

# **contracting for contract postal units**

**Handbook AS-707F**

**July 1989**



**US Postal Service  
Washington, DC 20260**

**Handbook AS-707F  
Contracting for Contract Postal Units**

**July 1, 1989**

**A. Explanation**

This handbook is for field personnel involved in the procurement process for contract postal units (CPUs). It includes guidelines and procedures for writing requirements, specifications and statements of work, soliciting proposals, evaluating offers, and awarding and administering contracts. It also includes many references to the Document Generator System (DGS) used to facilitate the procurement of CPUs and sample documents produced via the DGS for this type of procurement.

**B. Distribution**

1. Initial. This handbook is distributed to procurement organizations nationwide, and the operations support and marketing functions in regions, divisions, and MSCs.
2. Additional Copies. Additional copies are available from the Materiel Distribution Centers (MDCs). You may order copies on Form 7380, *MDC Supply Requisition*.

**C. Comments**

If you have questions, comments or suggestions concerning this handbook, please direct them to:


PROCUREMENT POLICIES AND PROCEDURES DIVISION  
PROCUREMENT AND SUPPLY DEPARTMENT  
WASHINGTON DC 20260-6201

**D. Rescissions**

This handbook replaces Handbook AS-705, *Field Guide-Contract Postal Units*.

**E. Effective Date**

Handbook AS-707F is effective upon date of publication.



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## Chapter 1

### Policy

#### 1.1 Purpose

This appendix provides guidance on the procurement of contract postal units (CPUs).

#### 1.2 Applicability in Relation to Publication 41, *Procurement Manual (PM)*, and Hbk AS-707, *Procurement Handbook*

These procedures are issued in accordance with Hbk AS-707 8.6.2. Unless otherwise stated in this appendix, the policies and procedures set forth in the PM and Hbk AS-707 apply to procurements of CPUs. Where the provisions of this appendix vary from those of the PM, Hbk AS-707, or sample documents created by the Document Generator System (DGS), this appendix prevails.

#### 1.3 Authority

##### 1.3.1 Request for Contract

Field Division General Managers, management sectional center (MSC) managers, and the Postmaster of Washington, DC, or their designees, may request contracts in accordance with these procedures.

##### 1.3.2 Award

CPUs may be awarded by contracting officers who possess a certificate of appointment that includes a CPU delegation. Awards must be made in accordance with these procedures.

##### 1.3.3 Administration

Contract administration includes monitoring the contractor's operation of the CPU, conducting

on site reviews and financial audits, and assuring compliance with the terms of the contract, as well as any necessary contract modification, termination, or dispute resolution activities. The contracting officer is assisted in these tasks by the appointed contracting officer's representative (COR), as described in chapter 4 of this appendix.

#### 1.4 Restrictions and Special Considerations

##### 1.4.1 Contracts with Employees

CPU contracts may not be awarded to Postal Service employees or members of their immediate families. Contracts may be awarded to retired or former Postal Service employees or their family members, subject to restrictions on post-employment activities of Postal Service employees as imposed by law.

##### 1.4.2 Public Service Contracts

A public service CPU contract is one based on a proposal to the Postal Service to operate a CPU for community convenience or business reasons. Payment under such a contract may not exceed \$100 per year. When a public service CPU contract is contemplated the procedures described in chapter 5 of this appendix must be followed.

##### 1.4.3 Minimum Rate Contracts

Contract payments for hours worked by minimum rate contractors (see 1.5.2) must be at least equal to the Fair Labor Standards Act (FLSA) minimum wage rate.

### 1.4.4 Nonpostal Services

A CPU contractor may handle nonpostal sales and transactions if they take place in an area separate and distinct from the CPU and if the funds are kept separate. See Clause OB-596, *Nonpostal Transactions (Contract Postal Unit)*, in Exhibit C, Part 1, Section B, *Specifications/Statement of Work*.

### 1.4.5 Contract Type and Term

All CPU contracts must be firm fixed price contracts, subject to wage adjustment if the contractor is a minimum rate contractor, and to negotiated price increases or adjustments for underestimated revenue. All CPU contracts will run for an indefinite term, subject to termination by either party with 60 days' notice (unless the contract is terminated by the Postal Service for default). (See Clause OB-490, *Contract Duration and Termination (Contract Postal Unit)*, in Exhibit C, Part 1, Section C, *Delivery/Performance*.)

### 1.4.6 Utilities Reimbursement on Military Installations

The Postal Service has agreed to reimburse the Department of Defense for utility and telephone services provided at CPUs on military installations. The agreement is established on DD Form 1144, provided by the military installation to the administrative postmaster who reviews the charges and signs for the USPS. Actual monthly charges are billed on SF 1080, *Voucher for Transfers Between Appropriations and/or Funds*. Payment is handled locally by the administrative

post office (See Handbook F-1, *Post Office Accounting Procedures*).

