

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

COMPLAINT OF GAMEFLY, INC.)
)
) Docket No. C2009-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS
ROBERT LUNDAHL TO DISCOVERY REQUESTS OF GAMEFLY, INC.
(GFL/USPS-T4-1-16, 20, 23(e) and (g), 24-27, 29-32, 33(a)-(b), 34(a)-(c), 35 (e),
36, 37(b)-(e), 40-43)
(August 18, 2010)

Pursuant to Rules 26 and 27 of the Commission's Rules of Practice and Procedure, Postal Service witness Robert Lundahl provides his responses to the following interrogatories from GameFly, Inc.: GFL/USPS-T4-1-16, 20, 23(e) and (g), 24-27, 29-32, 33(a)-(b), 34(a)-(c), 35(e), 36, 37(b)-(e), and 40-43, filed on August 4, 2010.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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August 18, 2010

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBERT
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GFL/USPS-T4-1. Please produce copies of all documents that you received in connection with your work in this case.

RESPONSE:

Please see the public versions of Answers of GameFly, Inc., to USPS Discovery Requests USPS/GFL-1-4, 6-7, 9-38, 40-45; Answers of GameFly, Inc., to USPS Discovery Requests USPS/GFL-47 through 60; Answers of GameFly, Inc., to USPS Discovery Requests USPS/GFL-63 through -83; Supplemental Answers of GameFly, Inc., to USPS Discovery Requests USPS/GFL-5, 8, 16, 38, 46, 49, 51, 54 and 60; Responses of GameFly, Inc., to USPS Requests for Admissions USPS/GFL-1 through 3; Appendix USPS-GFL-50; and Answers of GameFly, Inc., to USPS Discovery Requests USPS/GFL-84 through -103. These documents are all available on the Postal Regulatory Commission website.

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GFL/USPS-T4-2. Please produce copies of all documents that you reviewed in connection with your work in this case.

RESPONSE:

Please see the response to GFL/USPS-T4-1.

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GFL/USPS-T4-3. Please produce a copy of the contract and any other government documents (e.g., statement of scope of deliverables) under which you and your firm have performed your work in this case.

RESPONSE:

Please see Appendix-GFL/USPS-T4-3.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBERT LUNDAHL TO DISCOVERY REQUESTS OF GAMEFLY, INC.

GFL/USPS-T4-4. Please produce all studies, analyses, reports and similar documents performed by you or ATR concerning damage to DVDs; damage to mail from processing it on AFCS, DBCS or other automated letter processing equipment; damage to polycarbonate or other plastic objects from material fatigue or mechanical impact; videogame disk composition; videogame production processes.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to NETFLIX. All studies, analysis, reports, and ATR generated documents are NETFLIX proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBERT
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GFL/USPS-T4-5. Please produce all studies, analyses, reports and similar documents performed by you or ATR concerning damage to DVDs.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

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GFL/USPS-T4-6. Please produce all studies, analyses, reports and similar documents performed by you or ATR concerning damage to mail from processing it on AFCS, DBCS or other automated letter processing equipment.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

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GFL/USPS-T4-7. Please produce all studies, analyses, reports and similar documents performed by you or ATR concerning damage to polycarbonate or other plastic objects from material fatigue or mechanical impact.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

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GFL/USPS-T4-8. Please produce all studies, analyses, reports and similar documents performed by you or ATR concerning videogame disk composition.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

ATR did not conduct any studies specific to video game disc technology.

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GFL/USPS-T4-9. Please produce all studies, analyses, reports and similar documents performed by you or ATR concerning videogame production processes.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement. ATR visited two replication facilities and saw how the DVDs and Blu-Ray DVDs were manufactured. ATR was not provided documentation specific to their production process and did not review any information specific to the production of video game discs.

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GFL/USPS-T4-10. Please list the previous cases in which you have provided expert testimony. For each case, identify the case name, court or agency, docket number, the date on which your written testimony or expert report was submitted, and the date on which you testified orally. If your testimony has been recorded in a document, please produce it.

RESPONSE:

None.

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GFL/USPS-T4-11. Have you ever had a discussion with any employee of GameFly? If so, please identify the employee(s), and the date, location and substance of the discussion.

RESPONSE:

No.

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GFL/USPS-T4-12. This question concerns pages 3-11 of your testimony (USPS-T-4), where you discuss a number of factors that you contend affect the rate of DVD breakage. Please produce all studies, analyses, compilations of data, and other information quantifying the effect of each such factor on the rate of DVD breakage.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

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GFL/USPS-T4-13. This question concerns pages 11-14 of your testimony (USPS-T-4), where you discuss various methods of reducing damage to DVDs from Postal Service equipment. Please produce all studies, analyses, compilations of data, and other information on the effectiveness of each such method in reducing damage to DVDs.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

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GFL/USPS-T4-14. Do you contend that DVDs designed, manufactured, handled and mailed in compliance with the standards and practices recommended on pages 3-14 of your testimony (USPS-T-4) would suffer no greater rates of breakage from automated letter processing than from manual processing? If your answer is anything but an unqualified no, please produce all studies, analyses, compilations of data, and other documents that support your position.

RESPONSE:

No.

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GFL/USPS-T4-15. By how much would adherence to the standards and procedures recommended on pages 3-14 of your testimony (USPS-T-4) lessen the DVD breakage that results from automated letter processing vis-à-vis manual processing? Please produce all studies, analyses, compilations of data, and other documents on which you rely.

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

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GFL/USPS-T4-16. Please produce all studies, analyses, compilations of data, and other information quantifying the effect of manual vs. automated letter processing on the breakage rates of DVDs that have been designed, manufactured, handled and mailed in compliance with the recommendations on pages 3-14 of your testimony (USPS-T-4).

RESPONSE:

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement. ATR has performed tests and analysis on an experimental basis only. ATR was not involved in the actual implementation of any remedial actions. ATR does not know what remedial actions have ever been implemented by Netflix.

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GFL/USPS-T4-20. On page 2, lines 1-2, of your testimony (USPS-T-4), you state: “However, all DVDs are not equal. A more fatigue-resistant DVD will not be affected the same.[”] The second sentence seems to be missing one or more words. Did you mean “A more fatigue-resistant DVD will not be affected to the same extent as a less fatigue-resistant DVD,” or other words to the same effect?

RESPONSE:

The second sentence is not missing any words. Yet the meaning of the second sentence cited above is also communicated by, “A more fatigue-resistant DVD will not be affected in the same way as a less fatigue-resistant DVD.”

Perhaps I could say it more clearly by example. Different DVDs can have very different mechanical properties such as tensile strength of the polycarbonate material or different surface finishes of the cut hole on their inside diameter. Two DVDs could go through the same mechanical path through a sorter and be subjected to the same degree of twists and bends. However, the stronger DVD or the one with the better hole cut would accumulate less damage on each particular cycle. We would call that disc a more fatigue resistant disc and it would generally have a longer service life through repetitive runs through the sorter equipment experience with each rental cycle.

