

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL
PRIORITY MAIL CONTRACT 24

Docket No. MC2010-15

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 24 (MC2010-15)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2010-15

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S
INFORMATION REQUEST NO. 1
(December 28, 2009)

The Postal Service hereby files its responses to Questions 1-6 of Chairman's Information Request No. 1, issued on December 23, 2009. Each question is stated verbatim, and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing & Product Support

Eric P. Koetting
Elizabeth A. Reed

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992, FAX: -5402
December 28, 2009

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S
INFORMATION REQUEST NO. 1**

1. Please explain who is eligible to use the prices on the Postal Service General Services Administration (GSA) Schedule. If there are entities other than GSA eligible for the prices, please explain who tenders payments to the Postal Service.

RESPONSE:

Any federal agency who meets the requirements as outlined in the schedule will be eligible to use the prices on the Postal Service General Administration (GSA) schedule. Additionally, a cost reimbursed contractor for a federal agency who provides a written authority letter from a federal agency contracting officer representative validating they are acting on behalf of an agency would be eligible to use the prices on the GSA schedule specific to buying on behalf of the specific agency. In this case, the cost reimbursed contractor or the federal agency would tender the payments to the Postal Service dependent on the specific terms of the contract.

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2. Please explain if the GSA contract must meet the Commercial Plus volume threshold (100,000 pieces or 600 "open and distribute containers") to qualify for the prices in the contract.

RESPONSE:

Yes, the GSA contract must meet the Commercial Plus volume threshold (100,000 pieces or 600 "open and distribute containers") to qualify for the prices in the contract.

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3. Please explain how volume and cost data will be tracked under this contract. For example, will all Priority Mail pieces tendered under the contract be mailed with the same permit number?

RESPONSE:

Volume and cost data under the GSA contact will be tracked as with other mailers based on specific permit numbers or PC postage account numbers. For example, all Priority Mail pieces tendered under the contract will be mailed with the identified permit number(s), Official Mail Accounting System (OMAS) or PC postage account numbers and specific locations as authorized in the Domestic Mail Manual.

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4. Please confirm that the GSA contract must satisfy the Commercial Plus requirement of using "specifically authorized postage payment methods" to qualify for the prices in the contract. If not, please explain.

RESPONSE:

Confirmed. The GSA contract must satisfy the Commercial Plus requirement of using "specifically authorized postage payment methods" to qualify for the prices in the contract.

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5. There are several occurrences in the "Continuation of Standard Form 1449" where clauses are referenced that apply to this contract. Please provide the source of these references for Term and Condition Nos. 7, 8, 9, 11, and 14.

RESPONSE:

As detailed below, the source documents for the information referenced in Terms and Conditions Nos. 7, 8, 9, 11, and 14 are provided electronically as Attachments 1-8 in a pdf file titled ChIR.1.Q.5.Attach.pdf.

Term 7 references Clause 552.216-70. This clause is contained in the Solicitation; a copy of it is provided at Attachment 1.

Term 8 references several documents. Solicitation FBGT-GG-050001-B is provided at Attachment 2. The Offeror's Representations and Certifications are provided at Attachment 3. The Technical Capability section is provided at Attachment 4. The Subcontracting Plan is provided at Attachment 5.

Terms 9, 11, and 14 reference Clauses 552.238-75, 552.238-74, and 552.232-77, respectively. These clauses are incorporated by reference into the Solicitation from the GSA Manual. The text of each of these clauses from the GSA Manual is provided at Attachments 6, 7, and 8, respectively.

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6. The Commission has found discrepancies between the information filed on December 18, 2009 and the supporting spreadsheets. Please confirm that:
- a. the price for a half-pound Priority Mail piece is \$4.75; and
 - b. the Priority Mail flat-rate envelope price is \$4.75.

RESPONSE:

Confirmed that \$4.75 is the current price for both the Flat Rate Envelope, and for half-pound pieces going to the Local Zone through Zone 8. However, the agreement also includes a provision that, if prices are ever lowered, the lower prices be offered through GSA. So the spreadsheet referred to in the question presents a table that generally includes the current prices, but in some cells the current prices are replaced with lower prices that will become available on January 4, 2010. Each of the cells covered by the question (except one) will have lower published rates in 2010 than they have currently, so those rates will be lowered. For a half-pound piece going to Zone 8, however, the 2009 published rate will be lower than the 2010 published rate, so the GSA rate will remain at the 2009 level (\$4.75) for that Zone. An additional spreadsheet (ChIR.1.Q.6.Attach.xls) is attached electronically to illustrate the 2009 vs. 2010 comparisons utilized to develop the GSA rates.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

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