## 1.5 Definitions

### 1.5.1 Contract Postal Unit (CPU)

A contract postal unit is a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office, that provides selected postal services to the public. There are three types of CPUs:

- a. *Contract Station (CS)*. A unit located within the corporate limits of the city, town, or village served by the administrative post office.
- b. *Contract Branch (CB)*. A unit located outside the corporate limits of the city, town, or village served by the administrative post office.
- c. *Community Post Office (CPO)*. A unit, usually located in a small rural community, that provides service because a Postal Service facility has been discontinued or otherwise deemed impractical. CPOs generally use the same name as the community.

### 1.5.2 Minimum Rate Contractor

A minimum rate contractor is an individual who:

- a. is self employed;
- b. operates the CPU personally more than 50 percent of the time;
- c. conducts no other primary business at the CPU location. The primary business is that which generates the greatest revenue for the contractor.

## Chapter 2

### Submitting Requests for Contracts

#### 2.1 Determining the Need for a Contract

##### 2.1.1 Area Review

Before submitting a request for a CPU contract, the administrative post office must verify the need for the CPU based on the following indicators:

- a. Studies of the operating efficiency of existing retail service points (classified units and self service postal centers);
- b. Retail analysis surveys, window transaction counts, and customer service card responses;
- c. Local financial and other reports;
- d. Community market or growth surveys, if available.

##### 2.1.2 Necessary Conditions

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

- a. A newly developed community requires retail services, but does not yet warrant a Postal Service facility;
- b. Present retail units are not able to serve customers efficiently because of either limited space or high customer demand;
- c. There are no retail units located in an area of high customer demand;
- d. Flexibility in service hours is needed;
- e. Only limited retail services are necessary;
- f. An independent post office has been closed;
- g. The Postal Service will realize service, scheduling, cost, or other benefits from the CPU.

##### 2.1.3 Cost/Benefit Analysis and Detailed Plan

The local administrative post office must perform a cost/benefit analysis to determine if there

is any advantage to be gained by entering into the contract. To ensure that a sound management decision is made, a detailed plan must also be prepared. The analysis must demonstrate the benefits to the Postal Service. Those benefits may be service oriented or public relations oriented as well as economic. The plan must address the following, as a minimum:

- a. Proposed location of the CPU in the facility;
- b. Proposed hours of operation;
- c. Types of operations to be performed at the CPU;
- d. Any Postal owned property to be supplied;
- e. Bonding requirements;
- f. Estimated number of customers;
- g. Administrative and auditing costs.

#### 2.2 Required Format

##### 2.2.1 Form 7381

Requesting offices must submit their requests for CPU contracts on Form 7381, *Requisition for Supplies, Services, or Equipment*. See Exhibit A, Part 1.

##### 2.2.2 Necessary Elements

In addition to the other information required by Form 7381, each request must include, on Form 7381 or an attachment, the following elements:

- a. A detailed description of the contract requirements, prepared using the format shown in Exhibit A, Part 2 (see 2.3);
- b. An estimate of anticipated revenue (see 2.3.5);
- c. (For competitive situations) Indication of the relative weight of the criteria to be used in evaluating proposals, and the relative importance

of business proposals and price proposals, using the format shown in Exhibit A, Part 3 (see 2.4);

d. (For competitive situations) A list of prospective offerors;

e. Recommended contracting officer's representative (see 2.5);

f. (For competitive situations) Names, titles, and addresses of two or more individuals who will serve as the evaluation committee;

g. (If only one interested or qualified party) Justification for noncompetitive award;

h. Cost/Benefit Analysis and Detailed Plan.

## 2.3 Description of Requirements

### 2.3.1 General

The requesting office must complete the *Requirements: Contract Postal Unit* format shown in Exhibit A, Part 2. Following are guidelines for key items.

### 2.3.2 Location

The requesting office must specify location, as precisely as is deemed necessary. The best potential locations are in or adjacent to existing business, working or shopping areas, and at sites where customers, including the handicapped, have convenient access to parking or mass transit.

### 2.3.3 Accessibility to the Handicapped

It is Postal Service policy to attempt to insure that all post offices, including contract postal units, are readily accessible to all. Contractors selected should be in locations readily accessible to the handicapped. If a contract is awarded to a contractor whose premises are not accessible, the contracting officer must document the contract file to describe the attempts made to find other contractors with accessible locations and describe the reasons for making the award.

