), check, or government credit card at the option of the Postal Service. When the EFT payment method is selected, the Postal Service will provide the supplier with Form 3881, Supplier's Electronic Funds Transfer Enrollment Form, at contract award. The supplier must complete the form and submit it to the designated Postal Accounting Service Center to ensure the proper routing of payments.

(2) In conjunction with any discount offered for early payment, time will be computed from the date of the invoice. For purposes of computing the discount earned, payment will be considered to have been made on the date which appears on the payment check or the date on which an electronic funds transfer was made.

j. Risk of Loss. Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract will remain with the supplier until, and will pass to the Postal Service upon:

1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin, or;

2) Delivery of the supplies to the Postal Service at the destination specified in the contract, if transportation is f.o.b. destination.

k. Taxes. The contract price includes all applicable federal, state, and local taxes and duties.

- I. Termination for the Postal Service's Convenience. The Postal Service reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the supplier must immediately stop all work and must immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the supplier will be paid a percentage of the work performed prior to the notice of termination, plus reasonable charges the supplier can demonstrate to the satisfaction of the Postal Service using its standard record keeping system, have resulted from the termination. The supplier will not be paid for any work performed or costs incurred which reasonable could have been avoided.

- m. Termination for Default. The Postal Service may terminate this contract, or any part hereof, for default by the supplier, or if the supplier fails to provide the Postal Service, upon request, with adequate assurances of future performance. In the event of termination for default, the Postal Service will not be liable to the supplier for any amount for supplies or services not accepted, and the supplier will be liable to the Postal Service for any and all rights and remedies provided by law. The debarment, suspension, or ineligibility of the supplier, its partners, officers, or principal owners under the Postal Service's procedures (see 39 CFR Part 601) may constitute an act of default under this contract, and such act will not be subject to notice and cure pursuant to any termination of default provision of this contract. If it is determined that the Postal Service improperly terminated this contract for default, such termination will be deemed a termination for convenience.

- n. Title. Unless specified elsewhere in this contract, title to items furnished under this contract will pass to the Postal Service upon acceptance, regardless of when or where the Postal Service takes physical possession.

- o. Warranty. The supplier warrants and implies that the items delivered under this contract are merchantable and fit for the use for the particular purpose described in this contract.

- p. Limitation of Liability. Except as otherwise provided by an express or implied warranty, the supplier will not be liable to the Postal Service for consequential damages resulting from any defect or deficiencies in accepted items.

- q. 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.

- r. 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) Form 8203; (8) other documents, exhibits, and attachments, and (9) the specifications.

- s. 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>. The following clauses are incorporated in this contract by reference:
 - 1) B-1, Definitions
 - 2) B-9, Claims and Disputes
 - 3) B-15, Notice of Delay
 - 4) B-16, Suspensions and Delays
 - 5) B-19, Excusable Delays
 - 6) B-30, Permits and Responsibilities

- t. Shipping. The supplier must deliver goods that meet the prescribed physical limitations of the current U.S. Postal Service 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.

CLAUSE 4-2 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT POLICIES, STATUTES OR EXECUTIVE ORDERS (MARCH 2006)

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/cpim/ftp/manuals/pm/spp.pdf>. 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: (contracting officer will check as appropriate.)

- (1) Clause 1-1, Privacy Protection (July 2007)
- (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 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.
- (3) 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:
 - (a) The effectiveness of the supplier's policies and procedures to produce data compatible with the objectives of these reports; and
 - (b) The data reported.
- (4) 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:
 - (a) 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
 - (b) 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.

CLAUSE 4-4 NONDISCLOSURE (PROFESSIONAL SERVICES) (MARCH 2006)

The supplier acknowledges that confidential information might be generated or made available during the course of performance of this agreement. In addition to the restrictions on disclosure established under the supplier's code of ethics, the supplier specifically agrees not to disclose any information received or generated under this contract, unless its release is approved in writing by the contracting officer. The supplier further agrees to assert any privilege allowed by law and to defend vigorously Postal Service rights to confidentiality.

CLAUSE 4-5 INSPECTION OF PROFESSIONAL SERVICES (MARCH 2006)

- a. The contracting officer may, at any time or place, inspect the services performed and the products, including documents and reports. No matter what type of contract is employed, and in addition to any specific standards of quality set out in this agreement, the contracting officer may reject any services or products that do not meet the highest standards of professionalism. No payment will be due for any services or products rejected under this clause.
- b. Acceptance of any product or service does not relieve the supplier of the duties imposed by supplier's code of professional ethics, and the supplier remains liable for the period allowed under

federal law for claims by the United States, for any errors or omissions occurring during performance.

CLAUSE 4-6 INVOICES (PROFESSIONAL SERVICES) (MARCH 2006)

- a. In addition to the information required elsewhere in this agreement, all invoices for services under this agreement must indicate in detail the following:
 - (1) Person performing service each day by hour and part of an hour.
 - (2) Services performed each day by hour and part of an hour.
 - (3) Rates and charges for each service so detailed.
 - (4) Individual expenses charged, if allowed under this agreement.
- b. Minimum charges for portions of an hour may be allowed, if such a charging practice has been disclosed before award of this agreement.