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GFL/USPS-T4-23. On page 3, line 20, of your testimony (USPS-T-4), you state: [“]More recently, my firm was retained by Netflix to analyze DVD breakage.”

(e) When did the Postal Service become aware that your firm had been retained by Netflix to analyze DVD breakage?

(g) Was any of the testing of materials for this study performed on equipment owned by the Postal Service? If so, please provide complete details.

RESPONSE:

(e) Postal Service Engineering employees were aware before the filing of GameFly’s complaint that Advanced Technology and Research Corporation had performed some analysis related to DVD breakage. On June 14, 2010, counsel for the Postal Service also became aware that Advanced Technology and Research Corporation had been retained by Netflix.

(g) Yes. ATR conducted several tests on DBCS machines at Postal Service facilities in Merrifield, Virginia. ATR coordinated with Postal Service employee Chris Stratton, USPS Engineering, Letter Mail Technology, to gain access to the DBCS machines and run them with several different configurations on different sortation paths.

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GFL/USPS-T4-24. During the period when you were analyzing DVD breakage for Netflix, did your firm have any contracts with the Postal Service for analysis of DVD breakage? If so, please produce them.

RESPONSE:

No.

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GFL/USPS-T4-25. For any tasks or work related to DVD breakage that your firm has performed for the Postal Service, please provide the scope of work and the period of performance, and produce copies of any written deliverables.

RESPONSE:

ATR has not performed tasks related to DVD breakage for the Postal Service.

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GFL/USPS-T4-26. Please list all the contracts your firm has had with the Postal Service, the period of performance for each, whether or not the contract was competitively bid, and the amount of money your firm has invoiced and has collected.

RESPONSE:

This is ATR proprietary information and is not available for disclosure from ATR.

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GFL/USPS-T4-27. If you have ever participated in any study of DVD breakage for any client other than the Postal Service or Netflix, please provide the following information for each study:

- (a) The scope of the study.
- (b) The period of performance.
- (c) The name of the client(s).
- (d) Any reports, briefings and analyses delivered to the client.
- (e) Any workpapers underlying the documents responsive to part (d).

RESPONSE:

(a-e) ATR has not performed DVD-related breakage tasks for anyone other than Netflix.

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GFL/USPS-T4-29. On page 6, lines 16 and 17 of your testimony (USPS-T-4), you say “A clearer inside diameter hole results in more durability, reduced damage, and more accurate playing.” Please provide the basis of this assertion, including any quantitative analysis which supports the assertion, the data underlying the analysis, the analysis plan, the results of the analysis, and the report(s) setting forth the results.

RESPONSE:

It is generally understood in failure analysis that surface defects act as stress concentrations when the part is under load. Cracks tend to form at stress concentrations and continued fatigue loading will encourage these cracks to propagate to the point of failure. ATR looked carefully at the quality of the ID on the DVDs since this is where the cracks formed that eventually led to the majority of the disc failures. The quality of the cut hole became a subject of concern and ATR performed several tests to evaluate the effect of a new cutter as compared with an older and presumably duller cutter. The test results indicated that there was a correlation. Newer and sharper cutters contributed to a longer fatigue life. All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

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GFL/USPS-T4-30. On page 6, line 21-22, of your testimony (USPS-T-4), you state that “it was evident that the center hole was a major concentration of stresses.” Do you mean that the area of the disk *surrounding* the center hole was a major concentration of stresses?

RESPONSE:

The hole itself is a stress concentration. The disc material adjoining the hole is under the greatest stress when the disc is being flexed.

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GFL/USPS-T4-31. On pages 7-8 of your testimony (USPS-T-4), you state with respect to UV curing that:

Testing results were difficult to validate with the number of parameters that cannot be controlled. However, the damage to plastics caused by UV exposure is commonly understood, and Netflix also understood the likely ramification from too much UV exposure. Netflix reviewed its printing techniques and the exposure levels at all steps of the fabrication process. (See appendix ATR 4 for a summary chart of the improved printing techniques.)

(a) Please identify and produce the referenced testing results, along with the underlying study design, data and workpapers.

(b) Please identify each of the referenced “parameters” and state whether it was controlled in the testing.

(c) What is the underlying chemical or physical mechanism that you contend causes UV exposure to make DVDs more brittle?

(d) Please produce copies of treatises or journal articles supporting your answer to part (c).

RESPONSE:

(a) ATR attempted to isolate the ultraviolet exposure effects by looking at different printing techniques. The screen printing process requires an ultraviolet cure cycle between each color layer. As a result, a one color print has fewer ultraviolet cure cycles than a five color printed label.

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(b) Other “parameters” include the manufacturer of the disc, the material used, the cutter used, and the time of disc manufacture. These variables could not be controlled in the test sample and that is why the test results should be interpreted with caution.

(c) It is my understanding that, fundamentally, ultraviolet radiation breaks down the bonds in the polymer chain and weakens the overall structure. However, this is a complex process and best described by a chemist or materials scientist. The effects of ultraviolet exposure on plastics are experienced by practically anyone who uses or maintains outdoor equipment such as boats, swimming pools or lawn furniture.

(d) I am providing a representative article on the subject for reference only. It is not the guiding document in our evaluation. Please see FUNDAMENTAL PROCESSES IN THE UV DEGRADATION AND STABILIZATION OF POLYMERS, J.E. Guillet, Department of Chemistry, University of Toronto, Canada.

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GFL/USPS-T4-32. This question concerns the following statement on page 7 of your testimony (USPS-T-4):

DVDs undergo a wide range of ultraviolet (UV) curing. A greater amount of UV curing causes a DVD to be more brittle and more susceptible to damage because exposure to UV radiation changes the mechanical properties of polycarbonate materials and makes them more brittle and susceptible to fatigue.[]

(a) Please confirm that the phrase “more brittle and more susceptible to damage” appears before the word “before” in the second sentence.

(b) Please confirm that the phrase “more brittle and susceptible to fatigue” appears after the word “before.”

(c) Please confirm that the sentence as written is tautological.

(d) Please provide a non-tautological explanation of why, in your view, a “greater amount of UV curing causes a DVD to be more brittle and more susceptible to damage.”

(e) Please specify the function (including coefficients) that best describes the relationship between increased exposure to UV and decreased flexibility of DVDs?

(f) Please produce all data, studies and analyses that you rely on in support of the relationship identified in response to part (e).

RESPONSE:

(a) Consultation with GameFly counsel clarified that the word “because” should replace the word “before” in this discovery request. Confirmed.

(b) Consultation with GameFly counsel clarified that the word “because” should replace the word “before” in this discovery request. Confirmed.

(c) Not confirmed.

(d) This goes back to the basic principal that polymers such as polycarbonate lose their mechanical properties when exposed to ultraviolet radiation. DVDs are made from polycarbonate. The mechanical strength of polycarbonate material can be degraded by ultraviolet exposure, therefore a DVD as a polycarbonate structure becomes weaker and more prone to failure after ultraviolet exposure.