### 2.3.4 Hours of Service/Operation

**2.3.4.1 General.** Hours of operation and hours of service are not the same. Hours of

service are the times when the CPU is open for business. Hours of operation include hours of service as well as additional time needed to ensure that all contract work activities (opening and closing the CPU, completing reports, etc.,) can be performed.

**2.3.4.2 Service.** To determine the number of hours, days of the week, and times of day that a CPU will be open, the requesting office must consider the following factors:

a. Peak demand periods in the area to be served;

b. Customer convenience;

c. Need for hours of service outside those of nearby classified units;

d. Restrictions imposed by the physical location.

**2.3.4.3 Operation.** The requesting office must estimate the amount of time needed for administrative activities in specifying the proposed CPU's hours of operation. Any midday closing must also be specified (these are not included in either hours of operation or hours of service). The establishment of hours of operation must be carefully considered if most offerors are expected to be minimum rate. Minimum rate contractors who are paid the FLSA minimum wage may not exceed the hours of operation specified in the contract, nor may they work more than 40 hours in any given week.

### 2.3.5 Estimated Revenue

The requesting office must consider all pertinent information in arriving at this figure, including retail analysis data, profiles of the population serviced, and data on the walk-in revenue of retail units currently serving the selected area. The estimate is critical to the success of the CPU award process as it is needed in order to:

a. Project the value of the CPU to the Postal Service (and thus determine what should be the maximum contract award price);

b. Provide interested offerors with a reasonable baseline from which to develop their price proposals.

## 2.3.6 Services

**2.3.6.1 General.** The services to be provided by the CPU must be specified.

**2.3.6.2 Services Normally Provided.** CPUs normally provide traditional mail services such as:

- a. Sale of stamps, stamped envelopes, and postal money orders;
- b. Acceptance of regular domestic mail (first, second, third, and fourth class);
- c. Acceptance of insured, registered, certified, and collect-on-delivery mail (COD mail and other special services);
- d. Acceptance of international First-Class Mail.

**2.3.6.3 Services That May Be Provided.** CPUs may provide the following services:

- a. Express Mail service;
- b. Post office box service;
- c. General delivery service;
- d. Acceptance of international parcels, printed matter, and postal union mail.

**2.3.6.4 Services That May Not Be Provided.** CPUs may not provide the following services:

- a. Meter setting;
- b. Non-mail services, such as passport applications;
- c. Bulk and permit mail acceptance.

## 2.4 Evaluation Plan

### 2.4.1 General

To provide information that will form the basis on which proposals are evaluated, the requesting office must attach to the request for contract the format shown in Exhibit A, Part 3, Evaluation Criteria: Point Assignments and Scoring Formula.

### 2.4.2 Part I, Point Assignments

Part I shows the three main criteria and the associated sub-criteria that are routinely used in evaluating CPU offerors' business proposals. The requesting office must indicate the maximum

possible points to be awarded for each of the three criteria (must total 100 points). Note that if the proposed CPU is to be located on a military installation or a college campus that will provide the facility, or in a postal facility, criteria 1 and 2 should not be considered evaluation factors. Criterion 3 would be assigned the full 100 points.

## 2.4.3 Part II, Scoring Formula

Part II shows how business and price scores are deduced. The relative weight to be given to each score must be entered by the requesting office, by means of percentages totalling 100 percent.

## 2.5 Contracting Officer's Representative (COR) Recommendation

### 2.5.1 Recommendation, Appointment, and Function

Requesting offices recommend an individual to serve as COR. Contracting officers officially appoint the COR. CORs play a major role in contract administration—providing training to the CPU operator, monitoring the CPU operation, and ensuring contract compliance.

### 2.5.2 Qualifications and Availability

The individual recommended to serve as COR should be conscientious, trustworthy and well qualified to perform COR duties. In addition, as the performance of COR duties may take substantial time from other duties, the recommending official must determine that sufficient time can be made available for the recommended individual to properly perform COR responsibilities.

### 2.5.3 Manager as COR

The postmaster at the administrative post office may serve as COR.

## **2.6 Review and Approval**

Before submission to the procurement office, the request for contract must be reviewed and approved as required by regional directives and other instructions.

## **2.7 Lead Time**

An approved CPU request should be submitted to the servicing procurement office at least 120 days before the CPU is scheduled to open.

## Chapter 3

### Source Selection and Award

#### 3.1 Review

The contracting officer must review the request for contract to ensure that it is complete and that it clearly sets forth the services desired. The request forms the basis on which the procurement office will prepare the solicitation—the document that will inform prospective offerors of the requirements, tell them how to prepare proposals, and state the terms and conditions that will govern source selection, contract award, and contract performance. Particular care must be taken to avoid omissions or inconsistencies. Any necessary changes in the description of requirements or evaluation plan as submitted should be coordinated with the requesting office.