CLAUSE 4-7 RECORDS OWNERSHIP (MARCH 2006)

Notwithstanding any state law providing for retention of rights in the records, the supplier agrees that the Postal Service may, at its option, demand and take without additional compensation all records relating to the services provided under this agreement. The supplier must turn over all such records upon request but may retain copies of documents produced by the supplier.

CLAUSE 4-8 KEY PERSONNEL (MARCH 2006)

- a. To the extent that the statement of work provides for services to be performed by key personnel, those services must be performed by the personnel identified in the supplier's proposal to perform them unless substitutes have been approved in writing by the contracting officer. Use of junior personnel, even under key personnel supervision (for example, associates or student workers), is not authorized unless they are identified in the supplier's proposal by name or position, with a description of their duties.
- b. This agreement may be terminated if the key personnel named in the supplier's proposal become unavailable for any reason. If the unavailability of key personnel is not the fault of the supplier, the contracting officer may terminate by giving notice of termination. The supplier will be paid for service performed up to the date of termination. If the contracting officer finds that the supplier is at fault for the unavailability of key personnel, the agreement may be terminated for default.

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's 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 the contract.

CLAUSE 8-4 PATENT INDEMNITY (MARCH 2006)

- a. Except as provided in paragraph d below, the supplier indemnifies the Postal Service, its employees, and its agents against liability, including costs and fees, for patent infringement (or unauthorized use) arising from the manufacture, use, or delivery of supplies, the performance of service, the construction or alteration of real property, or the disposal of property by or for the Postal Service, if the supplies, service, or property (with or without relatively minor modifications) have been or are being offered for sale or use in the commercial marketplace by the supplier.

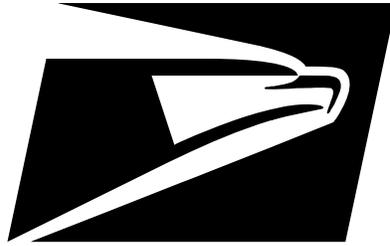
- b. The Postal Service must promptly notify the supplier of any claim or suit subject to the indemnity of paragraph a above alleging patent infringement or unauthorized use of a patent.
- c. To the extent allowed by law, the supplier may participate in the defense of any suit to which this clause applies.
- d. This indemnification does not apply to:
 - (1) Infringements for the unauthorized use of a private patent covered by this indemnity resulting from the contracting officer's specific written direction, compliance with which requires an infringement; or
 - (2) Infringement or unauthorized use claims that are unreasonably settled without the supplier's consent before litigation.
- e. This clause must be included in all subcontracts under this contract, at any tier, over \$50,000.

CLAUSE 8-13 INTELLECTUAL PROPERTY RIGHTS (MARCH 2006)

All intellectual property rights evolving from studies, reports, or other data delivered under this contract are the sole property of the Postal Service. The supplier agrees to make, execute, and deliver to the Postal Service any papers or other instruments in such terms and contents as may be required for the filing of any required instrument necessary for preserving an intellectual property right and does hereby assign and transfer to the Postal Service the entire right, title, and interest in and to the intellectual property rights. Before final settlement of this contract, a final report must be submitted on Form 7398, Report of Inventions and Subcontracts, or other format acceptable to the contracting officer.

PART 4 - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

Attachment Number	Attachment Title	Number of Pages
1	Statement of Objectives (SOO)	14
2	Supplier and Financial Capability Submittal Package	5



***UNITED STATES
POSTAL SERVICE™***

ATTACHMENT 1

STATEMENT OF OBJECTIVES

**GREETING CARD/STATIONERY PRODUCTS
PROGRAM**

June 24, 2009

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Number	Description	Number of Pages
1	Supplier Interface Guide for Electronic Orders	31
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A. PURPOSE

The United States Postal Service (USPS) desires to introduce a range of Greeting Card/Stationery products to be sold at Postal retail locations nationwide. Before a decision is made to execute full program implementation, the USPS intends to conduct a pilot test with a selected supplier, for a minimum of one (1) year. After completion of a successful pilot test, the Postal Service reserves the right to expand the greeting card and stationery products program to approximately 15,000 Postal Service locations nationwide, and possibly through other channels as well (e.g. usps.com).

The primary purpose of this requirement is to:

- Determine retail sales viability and opportunity of offering greeting card/stationery products in post offices
- Increase revenue contribution by introducing a line of greeting card/stationery products complimentary to our mailing and shipping services in support of the USPS Strategic Transformation Plan, <http://www.usps.com/strategicplanning/2006-2010.htm>
- Evaluate SKU level sales to optimize product mix for launch
- Evaluate merchandising solutions
 - Flexibility of solutions for varied office configuration
 - Aesthetically pleasing in the USPS retail environment
 - Meets USPS requirements (i.e., Content appropriate, Safety, and Health Equipment guidelines)
- Increase single-piece First Class Mail volume
- Provide added convenience to USPS customers
- Contribute to a stronger, more consistent and positive USPS retail image

Suppliers will use their industry and market expertise to provide recommendation(s) on how best to sell Greeting Card/Stationery Products.

B. THE REQUIREMENT

B.1. Definition of Terms and Acronyms

Greeting Card/Stationery Products. A range of greeting cards and products.

Domestic Mail Manual (DMM). Mailing Standards of the United States Postal Service makes it easy to access information about postal services and standards.