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(e) Exposure to ultraviolet radiation does not decrease the flexibility of the DVDs. It decreases the mechanical properties of the base material making it more prone to fail and form cracks than a similarly flexed DVD of better mechanical strength.

(f) As discussed earlier, ATR attempted to validate this behavior based on testing several different DVDs that had been subjected to different printing processes. ATR felt that these test results were inconclusive based on the other variables that could not be adequately controlled for the test population. However, ATR also felt that ultraviolet degradation of plastics is a generally accepted phenomenon and excessive ultraviolet exposure should be avoided.

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GFL/USPS-T4-33. This question concerns page 10 of your study (USPS-T-4), in which you state that “ATR looked at impact failures as the predominant mechanism for the Blu-ray discs.”

(a) Do you mean “ATR looked at impact failure” *mechanisms*?

(b) Did ATR’s “look” at impact failure occur in a study or studies?

RESPONSE:

(a) No. Perhaps this could have been worded better as “the predominant failure mechanism.”

(b) Yes. In one of our reports for Netflix, we studied a population of failed Blu-ray discs. This study showed that the failures were fundamentally different than the standard definition DVDs and the overwhelming majority of Blu-ray discs failed from cracks starting on the outside edge and then propagating inward through the read area.

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GFL/USPS-T4-34. You state on page 11, lines 2-3, of your testimony (USPS-T-4) that “It is my understanding that the Postal Service has made modifications to resolve these issues.”

- (a) What is the basis of your understanding?
- (b) What were the modifications?
- (c) What types of equipment had modifications?

RESPONSE:

- (a) My understanding is based on verbal feedback from Netflix.
- (b) The modifications consisted of a proper adjustment of the finger guards on the DBCS machines.
- (c) DBCS machines.

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GFL/USPS-T4-35. On page 11, lines 15-17, of your testimony (USPS-T-4), you state that “Many mailers have taken actions to reduce or even avoid the risks of damage described above without changing the type of mail processing they receive.”

(e) Please produce documents sufficient to verify your answers to the previous parts of this question.

RESPONSE:

(e) The reinforcement rings are sold on the internet and I see them occasionally on DVDs that I personally receive from Netflix.

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GFL/USPS-T4-36. Pages 11-12 of your testimony (USPS-T-4) discuss reinforcement rings.

(a) What is the per-piece cost (including both materials and labor) of putting reinforcement rings on DVDs?

(b) What percentage of Netflix DVDs have reinforcement rings?

(c) What percentage of Blockbuster DVDs have reinforcement rings?

(d) If the answer to either part (b) or (c) is less than 100 percent, please explain why.

(e) Please produce documents sufficient to verify your answers to parts (a) through (d).

RESPONSE:

(a) I have no knowledge of the issue.

(b) I have no knowledge of the issue.

(c) I have no knowledge of the issue.

(d) I have no knowledge of the issue.

(e) I have no knowledge of the issue.

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GFL/USPS-T4-37. On page 11, lines 24-25, of your testimony (USPS-T-4), you state: “ATR evaluated the use of reinforcement rings with an FEM study and later with actual destructive testing.”

- (b) What was the period of performance?
- (c) Please produce the documents that defined the scope of the study or studies.
- (d) Please produce the report of the results of the study or studies, the study plan(s), the underlying data, and any analysis methods.
- (e) Whose equipment was used for the destructive testing?

RESPONSE:

- (b) These tests were performed in or about April of 2007.
- (c) All work that ATR performed concerning the failure analysis of DVDs was performed under contract to NETFLIX. All studies, analysis, reports, and ATR generated documents are NETFLIX proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.
- (d) All work that ATR performed concerning the failure analysis of DVDs was performed under contract to NETFLIX. All studies, analysis, reports, and ATR generated documents are NETFLIX proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.
- (e) ATR designed and built two specialized test devices to fatigue test DVDs to destruction. These devices were called the “locomotive” and the “Hoop” stress

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machine based on their operating characteristics. ATR also used an ABB robot
to apply hoop stress loading at different flexing rates.

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GFL/USPS-T4-40. On page 13, lines 10-12, of your testimony (USPS-T-4), you state, “Netflix has succeeded in reducing the amount of handling by developing automated internal handling processing and requiring minimal handling of its DVDs within the Postal Service processing network.”

(a) Please describe the specific methods of “automated internal handling processing” used by Netflix.

(b) When did Netflix implement the methods identified in response to part (a)?

(c) What is the incremental amount of DVD breakage that Netflix avoids by using the methods identified in response to part (a)?

(d) Please identify the information on which you rely to answer parts (a) through (c). If the information is recorded in documents, please produce copies.

RESPONSE:

(a) Netflix understands the relationship between increasing the fatigue life of DVDs by reducing the number of stress cycles from material handling and sortation equipment and took steps to minimize these stress cycles in their internal sorting operations.

The specific details of their internal material handling operations are proprietary and cannot be disclosed without written authorization.

(b) I have no knowledge of the issue.

(c) I have no knowledge of the issue.

(d) There is no documentation available from ATR.

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GFL/USPS-T4-41. This question refers to page 14, lines 12-14, of your testimony (USPS-T-4), where you state: "Because GameFly enters its DVDs as flats . . . I cannot evaluate GameFly's envelope in this category."

(a) Please confirm that you have not performed any study of DVD breakage on flats sorting machines.

(b) If your answer to part (a) is anything but an unqualified confirmation, please produce all documents relating to the study or studies.

RESPONSE:

(a) Confirmed.

(b) Not applicable.

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GFL/USPS-T4-42. This question refers to page 14, lines 19-21, of your testimony (USPS-T-4), where you state:

The use of stiffeners inside the envelope would be a promising strategy to minimize the severity of the bend for the DVD itself.

Are you aware of any stiffener that is stiff enough to reduce DVD breakage significantly but light enough to enable the resulting mailpiece to qualify as a one-ounce piece? If so, please identify and produce documentation of the stiffener design.

RESPONSE:

ATR discussed such a stiffener but did not try to develop or test one.

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GFL/USPS-T4-43. On page 15 of your testimony (USPS-T-4), you state:

As explained above, Netflix and other DVD mailers mail DVDs with inherent characteristics that make DVDs more durable. They also take other actions that make their DVDs less vulnerable to damage, including the use of reinforcement rings, maintaining good cutters, maintaining spindle quality, and limiting the handling of their DVDs. GameFly mails DVDs that may be more susceptible to damage, since it does not take affirmative action to make its DVDs more fatigue resistant. GameFly appears to lack basic knowledge about DVDs, why they fail, and how to increase their fatigue life.

On page 17 of USPS-T-2, USPS witness Belair states: "Yes, I would say that low damage rates are common knowledge. Rates around one percent have been reported recently by Netflix, and more recently by GameFly."

(a) Please reconcile the two quoted statements.

(b) Would Netflix continue to experience breakage rates "around one percent" if the company continued to follow the practices that you praise in the quoted passage, but the Postal Service processed Netflix return mailers predominantly on automated letter processing equipment?