#### 3.2 Method of Source Selection

All contracts must be awarded through competition when feasible. Unless a noncompetitive award is justified, the contracting officer must attempt to obtain proposals from at least those three parties who appear best qualified to satisfy the requesting office's needs. If justification for noncompetitive award is provided, approvals must be obtained in accordance with current requirements for noncompetitive procurements. If it is not possible to obtain at least two proposals, the contracting officer must document the file as required by the PM and Hbk AS-707 4.3.

#### 3.3 Solicitation Preparation

##### 3.3.1 Assembly

The Document Generator System (DGS) has been designed to generate CPU solicitations and subsequent contracts, in full compliance with

these procedures. (See Exhibit C for a sample DGS prepared solicitation.)

##### 3.3.2 Contents

In addition to a cover letter (see Exhibit B, Part 1), the solicitation must contain the following elements:

a. *Solicitation, Contract Postal Unit.* Complete as instructed by DGS.

b. *Offer and Award, Contract Postal Unit.* Complete as instructed by DGS, using information provided by the requesting office.

c. *Part 1—Schedule.* Insert the appropriate information from the request documents, as prompted by DGS.

d. *Part 2—Clauses and Attachments.* Complete as prompted by DGS. The DGS will automatically list the *Requirements: Contract Postal Unit* as Attachment 1, *Business Proposal: Contract Postal Unit* as Attachment 2 and *Contract Postal Unit Bond* (if required) as Attachment 3. List any other items to be attached, along with the appropriate number of pages.

e. *Part 3—Solicitation Provisions.* Assembled by DGS.

f. *Attachments.* Attach the following, and any other applicable attachments:

(1) *Requirements: Contract Postal Unit.* Previously prepared by the requesting office (see 2.3).

(2) *Business Proposal: Contract Postal Unit.* Assembled by DGS, to be completed by offeror.

(3) *Contract Postal Unit Bond.* Assembled by DGS, to be completed by the successful offeror and its surety(ies) and returned to the Postal Service before contract award is made, if not waived.

g. *Table of Contents.* The table of contents is generated by DGS. Before you send out the solicitation, insert the table in front of Page 1.

### 3.4 Notification of Requesting Office

The contracting officer must see that the requesting office is both notified of solicitation issuance and advised that any inquiries about the requirement must be directed to the individual indicated in the Solicitation format (Item 2d, Contact). Sample text for a notice to the requesting office/administrative post office is shown in Exhibit B, Part 2.

### 3.5 Proposal Evaluation

#### 3.5.1 Business Proposal Evaluation

**3.5.1.1 Considerations.** When proposals are received, the Business Proposals (Attachment 2 of the solicitation package) must be forwarded for review by an evaluation committee whose members are selected by the requesting office. The evaluation committee may need to personally visit the proposed sites in order to complete their evaluation. In evaluating proposed locations, the committee must bear in mind that no CPU may be located in, or directly connected to, a room in which intoxicating beverages are sold for consumption on the premises. (See Clause OB-594, *Location (Contract Postal Unit)*, in Exhibit C, Part 1, Section B, *Specifications/Statement of Work*.)

**3.5.1.2 Point Assignment Procedure.** The evaluation committee must assign each business proposal points based on the criteria and maximum points designated in the evaluation plan (see Exhibit A, Part 3 and Exhibit C, Part 3, Section M—*Evaluation and Award Factors*). Each point assignment must be thoroughly documented. Exhibit B, Part 3, *Evaluation Worksheet 1—Point Summaries for Business Proposals*, shows the format to be used by each evaluation committee member.

**3.5.1.3 Submitting Business Proposal Evaluations.** An overall evaluation summary must be prepared for signature by the installation head. The summary will show the average points assigned to each proposal for each criterion and in total. Any offerors considered unacceptable from a business standpoint should also be

indicated. Use Exhibit B, Part 3, page 2, for this evaluation, and with the individual point summaries, submit it to the contracting officer.

#### 3.5.2 Price Evaluation and Computation of Scores

Price evaluation is performed by procurement personnel, who score the proposed prices using the scoring formula set forth in Section M of the solicitation: lowest price divided by offeror price equals price score (see Exhibit C, Part 3, Section M). Procurement personnel also compute business scores based on the worksheets submitted by the evaluation committee. The format shown in Exhibit B, Part 3 (page 3), *Computation of Business and Price Scores*, should be used as a worksheet and summary. Finally, procurement personnel must compute final scores to determine which offeror should get the award. Exhibit B, Part 3, (page 4), *Computation of Final Scores/Recommendation for Award* should be used.