The DMM provides the following benefits and features:

- Easy-to-find information.
- Clear mailing standards.
- Extensive index.
- Clear graphics and rate charts.
- Information grouped by mailing method, shape, class of mail, and topic.
- Efficient cross-referencing.

The Postal Service worked closely with customers and employees to organize the DMM. The DMM can help customers make informed decisions about postal products and services to get the most value from the mail. Postal employees can use it to help customers.

The Retail section explains the services and standards for letters, flats, and parcels mailed at single-piece rates. The information in this section is intended for both household consumers and businesses. It includes sections on technical specifications, design standards that

describes the physical look of letters, flats, parcels, etc., what can and cannot be included on the face of a mail piece, and more.

DMM specifications can be accessed on-line at:

<http://www.usps.com/business/mailingshippingguidelines/welcome.htm>. Updates and/or changes to the DMM may be made during the term of the resultant contract, and the supplier must modify its products to maintain compliance at its own expense.

eBuy. Electronic commerce portal that provides the Postal Service's employees with electronic requisitioning, approval, and invoice certification capability. It is the Postal Service's required method of providing funds and preferred method of order placement. (See Exhibit 1 to the Statement of Objectives - Finance Business Systems, Portfolio – IT, Supplier Interface Guide for Electronic Orders)

Electronic Data Interchange (EDI). The USPS provides an AFT site for business partners to PUT/deposit and GET/pick-up files. Files transmitted via this method must be encrypted with PGP.

Enterprise Data Warehouse (EDW). Point of Service (POS) system used by the Postal Service that automates retail transactions. EDW provides a single repository for managing the Postal Service's corporate data assets.

Facility Access and Shipment Tracking (FAST). Third Party Logistics (3PL) system that replaced the Drop Shipment Appointment System (DSAS). FAST enhances the drop shipment process by improving the efficiency and effectiveness of appointment creation and management capabilities for both customers and USPS.

Pack-in. Greeting Card/Stationery products consolidated into one packaging at the manufacturer's warehouse then distributed to post offices. These pack-ins are broken down when they reach the post office, and then items are displayed and sold individually.

Plan-o-gram. Diagram of fixtures and products that illustrates how and where retail products should be displayed, usually on a store shelf in order to increase customer purchases. They may also be referred to as plano-grams, plan-o-grams, schematics or POGs. A planogram is often received before a product reaches a store, and is useful when a retailer wants multiple store displays to have the same look and feel. Often a consumer packaged goods manufacturer will release a new suggested planogram with their new product, to show how it relates to existing products in said category. Planograms are used nowadays in all kind of retail areas. A planogram defines which product is placed in which area of a shelving unit and with which quantity. The rules and theories for the creation of a planogram are set under the term of merchandising.

Point of Sale (POS). Common automated retail platform for window operations to enable a standard retail experience for customers and employees. POS ONE, the Postal retail system, plays a major role in reaching the organization's goals for improving customer service and providing our employees with the tools required to efficiently and easily provide postal services. POS ONE is deployed at more than 15,000 locations nationwide. POS ONE automates retail transactions, enhances customers' experience and captures transactional data related to products and services.

Point of Sale Replenishment (POSR). Perpetual inventory system that operates at the office level using historical sales data and on-hand inventories to place item level orders to maximize retail sales and minimize retail inventories. This just-in-time inventory supply chain management tool replaced the manual ordering process now in place for POS offices placing orders through eBuy. For qualifying offices, POSR effectively replaced the need to perform out of schedule inventories and the time required to create an eBuy to place the order.

POSR recalculates reorder points on a daily basis. It is important to note that POSR generates replenishment orders only, utilizing actual POS retail sales data retrieved by way of an automated FTP data feed from RDM.

Postal Store. The Postal Store® is the Postal Service's official online Post Office™, featuring sales of postage stamps, stationery, philatelic collectibles and other gift items. Customers can order free shipping supplies, print mailing labels with or without postage, and even design and mail cards and letters without ever leaving their computer. To access the services available on the Postal Store, visit <http://shop.usps.com>.

Pretty Good Privacy (PGP) is a computer program that provides cryptographic privacy and authentication. PGP is often used for signing, encrypting and decrypting e-mails to increase the security of e-mail communications.

Retail Data Mart (RDM). RDM was developed to provide easy access to retail transactional data and critical business information used to manage postal operations. The RDM harnesses the power of retail data and affords the opportunity to:

- increase revenue
- improve customer service
- manage inventory
- manage staffing levels to meet customer demand
- improve store performance

Scan-based trading (SBT). SBT is the process where suppliers maintain ownership of inventory within retailers' warehouses or stores until items are scanned at the point of sale.

Slatwall. Display surface used for USPS retail products. Merchandising gondolas and mobile slatwall (spinners) units provide display area for products where wall-mounted slatwall is insufficient. They also allow for flexibility in location of merchandise display. Gondola bases are designed with lockable drawers for storage of merchandise and supplies. One use of mobile slatwall units is for display of additional merchandise during busy seasons.