(c) Please provide all studies, analyses, compilations of data, and other information on which your answer to part (b) relies.

RESPONSE:

(a) No reconciliation is needed or appropriate. GameFly purchases flats service and handling for its DVDs, and Netflix and other DVD mailers purchase letter service and handling. The breakage rates experienced by mail pieces that receive different types of processing may not be an "apples to apples" comparison. If GameFly took the measures that Netflix does to improve the longevity of its DVDs, I am quite confident that the former would see a distinct drop in breakage.

(b) The Postal Service and the witness are not aware of any studies that would enable me to answer this question.

(c) Please see the response to GFL/USPS-T4-43(b).

APPENDIX-GFL/USPS-T4-3

In accordance with common PRC practice, dollar values have been redacted.

ORDER / SOLICITATION / OFFER / AWARD

OFFEROR TO COMPLETE BLOCKS 13, 14, 16, 22, 23 and 26			1. REQUISITION NO. 10382839		PAGE OF 1 2
2. CONTRACT/ORDER NO. 2DLGMR-10-B-0007		3. AWARD/ EFFECTIVE DATE 07/01/2010	4. MASTER/AGENCY CONTRACT NO.		5. SOLICITATION NO.
7. For Solicitation Information Call		a. NAME Jo E. Clemmer	b. TELEPHONE NO. (901) 747-7563		c. FAX NO. (901) 747-7492

9. ISSUED BY Eastern Services CMC, Memphis United States Postal Service 225 N Humphreys Blvd, RM 1089 Memphis TN 38166-6260		CODE 2DPSCM	10. ACO CODE 2DPSCM	11. SOLICITATION METHOD <input type="checkbox"/> RFQ <input type="checkbox"/> RFP <input type="checkbox"/> ORAL	12. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS CHECKED <input type="checkbox"/> SEE SCHEDULE	13. DISCOUNT TERMS See Schedule 
EMAIL: jo.e.clemmer@usps.gov						

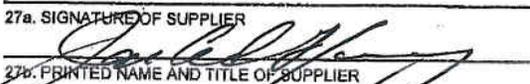
14 SUPPLIER ADVANCED TECHNOLOGY & Attn: ROB LUNDAHL 6650 ELI WHITNEY DR STE 400 COLUMBIA MD 21046-1701		CODE 000316719	15. BILLING ADDRESS USPS - Law Department Brandy Osimokun 475 L'Enfant Plaza, SW Room 6602 WASHINGTON DC 20260-1137		
TEL: 301-989-2499 EMAIL: robl@atrcorp.com		FAX: 443-766-7889			

18. REMITTANCE ADDRESS ADVANCED TECHNOLOGY & RESEARCH 6650 ELI WHITNEY DR STE 400 COLUMBIA MD 210461701		CODE 00001	17. DELIVERY ADDRESS GEN COUNSEL LAW DEPT BUS SVC GEN COUNSEL LAW DEPT BUS SVC USPS 475 LENFANT PLZ SW RM 6027 WASHINGTON DC 202606027		
TEL: EMAIL:		FAX:			
		<input type="checkbox"/> CHECK <input checked="" type="checkbox"/> EFT			

18. ITEM NO	19. SCHEDULE OF SUPPLIES/SERVICES	20. QUANTITY	21. UNIT	22. UNIT PRICE	23. AMOUNT
	<p>The contractor, Rob Lundahl, will provide expert witness services, including consultative analysis, support and testimony, to the Postal Service as needed.</p> <p>LABOR Expert Witness \$ ████████ per hour</p> <p>Clause 2-38 a.(2) The Contracting Officer has elected not to withhold five percent of the amounts due. This election may be changed with advance notification from the Contracting Continued ...</p>				

24. TOTAL AWARD AMOUNT (USPS Use Only)	\$50,000.00
--	-------------

25. <input checked="" type="checkbox"/> The supplier is required to sign this document and return <u>1</u> copies to the issuing office. The supplier agrees, subject to the terms and conditions specified herein, to provide and deliver all items identified above and on any additional sheets.	26. <input type="checkbox"/> Award of Contract: Your offer on Solicitation (block 5) is accepted as to items
---	--

27a. SIGNATURE OF SUPPLIER 		28a. UNITED STATES POSTAL SERVICE (SIGNATURE OF CONTRACTING OFFICER) 	
27b. PRINTED NAME AND TITLE OF SUPPLIER Dr. Jackson C.S. Yang, President	27c. DATE SIGNED 20 Jul 2010	28b. PRINTED NAME OF CONTRACTING OFFICER Lynn J. Sartain, C.P.M.	28c. DATE SIGNED 7-28-2010

ORDER / SOLICITATION / OFFER / AWARD

OFFEROR TO COMPLETE BLOCKS 13, 14, 16, 22, 23 and 26				1. REQUISITION NO. 10382839		PAGE OF 1 2	
2. CONTRACT/ORDER NO. 2DLGMR-10-B-0007		3. AWARD/ EFFECTIVE DATE 07/01/2010	4. MASTER/AGENCY CONTRACT NO.		5. SOLICITATION NO.		6. SOLICITATION ISSUE DATE
7. For Solicitation Information Call	a. NAME Jo E. Clemmer		b. TELEPHONE NO. (901) 747-7563		c. FAX NO. (901) 747-7492		8. OFFER DUE DATE/TIME
9. ISSUED BY CODE Eastern Services CMC, Memphis United States Postal Service 225 N Humphreys Blvd, RM 1089 Memphis TN 38166-6260 EMAIL: jo.e.clemmer@usps.gov			10. ACO CODE 2DPSCM	11. SOLICITATION METHOD <input type="checkbox"/> RFQ <input type="checkbox"/> RFP <input type="checkbox"/> ORAL	12. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS CHECKED <input type="checkbox"/> SEE SCHEDULE		13. DISCOUNT TERMS See Schedule 
14 SUPPLIER CODE ADVANCED TECHNOLOGY & Attn: ROB LUNDAHL 6650 ELI WHITNEY DR STE 400 COLUMBIA MD 21046-1701 TEL: 301-989-2499 FAX: 443-766-7889 EMAIL: rob1@atrcorp.com			15. BILLING ADDRESS USPS - Law Department Brandy Osimokun 475 L'Enfant Plaza, SW Room 6602 WASHINGTON DC 20260-1137				
16. REMITTANCE ADDRESS CODE ADVANCED TECHNOLOGY & RESEARCH 6650 ELI WHITNEY DR STE 400 COLUMBIA MD 210461701 TEL: FAX: EMAIL:			17. DELIVERY ADDRESS GEN COUNSEL LAW DEPT BUS SVC GEN COUNSEL LAW DEPT BUS SVC USPS 475 LENFANT PLZ SW RM 6027 WASHINGTON DC 202606027 TELEPHONE NO: DELIVER BY/END DATE:				
			<input type="checkbox"/> CHECK	<input checked="" type="checkbox"/> EFT			
18. ITEM NO	19. SCHEDULE OF SUPPLIES/SERVICES			20. QUANTITY	21. UNIT	22. UNIT PRICE	23. AMOUNT
	The contractor, Rob Lundahl, will provide expert witness services, including consultative analysis, support and testimony, to the Postal Service as needed. LABOR Expert Witness [REDACTED] per hour Clause 2-38 a.(2) The Contracting Officer has elected not to withhold five percent of the amounts due. This election may be changed with advance notification from the Contracting Continued ...						
24. TOTAL AWARD AMOUNT (USPS Use Only)				\$50,000.00			
25. <input checked="" type="checkbox"/> The supplier is required to sign this document and return <u>1</u> copies to the issuing office. The supplier agrees, subject to the terms and conditions specified herein, to provide and deliver all items identified above and on any additional sheets.				26. <input type="checkbox"/> Award of Contract: Your offer on Solicitation (block 5) is accepted as to items			
27a. SIGNATURE OF SUPPLIER				28a. UNITED STATES POSTAL SERVICE (SIGNATURE OF CONTRACTING OFFICER)			
27b. PRINTED NAME AND TITLE OF SUPPLIER		27c. DATE SIGNED	28b. PRINTED NAME OF CONTRACTING OFFICER Lynn J. Sartain, C.P.M.		28c. DATE SIGNED		