#### 3.5.3 Discussions/Negotiations

When more than one proposal is received the contracting officer will in many instances elect to meet with the offerors submitting the most favorable proposals. At that time, offerors may revise their proposals. All such revisions must be in writing. In addition, discussions or negotiations must be conducted when a minimum rate offeror submitting a favorable proposal proposes a rate that would yield him or her payments on an hourly basis which are lower than the FLSA minimum wage. In conducting discussions or negotiations, the contracting officer must follow the guidelines set forth at PM and PH 4.1.5.

### 3.6 Determination of Contractor Responsibility

CPU operators must be trustworthy and well regarded within the local community. The contracting officer should contact at least three references, including the local Postmaster, to determine the reliability and reputation of the offeror in line for award. The contracting officer



must also determine that the offeror has the financial resources needed to perform the required services. Additional sources should be contacted if there are any questions about the offeror's reputation, trustworthiness, or financial status.

### 3.7 Contractor Selection

The contracting officer carefully weighs business, price, and responsibility factors and selects for award the offeror whose proposal receives the highest overall score and is determined to be responsible.

## 3.8 Award

### 3.8.1 Letter of Intent

The contracting officer will notify the selected offeror of the Postal Service's intent to award a contract. The letter must require the offeror to forward the required Contract Postal Unit bond (see 3.8.2) and must set a deadline by which the bond must be received. A sample letter is presented in Exhibit B, Part 4. The offeror may not be given any Postal Service property or be permitted to open the CPU until an acceptable bond has been furnished.

### 3.8.2 Contract Postal Unit (CPU) Bond

**3.8.2.1 Requirement.** The CPU contractor is not required to have insurance but must provide a CPU bond if required by the *Requirements: Contract Postal Unit* (see Exhibit A, Part 2). The amount of the bond must be not less than the average daily value of Postal Service funds and accountable paper on hand, excluding money orders.

**3.8.2.2 Verification.** Upon receipt of the bond, procurement personnel must verify that the bonding company is on the U.S. Treasury's list of approved sureties, published annually in the Federal Register as Treasury Circular 570.

### 3.8.2.3 Waiver

*a. Solicitation.* If the requesting office and the contracting officer agree that the requirement for a Contract Postal Unit bond is not necessary due to the lack of, or very low amount of, average daily value of Postal Service funds and accountable paper, they may waive the requirement prior to issuing the solicitation.

*b. Single Offeror.* When only one offer is received and the offeror is unable to secure a bond, the contracting officer may waive the requirement if it is determined to be in the Postal Service's interest. The need for the unit versus the potential loss of Postal Service funds must be carefully weighed. Alternatively, the offeror may be permitted to deposit assets instead of a bond, in accordance with Clause OB-478, *Deposit of Assets Instead of Contract Postal Unit Bond*.

*c. Multiple Offerors.* When more than one offeror is determined to be qualified for award and the first selected offeror does not promptly provide the required bond, or deposit assets in lieu of the bond, the contracting officer should withdraw the letter of intent (see Exhibit B, Part 10) and issue a new letter to the next best rated offeror. If necessary, this procedure is repeated for all other eligible offerors. If none provides the bond, or assets in lieu of the bond, the requirement may be waived and an award made to the best qualified offeror, if that is determined to be in the Postal Service's interest.

### 3.8.3 Award Format

The contracting officer effects the award by sending the successful offeror a notice of award (see Exhibit B, Part 5), along with the following as attachments:

*a.* A copy of the contract (the DGS Offer and Award format contained in the offeror's proposal, completed and signed by the contracting officer; sections A through I from the offeror's proposal/DGS solicitation; and Attachments 1 and 2 from the offeror's proposal);

*b.* A copy of the COR notice of appointment (see Exhibit B, Part 6 and 4.1);

*c.* (For minimum rate contractors only) A Monthly Report of Operations format (see Exhibit B, Part 8 and discussion in 4.3.4.1).

### 3.8.4 Distribution

Copies must be sent to the contractor and the appointed COR. The original must be placed in the procurement office's official contract file.

### 3.8.5 Payment Authorization

Upon the opening of the CPU, the contracting officer must send a completed Contract Unit Payment Authorization (Exhibit B, Part 7) to the St. Louis PDC, Rent and Lease Section, 1720 Market, St. Louis, MO 63180-9180. Upon re-

ceipt of this authorization, the PDC will initiate monthly payments.

**Note:** Either the DGS generated format or Form 1531, *Payment Authorization for Contract Postal Units*, may be sent to the St. Louis PDC (see Exhibit B, Part 7(a) and (b)).