Solution for Enterprise Asset Management (SEAM). A centralized USPS web-based application utilized to support fulfillment, planning, and service management in order to improve the management of USPS inventory and assets. SEAM utilizes Oracle eBusiness Suite to forecast, plan, procure, and distribute materials across a broad range of product categories. The model for planning and procuring materials for supplier delivery direct to point of use is planned for implementation in April, 2010 and will require suppliers to interface with SEAM during full implementation (if implemented)

Transportation Management Service Provider (TMSP). The USPS has contracted two 3rd Party Logistics partners that provide transportation support to internal clients that have requirements to move non-mail freight. The TMSP partners provide carrier selections at predetermined rates and monitors performance of these carriers. This provides the USPS a cost effective option in determining the Total Cost of Ownership model by providing FOB origin vs. FOB Destination cost comparisons.

B.2. Requirement Description

Interested suppliers will submit proposals and provide solutions to the requirements description on 07/10/2009. The Postal Service will

- Consider multiple options or proposals
- Evaluate proposals based on potential supplier's qualifications, work history and capabilities.
- Base supplier selection on overall best value to the Postal Service. (See Provision 4-2, Evaluation, in solicitation).

PILOT TEST

The Postal Service intends to test whether the sale of greeting card and stationery products is a program that is a good source of revenue for the organization and will provide a service that will benefit its customers. The pilot test will be conducted in a minimum of 500 offices nationwide with possible expansion to an additional 1000 offices.

The Postal Service will evaluate the supplier's effective implementation of the proposed solution, their plan for full deployment with proposed performance metrics. The Postal Service reserves the right to determine the pilot test success criteria, which will be the basis for the decision to implement full national deployment.

Suppliers will submit the following for evaluation --

- Complete and sustaining product line including corresponding greeting card and stationery product displays and merchandising subject to approval by the Postal Service.
- Technical proposal with recommendations on a full supply chain including but not limited to fulfillment, replenishment, transportation, inventory, call center, and technology systems, including –
 - Description of the supplier's plan to use its expertise to provide recommendation(s) how to best sell greeting card/stationery products.
 - Overall retail merchandising and operations plan, including, but not limited, to –
 - Merchandising and in-store retail support services to include customer experience management. (Supplier must state whether it plans to provide support services on a full or part time basis);
 - Merchandising solutions that will target select locations based on revenue, segmentation market potential, and available retail lobby space.
 - Recommendations on test site display set-up, and maintenance.
 - An integrated promotional strategy to communicate the benefits of the new initiative to both Postal employees and customers.

- A supplier resource/staffing and training plan to include knowledge transfer to Postal employees.
- Recommendations for test site reordering procedures after initial push of greeting cards/stationeries.
- Recommendations for measuring shrinkage.
- Methods for determining product management and end of life cycle.
- A plan to maintain a database of all Postal retail locations that is accessible electronically by the Postal Service
- Customer service and support capabilities.
- Performance metrics to determine success of the test.
- Business/Management proposal, including
 - Recommendation of a compensation model for offering Greeting Card/Stationery products, such as, SBT/consignment or other recommended alternatives.
 - Merchandiser/display investment, investment recovery, installation and maintenance;
- Draft Statement of Work (SOW) describing full implementation of the program as listed below,

FULL IMPLEMENTATION

After the Postal Service determines that the test is successful, the supplier will submit the following for approval prior to full implementation:

- Final SOW describing full implementation of the program, including a plan describing how the supplier will –
 - Develop, design, produce and maintain a standard Greeting Card/Stationery Products line
 - Develop creative concepts based on current and past consumer market research and trends for color, design and marketability;
 - Provide consumer research, market analysis and data sharing/reports to meet USPS management decision making needs and requirements. (See Section G, Reporting, for additional detail on expected management reports/data).
 - Develop revenue opportunities for USPS retail channels
 - Support display options (slat walls and/or stand alones) with plan-o-gramming to ensure that product line offerings meet maximum revenue sales potential, and ensure product placement is aesthetically pleasing in a USPS environment for customer selection (see Section F, Post Office Lobbies, for detailed description);

- Create and design signage using the USPS corporate logo for printed materials;
- Develop advertising concepts for seasonal product lines based on consumer market research.
- Outline a continuous improvement, i.e., learning curve, knowledge gained, new technology, including a plan to lower Cost of Goods Sold (COGS), and increase Postal gross margin from year to year.

SOW must also include:

- All elements listed under Technical Proposal above.
- All elements determined to have contributed to the success of the pilot test.
- Business/Management proposal, including compensation models for full nationwide deployment up to 15,000+ offices. Proposal must include:
 - Merchandiser/display investment, investment recovery, installation and maintenance;
 - Revenue Projections/Targets and Commitments. The proposed compensation plan will include incentives/disincentives for failing to meet, meeting, or exceeding targets.
 - Cost to the Postal Service if it decides to include USPS registered trademark in back of greeting card/stationery products.

The successful supplier will follow the USPS Domestic Mail Manual, Corporate Signature Guideline and Logo Sheet Guidelines (Exhibit 2), as well as, integrate its system with required USPS systems, such as, USPS eBuy, Enterprise Data Warehouse (POS ONE, Retail DataMart), EDI, FAST, POSR, and Delivery Confirmation system.