CONTINUATION I EET

REQUISITION NO
1038283

PAGE OF
2 2

CONTRACT/ORDER NO.
2DLGMR-10-B-0007

AWARD/
EFFECTIVE DATE
07/01/2010

MASTER/AGENCY CONTRACT NO.

SOLICITATION NO.

SOLICITATION
ISSUE DATE

ITEM NO	SCHEDULE OF SUPPLIES / SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
00001	<p>Officer.</p> <p>Clause 2-38 Ceiling Price: The ceiling price will be established on a "per support required" basis and will be determined by the COR, which will be appointed by the USPS Law Department. The current COR is Brandy Osimokun.</p> <p>The term of the contract is a 1-year base contract with two 1-year options.</p> <p>Sub Rept Req'd: N Payment Terms: NET30</p> <p>Accounting Info: BFN: 106412 Period of Performance: 07/01/2010 to 06/30/2011</p> <p>Expert Witness services as defined in the attached Statement of Work.</p> <p>This will be a 1 year contract with (2) 1 year options.</p> <p>Account Number: 52322 Award Type: Labor-hour</p> <p>FOB: Destination</p> <p>The total amount of award: [REDACTED]. The total amount for this award is shown in box 24.</p>				[REDACTED]

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PART 1 - COVER SHEET AND SCHEDULE

ACKNOWLEDGMENT OF AMENDMENTS

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

Amendment Number	Date	Amendment Number	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

REMITTANCE ADDRESS

Remittance Address (if different from Block 16, PS Form 8203)

INVOICE STATEMENT

All invoices MUST reference the Contract Number and corresponding line item number listed on this purchase document. Invoices not in compliance may result in delayed payment.

NAICS SELF-CERTIFICATION

For supplier self-certification, NAICS code 8012000000, is applicable to this solicitation (for more information visit www.sba.gov).

PRIVACY ACT STATEMENT

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.

CONTRACTS BETWEEN USPS AND ITS EMPLOYEES

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

(a) Is the offeror an employee of USPS or a member of the family of a USPS employee?
 Yes No

(b) Is the offeror's business organization (partnership, corporation, joint venture) substantially owned or controlled by a USPS employee or a member of his or her immediate family?
 Yes No

PART 2 - PROVISIONS

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 Maryland; 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: 52-0977059

(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 X 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 X, 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 X 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 X 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 X 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 X, 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

PART 3 - CONTRACT CLAUSES

CLAUSE B-18 SUBCONTRACTS (MARCH 2006)

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-3 CONTRACT TYPE (MARCH 2006)

This is a Labor Hours contract.

CLAUSE 1-11 PROHIBITION AGAINST CONTRACTING WITH FORMER OFFICERS OR PCES EXECUTIVES (MARCH 2006)

During the performance of this contract, former Postal officers or Postal Career Executive Service (PCES) executives are prohibited from employment by the contractor as key personnel, experts or consultants, if such individuals, within 1 year after their retirement from the Postal Service, would be performing substantially the same duties as they performed during their career with the Postal Service.

CLAUSE 1-12 USE OF FORMER POSTAL SERVICE EMPLOYEES (MARCH 2006)

During the term of this contract, the supplier must identify any former Postal Service employees it proposes to be engaged, directly or indirectly, in contract performance. Such individuals may not commence performance without the contracting officer's prior approval. If the contracting officer does not provide such approval, the supplier must replace the proposed individual former employee with another individual equally qualified to provide the services called for in the contract.

CLAUSE 2-19 OPTION TO EXTEND (SERVICES CONTRACT) (MARCH 2006)

The Postal Service may require the supplier to continue to perform any or all items of services under this contract within the limits stated in the Schedule. The contracting officer may exercise this option, at any time within the period specified in the Schedule, by giving written notice to the supplier. The rates set forth in the Schedule will apply to any extension made under this option clause.

CLAUSE 2-38: PAYMENT (TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS) (MARCH 2006)

The Postal Service will pay the supplier as follows upon submission of invoices or vouchers approved by the contracting officer:

a. Hourly Rate

(1) The amounts will be computed by multiplying the appropriate hourly rates prescribed in the Schedule by the number of direct labor hours performed. The rates will include wages, indirect costs, general and administrative expenses, and profit. Fractional parts of an hour will be payable on a prorated basis. Vouchers may be submitted once each month (or at more frequent intervals if approved by the contracting officer). The supplier will substantiate vouchers by evidence of actual payment and by individual daily job timecards, or other substantiation approved by the contracting officer. Promptly after receipt of each substantiated voucher, the Postal Service will, except as otherwise provided in this contract, and subject to the terms of paragraph e below, pay the voucher as approved by the contracting officer.

(2) Unless otherwise prescribed in the Schedule, the contracting officer will withhold five percent of the amounts due under this paragraph a, but the total amount withheld may not exceed \$50,000. The amounts withheld will be retained until the execution and delivery of any required release by the supplier.

(3) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule must not be varied by virtue of the supplier having performed work on an overtime basis. If no overtime rates are provided in the Schedule and overtime work is approved in advance by the contracting officer, overtime rates may be negotiated. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the contracting officer.

b. Materials and Subcontracts

(1) Allowable costs of direct materials will be determined by the contracting officer in accordance with the Conduct Price/Cost Analysis topic of the Evaluate Proposals task of Process Step 2: Evaluate Sources of the Postal Service Supplying Practices in effect on the date of this contract. Reasonable and allocable material handling costs may be included in the charge for material to the extent they are clearly excluded from the hourly rate.

(2) The actual costs of subcontracts that are authorized under the Subcontracts clause of this contract are reimbursable; provided, they are consistent with subparagraph 3 following.