### 3.8.6 Notice to Unsuccessful Offerors

Unsuccessful offerors must be told promptly after award that their offers have not been accepted. (A sample notice is shown in Exhibit B, Part 9.)

## Chapter 4

### Contract Administration

#### 4.1 Appointment of Contracting Officer's Representative (COR)

Simultaneous with contract award, the contracting officer must issue a notice of award and appointment to the COR to be designated for the contract. The form and content of the notice and appointment should be as shown in Exhibit B, Parts 6 and 11. A copy of the contract should be forwarded to the COR along with these notices. The COR's authority is limited to that specifically granted in the COR notice.

#### 4.2 Postaward Conference

As soon as possible after contract award and receipt of an acceptable Contract Postal Unit bond, the COR and, if possible, the contracting officer should meet with the contractor to:

- a. Provide the contractor with initial training in CPU operation and record keeping; and
- b. Provide any Postal Service furnished equipment. The equipment must be inventoried and the contractor must acknowledge its receipt in writing, certifying that the equipment is in good working condition. The acknowledgment becomes part of the contract file.

#### 4.3 Monitoring, Inspection, and Acceptance

##### 4.3.1 General

After CPU operation has begun, the COR will perform the functions described below, involving the contracting officer as indicated.

##### 4.3.2 On-Site Operational Review

The COR must conduct such reviews periodically, working with the contractor to correct minor

problems. Any major problems must be reported to the contracting officer immediately. The contracting officer will notify the contractor in writing of any deficiencies and establish a time frame in which the CPU must be brought into compliance. If compliance is not achieved, the contracting officer must terminate the contract.

##### 4.3.3 Bond Review

The COR must review the contractor's Contract Postal Unit bond annually to ensure that the amount reflects current accountability and that the bond will not lapse before the next review. If necessary, the COR will notify the contracting officer to require the contractor to increase or extend the bond.

##### 4.3.4 Financial Audit

The COR will check the contractor's financial controls and reports periodically, and will perform an annual audit. If mismanagement of postal funds, including accountable paper, is suspected, the COR must notify the Inspection Service and the contracting officer immediately. If circumstances warrant, the head of the administrative post office may direct the removal of Postal Service property from the contractor and suspend CPU service. If this action is taken, the contracting officer must be notified immediately so that the contract can be terminated.

**Note:** The Inspection Service may conduct audits and investigations at the CPU at any time without prior notification.

##### 4.3.5 Review of Operating/Service Hours

**4.3.5.1 Minimum Rate Contract.** The COR must ensure that the minimum rate contractor maintains a detailed record of operating hours

using the Monthly Report of Operations format shown in Exhibit B, Part 8. No later than two working days after the close of the calendar month, the contractor must send the report (original and one copy) to the COR for review. The COR will check the hours worked to verify contract compliance, and then send the original to the contracting officer for placement in the official contract file at the end of the calendar year. If the contractor has worked more hours than the contract permits, the COR must discuss the requirement with the contractor and ensure that the contractor works only the required number of hours.

**4.3.5.2 Non-Minimum Rate Contract.** The COR must monitor the hours in which the CPU is in service, as the contractor must conduct Postal Service business during the days and hours specified in the contract. If the contractor has the unit in service for fewer than the required hours, the COR must notify the contracting officer, who will officially inform the contractor of noncompliance with the contract requirements. If the situation continues, the contracting officer should terminate the contract and re-solicit. Non-minimum rate contractors operating CPUs more than the required hours do so at their own expense, and the Postal Service assumes no obligation for increased payments.

## 4.4 Payments

### 4.4.1 Normal Procedure

Under the terms of the contract, the contractor is paid automatically, in arrears, by the St. Louis PDC in 12 equal monthly installments. Seasonal contracts are paid, in arrears, at the end of each month or partial month of service. Public service contracts are paid once annually, in arrears, after the contract anniversary date or on the contract termination date.

### 4.4.2 Omission of Service

If the COR finds that the contractor is not performing as required by the contract, the

contracting officer must be notified, as discussed in 4.3. If non-performance continues, the contracting officer will take steps to terminate the contract. In the interim, however, no request for payment adjustment should be sent to the PDC.

### 4.4.3 Temporary Closure

If a CPU suspends service for more than two weeks or for a period for which the payment due would exceed \$500, and the Postal Service does not wish to terminate the contract, payment should be adjusted. The contracting officer should complete Form 1531, indicating the appropriate adjustment and forward it to the St. Louis PDC. (This procedure does not apply in the case of public service contracts.) All disputes as a result of suspension must be handled under the terms of Clause B-9, *Claims and Disputes*.