C. IMPLEMENTATION PLAN

GREETING CARD/STATIONERY PRODUCTS PILOT TEST (10/01/2009 to 09/30/2010 with option for possible extension to a second year)

The objective of the pilot test is to determine if the sale of greeting cards/stationery products in Postal lobbies is a corresponding offering that enhances the core objectives of the Postal Service. At the end of the test, the supplier will present the business model(s) that will best fit the Postal Service, as well as the needs of their customers.

Only the selected supplier will participate in the pilot test. The Postal Service will:

- Conduct the test in a minimum of 500 offices nationwide with possible expansion to an additional 1000 offices.
- Assign post offices to the qualified supplier by 07/24/2009.

Throughout the test period, the selected supplier will:

- Revise the draft SOW based on “lessons learned.”
- Submit monthly reports based on performance metrics (see Section J)

Between 07/24/2009 and 09/30/2009, Postal Service will work with selected supplier to ensure that the supplier visits assigned post offices and plans the display design and product mix based on post office configurations and demographics. The Postal Service will approve in a timely manner the supplier's configuration plan for each post office. This timeframe also includes the manufacture and distribution of appropriate greeting cards/stationeries to a minimum of 500 post offices, with possible expansion to an additional 1000 offices during the test period.

FULL IMPLEMENTATION OF GREETING CARD/STATIONERY PRODUCTS PROGRAM (10/01/2010)

The full implementation of the greeting card/stationery products program is an option that may or may not be exercised by the Postal Service. The exercise of this option will depend on the success criteria approved by the Postal Service before the pilot test described above.

On a date to be negotiated between the Postal Service and the supplier, the supplier will submit a final SOW for the Greeting Card/Stationery Products program, compensation or SBT/consignment model based on the results of test plan for nationwide implementation, and performance metrics. At that time, the Postal Service reserves the right to revise the terms and conditions of the contract, which will be negotiated with the supplier.

The USPS and supplier will negotiate and finalize

- Merchandising plan
- SBT/consignment model or Compensation (Purchase) model
- Performance metrics
- Deployment plan

D. PRODUCT THEMES

The following are some of the seasonal themes to be considered:

Seasonal Themes	Non-Seasonal Themes
Christmas	Birthday
Valentine's Day	Anniversary
Mother's Day	Get Well
Easter	Friendship/Encouragement
Father's Day	Sympathy

To ensure consistency with its policies and objectives, the Postal Service will develop guidelines for appropriate content and/or categories of product to be provided under this program. These guidelines will be maintained at the sole discretion of the Postal Service, will be subject to change without notice, and will exclude, at minimum, the following content and/or categories of product:

- Partisan or political content or images.
- Religious content or images (including, without limitation, scriptural or devotional quotations).
- Unlawful content or images (including, without limitation, obscene, defamatory, slanderous or libelous content or images).
- Content or images depicting discrimination on the basis of race, religion, nationality, gender, disability, age, or sexual or political orientation.
- Sexually explicit content or images (including, without limitation, nudity or materials directed to sexual stimulation).
- Content or images depicting graphic violence.
- Content or images depicting profanity or approximations of profanity.
- Content or images depicting illegal activities, illegal substances, and paraphernalia designed for use in connection with illegal activities or substances, or convicted criminals.

- Any content or images inconsistent with the Postal Service’s intent to maintain neutrality on religious, social, moral, legal, political or other public issues.
- Any content or images harmful to the public image, reputation, or good will of the Postal Service or otherwise derogatory or detrimental to the interests of the Postal Service.

Non-conforming product will be subject to removal/return at the supplier’s expense. The supplier may be subject to termination (see paragraph “m” in Clause 4-1, General Terms and Conditions, in the solicitation) for failure to comply with these guidelines. These guidelines will be maintained at the sole discretion of the Postal Service, will be subject to change without notice, and

Additional requirements, subject to review by Intellectual Property attorneys:

Suppliers must warrant that they have all necessary legal authority to reproduce and otherwise use the product as proposed (including, without limitation, any trademarks, slogans, likenesses or copyrighted material contained therein) and must indemnify the Postal Service against any liabilities arising out of the use of the product.

The Postal Service requires the supplier to recommend a complete and sustaining mix of greeting cards/stationeries, in terms of creative themes based on market research and experience within similar retail outlets. The recommended mix should contain both Seasonal themes and Everyday themes.

E. PRODUCT IDENTIFIER

In order for the Postal Service’s system, POS ONE, to read a supplier’s barcode, the UPC code specifications are listed as follows:

Field	UPC_Number
Type	Text
Max Size	12
Description	UPC number/barcode number.

F. POST OFFICE LOBBIES

Post offices have varied space configurations in their retail lobbies. In general, supplier will be given 4 to 8 linear feet of display for the test; however, individual post offices vary with respect to size and configuration. It is recommended that suppliers visit post offices to gain an understanding of the scope of variation that exists between offices. The supplier will recommend how this slatwall space will be used to display greeting cards and stationeries. The supplier will also recommend free standing merchandisers where appropriate.