(3) To the extent possible, the supplier must:

(a) Obtain materials at the most advantageous prices available, with due regard to securing prompt delivery of satisfactory materials; and

(b) Take all available cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of the benefits, the supplier will promptly notify the contracting officer and give the reasons. Credit will be given to the Postal Service for cash and trade discounts, rebates, allowances, credits, salvage, the value of any appreciable scrap, commissions, and other amounts that have accrued to the benefit of the supplier, or would have accrued except for the fault or neglect of the supplier. The benefits lost without fault or neglect on the part of the supplier, or lost through no fault of the contracting officer, will not be deducted from gross costs.

c. Total Cost. It is estimated that the total cost for performing this contract will not exceed the ceiling price set forth in the Schedule, and the supplier agrees to use its best efforts to perform the work within this ceiling price. Whenever the supplier has reason to believe that the hourly rate payments and material costs that will accrue in performing the contract in the next 60 days, if added to all other payments and costs previously accrued, will exceed the ceiling price, the supplier must notify the contracting officer, giving any revised estimate of the total price for performing this contract, with supporting reasons and documentation. Whenever the supplier has reason to believe that the total price for this contract will be greater than or substantially less than the then stated ceiling price, the supplier must notify the contracting officer, giving a revised estimate of the total price for performing this contract, with supporting reasons and documentation. Whenever the Postal Service has reason to believe that the work required will be greater than or substantially less than the then stated ceiling price, the contracting officer will advise the supplier, giving a revised estimate of the total amount of effort to be required under the contract.

d. Ceiling Price. The Postal Service is not obligated to pay the supplier any amount in excess of the ceiling price in the Schedule, and the supplier is not obligated to continue performance if to do so would exceed the ceiling price, until the contracting officer notifies the supplier in writing that the ceiling price has been increased, specifying a revised ceiling price for performance under the contract. When the ceiling price is increased, any hours expended or material costs incurred in excess of the ceiling price before the increase will be allowable to the same extent as if expended or incurred afterwards.

e. Audit. At any time or times before final payment, the contracting officer may request audit of the invoices or vouchers and substantiating material. Each payment previously made will be subject to reduction to the extent of amounts, on preceding invoices or vouchers, that are found by the contracting officer not to have been properly payable and will also be subject to reduction for overpayments or to increase for underpayments. Upon receipt and approval of the voucher or invoice designated by the supplier as the completion voucher or completion invoice and substantiating material, and upon compliance by the supplier with any required release and all other terms of this contract, the Postal Service will promptly pay any balance due. The completion invoice or voucher, and substantiating material, must be submitted by the supplier as promptly as practicable following completion of the work under this contract, but in no event later than one year (or such longer period as the contracting officer may approve in writing) from the date of completion.

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 reperformance 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.

l. 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 (March 2006)
- 2) B-9, Claims and Disputes (March 2006)
- 3) B-15, Notice of Delay (March 2006)
- 4) B-16, Suspensions and Delays (March 2006)
- 5) B-19, Excusable Delays (March 2006)
- 6) B-30, Permits and Responsibilities (March 2006)

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/purchasing/purchasingpubs/pubsmenu.htm> The following clauses are incorporated in this contract by reference:

- (1) Clause 1-5, Gratuities or Gifts (March 2006)
- (2) Clause B-9, Claims and Disputes (March 2006)
- (3) Clause B-25, Advertising of Contract Awards (March 2006)
- (4) Clause 9-1, Convict Labor (March 2006)
- (5) Clause 9-5, Contract Work Hours and Safety Standards Act - Safety Standards (March 2006)
- (2) If checked, the following additional clauses are also incorporated in this contract by reference: (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.

Note: (Note to contracting officers: Any contemplated changes to this paragraph (b.) may not be made before (1) consulting with assigned counsel and the Office of the Inspector General and (2) a deviation has been reviewed and approved by a higher level than the contracting officer who holds deviation approval authority.

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 4-19, APPLICATION INFORMATION SECURITY REQUIREMENTS (AUGUST 2008)

The Postal Service is committed to creating and maintaining an environment that protects Postal Service application systems 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. If the supplier has not already performed the following, it must, following contract award and before beginning contract performance:

Comply with the policies delineated in Handbook AS-805, Information Security, and processes defined in Handbook AS-805-A, Application Information Security Assurance (ISA) Process.

Cooperate with the Postal Service in completing the application Business Impact Assessment (BIA) to identify the sensitivity and criticality of the application and to determine the information security requirements.

Include and comply with the information security requirements generated by the BIA and included in the contract or agreement.

Coordinate ISA activities with the Postal Service's Corporate Information Security Office (CISO).

Complete ISA templates and provide applicable documentation and deliverables to the CISO.

Supplier(s) are responsible for mitigating all security vulnerabilities identified from site security reviews conducted by the Postal Service Inspection Service and CISO, or audits conducted by the Office of the Inspector General.

Postal Service data may not be stored outside of postal premises or placed onto laptops or other mobile media without the prior consent of the Contracting Officer. Requests to store Postal Service data on laptops or other mobile media are sent to the Contracting Officer. The Contracting Officer will coordinate such requests with the CISO.

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.

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

LISTING

Attachment No.	No of Pages	Attachment Title
1	2	SOW

Expert Witness Statement of Work

BACKGROUND

GameFly, Inc., a gaming DVD business with a business model similar to Netflix, has brought a legal complaint against the Postal Service at the Postal Regulatory Commission. GameFly accuses the Postal Service of systematically discriminating against small mailers in favor of Netflix (and, to a lesser extent, Blockbuster). The broader implications of GameFly's allegations are that the Postal Service gives a constellation of privileges to a rich, powerful mailer, and discriminates against the smaller mailers who do not have the same clout with postal management.

Specifically, GameFly alleges that automation equipment that is used by the Postal Service to process First-Class Mail (FCM) letters breaks the DVDs at an unacceptable level (mainly on the DVDs' return trips to the DVD distribution company, i.e., GameFly and Netflix). For Netflix, the effect of this breakage is minimized because, either tacitly or by explicit commitment, the Postal Service processes Netflix's DVDs manually, primarily by culling the return mail from the mailstream, so that it is not processed on machines. GameFly alleges that the Postal Service refuses to afford this manual processing to small, less influential mailers like GameFly and, as a consequence, GameFly must mail at First-Class Mail flat rates to avoid letter automation machinery (Flats automation does not break as many DVDs as letter processing.). Also, GameFly contends that it must reinforce its packaging with an insert that causes the weight of its piece to exceed one ounce. This drives up the postage cost.

A major issue related to this matter concerns differences among DVDs, including gaming and movie DVDs, as well as practices undertaken by DVD mailers to reduce breakage to DVDs and damage to Postal Service machines resulting from automated processing. In interrogatories and pleadings, GameFly has alleged that all DVDs are the same and have the same vulnerability to breakage through automated processing. GameFly concedes that it has not conducted any research to support these statements, and cites a Wikipedia article as evidence of DVD equality. (<http://en.wikipedia.org/wiki/DVD>). The Postal Service understands that GameFly's statements on this subject are inaccurate, and that certain factors, including DVD coating and material, influence the likelihood of breakage and damage to Postal Service machines.