## 4.5 Request for Price Adjustment

### 4.5.1 Authority

Clause OB-491, *Request for Price Adjustment (Contract Postal Unit)*, states that a contractor may request an increase in contract payment rates either two years from the anniversary date of the contract or two years from the last effective payment increase, whichever is later (see Exhibit C, Part 2, Section G). If the contractor can show that the projected revenue in the solicitation was grossly understated, the contracting officer may negotiate an increase in the annual contract price at the end of 6 months of operation. The requiring office must approve the increase and provide for the additional funding.

### 4.5.2 Procedures

**4.5.2.1 Submitting Documentation.** The contractor must submit a thoroughly documented written request to the COR. The request must be justified by direct cost increases, increased benefit to the Postal Service, or both (see details in Clause OB-491, *Request for Price Adjustment (Contract Postal Unit)* in Exhibit C, Part 2, Section G).

#### 4.5.2.2 Review and Recommendation by COR

*a. Review.* The COR will review the request to verify that it is complete, properly documented, and justified. He or she will then analyze whether the CPU is still necessary and what, if any, service alternatives are available. The need for the services provided, the cost of any alternative, and probable community acceptance of any change should be considered.

*b. Recommendation.* Based on this review, the COR will decide which of the following circumstances is present and forward the corresponding recommendation to the contracting officer:

(1) *Continued Need.* When there is a continuing need for the CPU and an increased payment is warranted, the COR will either (using a funded Form 7381):

(a) *Recommend approval of the proposed increase.*

(b) *Recommend an increase less than that proposed by the contractor. (This recommendation should be supported by data the contracting officer can use in negotiations with the contractor).*

(2) *Marginal Need.* When the need for the CPU is marginal, the COR should recommend disapproval of the requested increase.

(3) *No Need.* When the CPU is no longer needed or there is a better service alternative, the COR should recommend contract termination.

**4.5.2.3 Negotiation.** When a CPU is still required but the recommendation is to deny or reduce the proposed increase, the contracting officer should attempt to negotiate an equitable adjustment with the contractor.

#### 4.5.2.4 Resolution

*a. Agreement.* When an agreement on a payment increase is reached, the contracting officer will modify the contract accordingly. The contractor must agree to:

- (1) Continue the contract for a minimum of one year.
- (2) Wait two years before requesting another increase. (The effective date

of the last rate increase is the date used to compute the one and two year periods.)

*b. No Agreement.* When agreement cannot be reached or a payment increase is denied by the contracting officer, the contract continues at the existing payment rate unless terminated by either party in accordance with Clause OB-490, *Contract Duration and Termination (Contract Postal Unit)* (see Exhibit C, Part 1, Section C).

### 4.6 Award of a Temporary Contract

#### 4.6.1 Request

When a contract is terminated on short notice and the lack of a CPU creates a hardship on the community, the administrative post office may request that a short-term emergency contract be awarded. The COR should furnish the contracting officer with the names of offerors who are willing to operate the CPU on a temporary basis.

#### 4.6.2 Approval and Award

If the contracting officer approves of the action and a proposed offeror is determined to be responsible, a contract will be awarded for a specified period of time (for example, six months). The contract and the associated contract postal unit payment authorization must state the time limit.

#### 4.6.3 Bond Waiver

The contracting officer, with the concurrence of the administrative post office, may waive the bonding requirement for the duration of a temporary contract if that is determined to be in the best interest of the Postal Service.

#### 4.6.4 Solicitation

A solicitation should be issued within 60 days after the award of a temporary contract.

## 4.7 Contract Modification

Only the contracting officer is authorized to modify any term or condition of the contract. If a modification is required, the contracting officer must be provided with all information and documentation needed to justify it. The St. Louis PDC must be notified, using Form 1531, of any modification that affects information shown on the Contract Unit Payment Authorization.

**Note:** Only Form 1531 may be used for this purpose.

## 4.8 Disputes

If the COR and the contractor are unable to resolve any disagreement, the matter must be referred to the contracting officer in accordance with Hbk AS-707 6.8.1 and PM 6.8. Disputes should be resolved as early as possible; however, CORs and all other Postal Service employees are cautioned not to exceed their authority in attempting to reach an agreement.

## 4.9 Termination

Clause OB-490, *Contract Duration and Termination (Contract Postal Unit)*, allows either the contracting officer or the contractor to terminate the contract upon 60 days' written notice (see Exhibit C, Part 1, Section C). If necessary to protect the Postal Service's interest, the contracting officer may terminate the contract upon one day's written notice. The PDC should be notified immediately upon the decision to terminate the contract to avoid additional payments.

## 4.10 Discontinuance of a CPO

A community post office may be discontinued upon the determination of the Field Division

General Manager, with the approval of the SAPMG, Operations Support Group.