F.1. Retail Lobby Slatwall Characteristics

Display format dimensions typically used in retail lobby locations nationally:

- Large slat wall affixed to the wall with or without base drawers
 - 42” wide by 90” – 96” in high
 - 48” wide by 90” – 96” in high
- Small slat wall affixed to the wall
 - 27” wide by 27” high
- Merchandising Gondola – a two-sided freestanding slat wall display unit that is permanently attached to the floor in the Open Merchandise Zone of Postal Store and has storage drawers. The mobile slat wall can display items on both sided and be positioned to create easy access for customers
 - 48” width by 68” depth by 32” height

- Mobile slat wall – Dimensions 68 Height, 32” long and 48” Wide. The mobile slat wall can display items on both sides and be positioned to create easy access for customers.
 - Mini slat wall – Dimensions 27” wide by 27” high

F.2. Merchandising Fixtures

The Postal Service requires the supplier provide merchandisers that hold and display the Greeting Card/Stationery Products line at select locations. Since the USPS retail locations are characterized by varying levels of available merchandising space, the supplier should introduce both product mix and merchandising solutions that correspond to lobby space availability or slat wall dimensions. Other display options may be recommended for further discussion or approval by USPS Retail Marketing.

Specific merchandising fixture requirements should be based both on lobby space, and on product mix recommendations. All proposed freestanding merchandising fixtures and solutions for slat wall (e.g., slat wall wire containers, etc) must adhere to industry standard safety and health retail equipment guidelines. After the pilot, supplier must have an equipment disposal plan meeting environmental requirements. If same merchandiser is used for the roll out, must comply with Postal safety and health retail equipment guidelines.

Supplier must take the appropriate steps to ensure compliance of merchandisers with Exhibit 3, Safety & Health General Non-Mail Processing

G. REPORTING

The Postal Service requires the supplier to provide an audit trail for all transactions. The supplier will maintain a database that details all transactions at the site level.

The supplier will provide full reports on all intellectual property issues relevant to such products and materials. The supplier will provide the USPS monthly information for the following, related to all new proposed product design, particularly for the seasonal, product lines such as, but not limited to the following:

- Sales opportunities analysis (high and low potential profits)
- Measure time to market
- How is image distinguishable from competitors' products
- Meet legal USPS requirements for product and packaging
- Environmental compliance
- Proposed design and testing of product to determine salability
- Pocket turns (Turn rate)

When requested by the Postal Service, supplier must be able to provide industry information, such as, market segmentation, consumer research, product market research, retail/consumer sales appeal.

H. TRANSPORTATION/SHIPPING

Pilot Test. Items will be shipped through the USPS mail stream via Priority Mail for the product(s) push at the beginning of the pilot test to ensure products are at selected post offices. It is not necessary to use Priority Mail shipper cartons. If appropriate, special labeling requirements to identify shipper cartons will be discussed with supplier upon award. The supplier must work to establish a process with their local post office for a pick up schedule and logistics. Although it is preferred that the supplier uses the Postal Service, supplier will recommend shipping method for reorders and show comparison pricing of the different methods. Submitted pricing will include all

shipping and handling with appropriate shipping method and must submit estimated costs of project and propose funding strategies to meet these costs.

Full Implementation. Supplier will submit proposal on automatic replenishment and transportation options for delivery. The USPS will evaluate F.O.B. Origin vs. F.O.B. Destination proposals and determine the option that provides the best service to our customers with the lowest Total Cost of Ownership. If a USPS Transportation Management Service Provider (TMSP) 3PL solution is proposed, the selected supplier must be able to communicate with FAST.

H.1. Delivery Confirmation[®] Service

If Parcel Post or Priority Mail is used, shipments must include Electronic Delivery Confirmation service. The Delivery Confirmation service identifier must be included in the Concatenated Barcode (as described in section 20.1 of this SOW) and provide customers with information on the date of delivery or attempted delivery (if appropriate) via scan data on usps.com. Delivery Confirmation service will not provide the signature of the recipient, nor will it provide tracking information to indicate where an undelivered piece is in the Postal system. If FOB Origin, Electronic Delivery Confirmation will have no fee and the supplier will provide an electronic manifest to the USPS and apply the barcode as required by the USPS. If FOB Destination, the fees will vary according to class of mail unless the mailer/consolidator uses Electronic Delivery Confirmation, provides an electronic manifest to the USPS, and applies the barcode as required by the USPS.

H.2. Master Carton Configuration

The supplier will provide the product packaging standard configurations to accommodate the Greeting Card/Stationery Products and pack-in quantities. The supplier must provide carton sizes and densities for efficient transportation. All carton characteristics must adhere to the Domestic Mail Manual located at:

http://search.usps.com/search?site=%28USPS_com%29%7C%28News%29&sort=date%3AD%3AL%3Ad1&output=xml_no_dtd&ie=UTF-8&oe=UTF-8&client=uspsSearch&proxystylesheet=uspsSearch&num=15&numgm=15&q=DMM+300&x=16&y=8

I. ELECTRONIC DATA INTERCHANGE

The supplier must have electronic data interchange (EDI) capabilities when submitting the proposal. EDI capability is required for billing, payment and data interaction with RDM.

All electronic data communication between the Postal Service and the supplier must be formatted in ASCII or "db" format. The file should be transferred via the Internet or via an FTP site. The record should also include the date an order was revised and the name or user ID of the person making the change along with other pertinent location identifying information. At all times and in all places, the data is the sole property of the USPS. At pilot completion, the data will be submitted to the USPS in a format specified by the USPS.

I.1. Computer Security

Please refer to Provision 4-10 contained in the Solicitation.