REQUESTED SERVICES

The contractor, Rob Lundahl of ATR, will provide expert witness services, including consultative analysis, support and testimony, to the Postal Service as needed on current and widely accepted automated systems and machines engineering methods, standards and practices.

COST

The services and support will be provided on a time and materials basis with a retainer fee up front.

Rob Lundahl is domiciled locally within the Washington, DC metropolitan area; thus, expenses associated with any domestic travel will be minimal. The cost of both labor and travel are provided below.

LABOR

- Expert Witness \$ [REDACTED] per hour

TRAVEL

Travel cost will consist of two items. Travel time and travel expenses.

Travel time will be billed at the stated labor rates; however, a discounted rate equivalent to 2/3 the labor rate will be applied to travel time in excess of four hours on any one day.

Travel expenses will be billed as per actual expenses with the exception of meals and incidentals which will be billed as per the General Service Administration (GSA) per diem rates. All travel costs incurred in support of this task must be in accordance with Postal Service Handbook F15 – Travel and Relocation.

INVOICING

ATR will invoice the USPS on a monthly basis. The USPS agrees to pay invoices within 30 days of the invoice date.

SCHEDULE

The services will be provided on as-per-required basis with the first need for support to begin immediately upon issuance of the contract to prepare for written direct testimony due on July 7, 2010.

POSTAL SERVICE INFORMATION AND DATA

Rob Lundahl of ATR will not have access to any United States Postal Service networks, systems or sensitive data.

TRANSMISSION OF INFORMATION RESOURCES

Not applicable. No transmission of sensitive data will occur under this contract between the Postal Service and Rob Lundahl.

PERSONNEL – SUPPLIER CLEARANCE REQUIREMENTS

Not Applicable.

APPOINTMENT/DESIGNATION OF CONTRACTING OFFICER'S REPRESENTATIVE

Contract No: 2DLGMR-10-B-0007

Purchasing & Supply Mgt. Specialist: Jo Clemmer (901-747-7563)

Contractor: ADVANCED TECHNOLOGY & RESEARCH

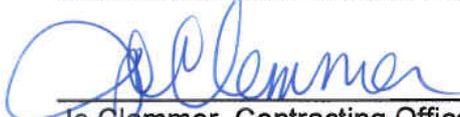
For the purpose of representing the Contracting Officer in administering the above contract, BRANDY OSIMOKUN is hereby designated as the Contracting Officer's Representative (COR).

The COR is delegated authority and responsibility to perform duties as follows:

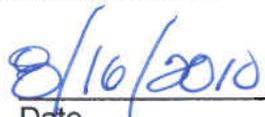
1. Assure that the contractor performs in accordance with the terms, conditions and specifications of the contract.
2. Furnish technical assistance and guidance to the contractor. Copies of correspondence between COR and supplier will be sent to the Contracting Officer, as necessary, for inclusion in the contract file.
3. Advise the Contracting Officer of any changes needed to the contract.
4. Advise the Contracting Officer by written report immediately of any unsatisfactory performance.
5. Review Contractor's invoices for accuracy and to verify invoice payment amount.

The COR is not delegated authority, except as stated above, to approve, disapprove or direct the supplier to take any actions that would commit the U. S. Postal Service contractually. Only the Contracting Officer may authorize changes to the contract.

The above COR selection and designation are executed in accordance with the Supplying Practices and Principles, and shall remain in effect throughout the life of this contract unless revoked by the Contracting Officer or his successor.



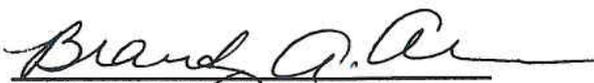
Jo Clemmer, Contracting Officer



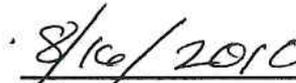
Date

I have completed the Web-Based Training course 34Q01-08, "Contracting Officer's Representative Training", and reviewed the "Supplemental Standards of Ethical Conduct for Employees of the United States Postal Service", http://blue.usps.gov/purchase/pdf/smo_ethicssupplement.pdf.

I will abide by all requirements addressed in the training in conducting my responsibilities as Contracting Officer Representative.



BRANDY OSIMOKUN, COR



Date

ADVANCED TECHNOLOGY & RESEARCH

BUSINESS CASE DETERMINATION OF BEST VALUE (Supplier Past Performance &/or Supplier Capability) And DETERMINATION OF FAIR AND REASONABLE PRICE

**SUBJECT: PRC HEARING: ALLEGATION OF MAILER DISCRIMINATION
07/18/2010**

GameFly has alleged that automation equipment used by USPS to process First-Class Mail breaks the DVDs at an unacceptable level (mainly on the DVDs' return trips to the DVD distribution company, i.e., GameFly and Netflix). For Netflix, the effect of this breakage is minimized because, either tacitly or by explicit commitment, the Postal Service processes Netflix's DVDs manually, primarily by culling the return mail from the mail stream, so that it is not processed on machines. GameFly has alleged that the USPS refuses to afford this manual processing to small, less influential mailers like GameFly and, as a consequence, GameFly must mail at First-Class Mail flat rates to avoid letter automation machinery (Flats automation does not break as many DVDs as letter processing.). Also, GameFly contends that it must reinforce its packaging with an insert that causes the weight of its piece to exceed one ounce. This drives up the postage cost.

A major issue related to this allegation concerns differences among DVDs, including gaming and movie DVDs, as well as practices undertaken by DVD mailers to reduce breakage of DVDs and damage to USPS machines. In interrogatories and pleadings, GameFly has alleged that all DVDs are the same and have the same vulnerability to breakage through automated processing. GameFly concedes that it has not conducted any research to support these statements, and cites a Wikipedia article as evidence of DVD equality. (<http://en.wikipedia.org/wiki/DVD>). The USPS contends that GameFly's statements on this subject are inaccurate, and that certain factors, including DVD coating and material, influence the likelihood of breakage and damage to Postal Service machines.

ADVANCED TECHNOLOGY & RESEARCH is an engineering consulting firm that has provided valuable services to the Postal Service for many years. ADVANCED TECHNOLOGY & RESEARCH has a wealth of knowledge and a unique understanding of postal operations, and has a demonstrated history of providing technical solutions and support. More importantly, as it pertains to the PRC hearing, ADVANCED TECHNOLOGY & RESEARCH has professionals on staff that can provide subject matter expertise to support the USPS.

Rob Lundahl, Advanced Technology & Research, will provide expert witness services, including consultative analysis, support and testimony, for the USPS as needed on current and widely accepted automated systems and machines engineering methods,

standards and practices. ADVANCED TECHNOLOGY & RESEARCH is the only company and Rob Lundahl is the only supplier capable of supporting the USPS at this hearing during the timelines imposed by the PRC.