I.2. Handbook AS-805, Information Security, March 2002

The Postal Service is committed to creating and maintaining an environment that protects Postal Service information resources from accidental or intentional unauthorized use,

modification, disclosure, or destruction. Handbook AS-805, Information Security, establishes Postal Service information security policies. Handbook AS-805-A, Application Information Security Assurance (ISA) Process, provides the process for identifying the sensitivity and criticality of the application system, determining information security requirements for protecting the application system, and ensuring appropriate cost-effective information security controls, mechanisms, and procedures are implemented to protect the application system. The supplier's proposal must indicate compliance with the policies delineated in Handbook AS-805, Information Security, and processes defined in Handbook AS-805-A, Application Information Security Assurance (ISA) Process.

After contract award and before beginning performance on this contract, the supplier must coordinate ISA activities with the Postal Service's Corporate Information Security Office (CISO) and complete ISA templates and provide applicable documentation and deliverables as directed by the Postal Service.

An online version of Handbook AS-805, Information Security can be accessed on-line at USPS.com at the following link.

<http://www.usps.com/cpim/ftp/hand/as805.pdf#search='Handbook>

J. SEAM (As Applicable)

At full implementation of the Greeting Card/Stationery Products program, the Postal Service may elect to integrate the suppliers ordering system with the Solution for Enterprise Asset Management (SEAM). At that time, supplier must submit to the USPS all data in a format specified by the USPS to enable supplier interface with SEAM. SEAM incorporates six options for submittal of purchase orders to suppliers.

- Print & Deliver
- FAX
- E-Mail
- EDI
- XML
- iSupplier Portal

Typically individual suppliers will be limited to EDI, XML, or iSupplier depending upon supplier system capabilities, transaction volume, and contract line update frequency (iSupplier is impractical for high transaction volumes).

Purchases will be planned, sourced, and released in SEAM. The supplier will be required to provide order status, Advanced Shipping Notice (ASN), and invoices back through SEAM. Upon three-way match between Purchase Order, Receipt, and Invoice the invoice will be approved in Accounts Payable and scheduled for payment. Supplier will be responsible for picking up orders either via EDI, XML, or iSupplier Portal and submitting invoice using the same method.

K. WAREHOUSING AND ORDER FULFILLMENT (Restocking)

The supplier will provide warehousing and fulfillment to provide transportation efficiencies, order fulfillment, order data processing, reporting, shipment preparation and staging and distribution.

L. SARBANES OXLEY (SOX) and the Postal Service Accountability and Enhancement Act of 2006

The USPS is required to comply with provisions of Sarbanes Oxley Legislation as stipulated in the Postal Service Accountability and Enhancement Act of 2006, including but not restricted to

compliance with Section 404 and 302. The supplier must comply with all current and future SOX requirements. Accordingly, the USPS requires SAS 70 certification concerning the supplier's internal control processes to the extent they impact USPS internal control environment.

Adequate internal controls must be in place to ensure all transactions are genuine, properly valued, recorded timely, correctly classified, correctly summarized and correctly posted. Annual financial reports of the supplier must be prepared and certified by an independent certified public accounting firm and be submitted to the contracting officer no later than 60 days after the conclusion of the supplier's fiscal year.

http://www.usps.com/postallaw/pdf/Postal_Accountability_and_Enhancement_Act.pdf

M. SUSTAINABILITY

As stated in the USPS Strategic Transformation Plan, "Sustainability – meeting the needs of the present without compromising the future – has become a business imperative." The USPS has a strong track record of doing business with companies that operate in an environmentally responsible manner. To build on this record, the USPS will focus on two areas: expanding environmentally-friendly business practices and accelerating energy conservation.

The Greeting Card/Stationery Products supplier must demonstrate awareness of sustainability, through the use of completed or on-going green initiatives and environmental responsibility. Supplier must include in their proposal percentage of recycled paper used or the use of environmentally friendly products or processes.

Materials to construct the greeting cards and stationery products must adhere to the National Environmental Policy Act (NEPA) and Title 40-Protection of Environment regulations. The Supplier awarded the contract must meet all requirements prior to manufacturing of any product and provide proof of certification that it satisfies the EPA's Environmentally Preferable Products requirements for government purchasing.

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Supplier and Financial Capability

ATTACHMENT 2

Supplier and Financial Capability

Greeting Card/Stationery Program

Name of Offeror

Date and Time Submitted: _____

Person submitting written submission and contact phone number and email address:

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Instructions

The intent of this package is to provide information for completion of the required information to be used by the Postal Service in completing an evaluation for potential supplier's qualifications and capabilities. Additionally, this package provides instruction for the minimum acceptable requirements for the format, content, and structure of the package.

Offerors should address each of the evaluation factors as listed below and in Section D. Offerors are advised to provide sufficient amount of information for the evaluation team to determine the supplier's capability. The written submission must include the minimum information required in each factor. To assist in uniform submission of the information, the remaining portion of this package contains formats for completion and entry. The Postal Service prefers that these pages, including any attachments necessary, be used for entry of the required information. Any additional information can be provided for each factor in a comment section, or as an attachment to the end of the document or in a separate file as deemed appropriate by the supplier. This is a working document; alter the document as little as possible.

Note: Domestic and International supplier capability factors need to be separated out. For example, if you have 100 offices, please indicate how many are domestic and how many are international.