A cost/price comparison was performed between recent USPS expert witnesses, which demonstrated that ADVANCED TECHNOLOGY & RESEARCH is providing subject matter expert testimony at a lower hourly rate. ADVANCED TECHNOLOGY & RESEARCH is 23% less than Planmatics and 28% less than LASSC.

EXPERT WITNESS RATES

	ADVANCED TECHNOLOGY RESEARCH	PLANMATICS	LASSC
RATE PER HOUR			

ADVANCED TECHNOLOGY & RESEARCH has a proven record. The firm has provided technical assistance to the USPS for many years and has earned the trust of USPS officials.

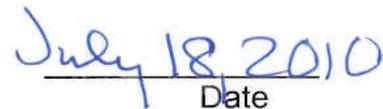
The Excluded Parties List System maintained by GSA was accessed as was the Postal Service List of Debarred, Suspended and Ineligible suppliers. ADVANCED TECHNOLOGY & RESEARCH was not found on either list.

Therefore, based on the above, the determination has been made to non-competitively award contract 2DLGMR-10-B-0007 to ADVANCED TECHNOLOGY & RESEARCH. Based on supplier capability and a fair and reasonable price, ADVANCED TECHNOLOGY & RESEARCH offers the best value to the Postal Service.


Jo Clemmer, Purchasing & SM Specialist


Date


Lynn J. Sartain, Contracting Officer


Date

<h1 style="margin: 0;">REQUISITION</h1>					PROCUREMENT REQUEST NO. 10382839	
1. NAME, PHONE NUMBER, AND ROUTING SYMBOL OF PERSON TO CONTACT SARAH JOHNSON/2022682972					REQUISITION DATE 06/29/2010	
3. ORIGINATING OFFICE DATA GEN COUNSEL LAW DEPT BUS SVC					2. TYPE OF REQUEST (Check one) A. <input checked="" type="checkbox"/> NEW REQUEST	
4. ADDITIONAL INFORMATION (Suggested supply sources, security data, etc.) ADVANCED TECHNOLOGY & - 520977059EA00001					B. <input type="checkbox"/> CHANGE TO PENDING PR NO. _____ C. <input type="checkbox"/> MODIFICATION TO CONTRACT OR ORDER NO. _____	
5. APPROVALS					6. CONSIGNEE AND DESTINATION	
APPROVING OFFICIALS (A)	ROUTING SYMBOL (B)	DATE (C)	INTERNAL ROUTING		GEN COUNSEL LAW DEPT BUS SVC GEN COUNSEL LAW DEPT BUS SVC USPS 475 LENFANT PLZ SW RM 6027 WASHINGTON DC 202606027	
(1) AUTHORIZED REQUISITIONER			INITIALS (D)	ROUTING SYMBOL (E)		
SARAH JOHNSON	2A					
(2)						
(3)						
(4)					7. DATE(S) REQUIRED 06/29/2010	
					8. GOVERNMENT FURNISHED PROPERTY <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (If "yes," see par. 8 of instructions on next page.)	
9. DESCRIPTION OF ITEMS OR SERVICES						
ITEM NO. (A)	ITEM OR SERVICE (Include Specifications and Special Instructions) (B)	QUANTITY (C)	UNIT (D)	ESTIMATED COST		
				UNIT (E)	AMOUNT (F)	
00001	BFN: 106412 1050265 Advanced Technology and Research Corporation - legal services Account Number: 52322 <div style="font-size: 2em; transform: rotate(-30deg); opacity: 0.5; position: absolute; left: 50%; top: 50%; pointer-events: none;"> 20120612-10-B-0001 </div>	1	EA		[REDACTED]	
				TOTAL ESTIMATED COST \$ [REDACTED]		
10. ACCOUNTING DATA Accounting Info : 106412						



My Procurement Invoicing Reports Excess Items

[+ speedlink] DILLINGHAM, LESLIE A - MEMPHIS, TN July 01, 2010

- Request/Shop
- Se arch Catalog
- Shop ping Cart
- Favori tes
- Manage Request s
- Se arch Requests
- Al l Requests
- Op en Requests
- Ol d Requests
- Ar chive
- Notifications

Order Request # 10382839

1-1 of 1 item(s)

Item No (ID)	Description	Unit	Cost	Qty (Rcvd)	Ext. Price	Status	Select
(9811097)	Advanced Technology and Research Corporation - - - legal services -- ADVANCED TECHNOLOGY & - 520977059EA00001 (0) -- [S] [GL Code: (523322.000: CSLT SVCS-OTHER THAN INDVLS- OFC SPC NOT PROV)] [Finance Number:]	EACH		1 (0)		In purchasing	<input checked="" type="checkbox"/>

CAMS Status

CAMS Info

Date

CAMS - RECEIVED BY Eastern Services CMC, Windsor 07/01/2010 09:09 AM

Requisition Total : \$ [REDACTED]

Rules Used (dynamic)

- GLOBAL - Route to Manager - Request Condition
- GLOBAL - Route to Finance Num Owner - Request Condition
- GLOBAL - Route to Budget Num Owner - Request Condition

Completed Routing

HOLT, RAYMONA M - WASHINGTON, DC - Start: 06/29/2010
 Complete:06/29/2010
 SCHLETT JR, JAMES G - WASHINGTON, DC - Start: 06/29/2010
 Complete:06/30/2010
 WILLIAMSON, JEFFREY C - WASHINGTON, DC - Start: 06/30/2010
 Complete:06/30/2010

Remaining Routing

the flat no retainer

Discussion Notes:

Add a Note: [+]

Off-Catalog Request 10382839 Header

Requisition Name

ATRCExpertWitness **Print Preview**

Request Created By

JOHNSON, SARAH L - WASHINGTON, DC

Ship To

1831AU

Ship To Location

GEN COUNSEL LAW DEPT BUS SVC
USPS
475 LENFANT PLZ SW RM 6027
WASHINGTON



Bill To Location

DC
202606027
106412
PERFORMANCE FIELD OPERATI
PERFRMNC/FLD OPNS SU - 210 - 6P
DPMG & CHIEF OPERATI

Date Due

06/29/2010

Date Created

06/29/2010

Ship Via

Standard

Order Type

EXPENSE

Purchasing Method

CAMS

CAMS Group

Eastern Service GMC Memphis/Windsor

Estimated supplier tax

0.00

Estimated supplier shipping/handling cost

0.00

Delivery Instructions

PO Attachment(s)

Add a PO attachment to this Request

Internal Attachment(s)

ATR SS Justification.doc

Justification

The purpose of this modification is to establish a new contract with Advanced Technology & Research Corporation ("ATR"). ATR will provide automated systems and machines engineering knowledge and expertise to assist USPS Systems Engineering with testimonial support during a complaint case. Also, please add \$50,000.00 to cover future invoices.

Related POS

1. **USP000456075** placed on 06/30/2010

Preview POS

1. **USP000456075** placed on 06/30/2010

Related RFQs

Keep requisition price and vendor

Add Items to Shopping Cart

End Receiving

Go to Manage Requests

EBuy2