A brief description and the information on each requirement which will be considered for evaluation are as follows:

Supplier Capability

The supplier must have the capability to provide service to approximately 15,000 Postal retail lobbies. The supplier's written submission must include information outlining their capability to provide said services through experience on contracts of similar work and magnitude for requirements as described in the attached Statement of Objective (SOO). The supplier must demonstrate the ability to perform to consistently high standards through a record of excellent past performance.

Current and Past Performance

Ten (10) years experience providing greeting card/stationery products, as well as, other services described in the SOO, in the commercial and government sector is required by the supplier. The supplier must provide information and references to document a record of satisfactory performance on contracts for similar work and magnitude. Note: Current and past performance as distinguished from experience examines the quality of the offerors business record, not just the accomplishments of a certain type of work. Past performance as defined by the Postal Service is quality of service, timeliness of performance, and customer satisfaction. Past performance is an important and essential prequalification criterion.

Financial Capability

Suppliers must provide independently audited, and published (if applicable), financial statements for the immediate past three (3) fiscal years, together with an interim report to as near the submission date as possible of the current fiscal year. In addition, the supplier must provide a self-certifying statement that said supplier, or supplier members, have not declared bankruptcy, or filed for protection under any bankruptcy or insolvency statutes within the past three (3) years.

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Please carefully review the instructions for completing this part of the prequalification process. Offerors are required to complete their Information on this page and submit attached documentation as needed following the format specified in this attachment. Should the narrative exceed this page, continue onto the next page, and start the next section on a new page.

1. **Supplier Capability**

- a. Number of Employees
- b. Office Locations (Indicate head office and other branch offices. If you receive the award, where will key personnel be located?)
- c. Creative and Design Capabilities
- d. Retail Execution and Marketing Capabilities
- e. Manufacturing Locations
- f. Warehousing Locations
- g. Distribution and Fulfillment Capability
- h. Transportation Capability
- i. If you do not have capabilities (c – h), please explain how you intend to provide the required supplies and services.
- j. IT Systems. Provide a **brief** description of your company's IT ability to interface with Postal systems. This supplier capability will be requested in more detail during the solicitation phase under the technical factors.
- k. List five (5) accounts of similar scope and magnitude to that of this contract that you currently have or have had under contract.
- l. Supplier Narrative of Supplier Capability. Describe your ability to provide the necessary services for the Postal Service.

2. **Current and Past Performance**

- a. Years of experience in industry.
- b. List current or past commercial and government contracts you have held or subcontracted on.
 - i. Commercial or Government Agency Name
 - ii. Contract Number
 - iii. Contracting Officer Name, Telephone Number and Email Address
 - iv. Program Manager Name, Telephone Number and Email Address
 - v. Describe, in detail, the scope of the contract.

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- c. Business References: List five references for which you provide(d) similar services including the names, addresses, telephone numbers, and contact information of administrative personnel. All information furnished by references will be held in strict confidence by the Postal Service.

Company or Government Agency _____
Point of Contact _____
Title _____
Mailing Address _____
Telephone Number _____
Email Address _____

Company or Government Agency _____
Point of Contact _____
Title _____
Mailing Address _____
Telephone Number _____
Email Address _____

Company or Government Agency _____
Point of Contact _____
Title _____
Mailing Address _____
Telephone Number _____
Email Address _____

Company or Government Agency _____
Point of Contact _____
Title _____
Mailing Address _____
Telephone Number _____
Email Address _____

Company or Government Agency _____
Point of Contact _____
Title _____
Mailing Address _____
Telephone Number _____
Email Address _____

- d. Supplier Narrative of Past Performance. Describe your business record as it relates to accounts of similar scope and magnitude in relation to past performance, including the factors of quality of service, timeliness of performance, and customer satisfaction. Also include company history, structure, and experience.

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3. Financial Capability

Note: Domestic and international financial capability factors need to be separated out. Please identify both domestic and international revenue. If this creates an undue burden, then an explanation from the supplier is necessary.

- a. Sales Revenue for the past three (3) years listed by year.
- b. Estimate of this year's anticipated revenue.
- c. Billing. Supplier must have the capability to provide EDI for ordering and billing through the Postal Service eBuy system (see Exhibit 1). Please provide a performance statement on your company's IT ability to interface with our computer system to do this. System specifics are not necessary, simply a performance statement that you have the capability, and a reference to any system you currently have in place with any other existing account.
- d. Please provide current independently audited financial statements including the last three years income statements, statement of cash flows, and balance sheets together with an interim report nearest to the last submission date.

In an effort to reduce time and to make this process smoother, the Contracting Officer agrees to accept company financials as follows:

- i. Should this information be posted on the internet, and is EASILY downloadable, it is acceptable for the supplier to provide a link to your web-site so the Contracting Officer can download this information. Should you provide the link, and the information be unobtainable, the Contracting Officer reserves the right to ask for a hard copy.
 - ii. Should the Supplier have this information in a hard copy format (such as an annual statement), the supplier must scan the financials into a CD format.
- e. Please provide most recent copy of EXPERIAN credit report.
 - f. Supplier Narrative of Financial Capability. Describe your company's financial capability to perform the work described in this pre-qualification notice.