## 4.11 Contract Records

**4.11.1 Responsibility.** Throughout the life of the contract, record keeping is the joint responsibility of the COR and the contracting officer. At the end of the contract, the COR should forward all records not previously sent to the contracting officer for inclusion in the official contract file.

**4.11.2 Official Contract File.** The file must contain:

- a. The original contract document and any modifications.
- b. All original unsuccessful business proposals.
- c. Copies of the Contract Unit Payment Authorization and all Forms 1531 issued by the contracting officer.
- d. Documentation and correspondence relating to any performance problems.
- e. All Monthly Reports of Operations.
- f. CPU Equipment Listing signed by contractor.

**4.11.3 Contract Administration File.** The COR's contract administration file must contain:

- a. A copy of the contract and any modifications.
- b. A copy of the COR's notice of appointment from the contracting officer.
- c. A copy of all Monthly Reports of Operations.
- d. All correspondence to and from the contractor.
- e. Memoranda of reviews, audits, phone calls, and other meetings or conversations having a bearing on contract performance.
- f. Copy of CPU Equipment Listing signed by contractor.

## Chapter 5

### Public Service CPU Contracts

#### 5.1 Request

An organization that wants to enter into a public service CPU contract with the Postal Service must send a written request to the local administrative post office.

#### 5.2 Contract Initiation

The administrative post office forwards a request for contract (using Form 7381) to the contracting officer. The request should be structured as outlined in 2.2, and the guidelines in 2.3 and 2.5 should be followed. The request must include a noncompetitive justification and cite the recommended annual price or payment. The contracting officer will process the request using noncompetitive procedures.

#### 5.3 Payment Limit

The annual payment for a public service contract may not exceed \$100. If a public service contractor insists on a rate increase to more than that amount, the contract must be terminated. If the needs of the community and the Postal Service warrant continuation of a CPU in the general vicinity of the public service CPU, a request for contract should be prepared and submitted as discussed in chapter 2 of these procedures.

#### 5.4 Administration

Administration of a public service contract is the same as that of any other CPU contract. A COR must be appointed, and contract administration must be conducted in accordance with chapter 4 of these procedures.





### Exhibit A—Requisition Documents

This exhibit contains the documentation required for an administrative post office to request a contract postal unit. Any request for a CPU must contain this information. This exhibit includes the following:

- Part 1, Form 7381, *Requisition for Supplies, Services or Equipment*
- Part 2, Requirements: Contract Postal Unit
- Part 3, Evaluation Criteria: Point Assignments and Scoring Formula



<b>U.S. Postal Service</b> <b>REQUISITION FOR SUPPLIES, SERVICES, OR EQUIPMENT</b> See Instructions on Reverse		1. Requisition Number		2. Request Date		3. Required Delivery Date		Page Number		
		4. Job Order Number (Maintenance Use Only)								Number of Pages
		WC	Acronym		Equipment No.		EC	Work Order No.		
5. To:		6. From: (Facility Name, Address and ZIP + 4)								
7. Complete Delivery Address		8. For Information Call								
		a. Name		b. PEN Telephone Number						
9. Budget Finance No.	10. Prop. Acct. Fin. No.	11. Acct. No.	12. FEDSTRIP Address Code	13. CAG	14. PCN	15. Requestor <input type="checkbox"/> VMF <input type="checkbox"/> Other		16. ID No.		
17. Description										
PSN, NSN, PSIN or Part Number (a)	Supplies, Services, or Equipment Requested (b)			Quantity (c)	Unit (d)	Unit Price (e)	Estimated Cost (f)			
18. Justification										
19. Suggested Source of Supply										
20. Requesting and Approval Signatures										
a. Requested By			b. Approved By			c. Certifying Funds Available				
						Amount		Signature		
d. Sectional Center Approval			e. Division Approval			f. Other Approval				
Procurement Use Only	21. Source of Supply				22. Contract/Order Number					
	23. Notes				24. Order Date					
	25. Processed By (Title and Signature)									

PS Form 7381, January 1989

## INSTRUCTIONS

### General

1. Prepare in duplicate.
2. Prepare *separate* 7381 for each type of capital equipment.
3. For an example and other instructions, refer to Materiel Management Handbook (AS 701).
4. *Do not* use this form for items that can be obtained from materiel distribution centers (except for capital equipment).
5. As needed, attach additional sheets and identify the appropriate block number being expanded.
6. Operating units must:
  - a. Prepare a separate request for each of the following classes of items or services:
    - (1) Repairs and other services to office machines, buildings, and operating equipment when services/repairs are not available from Postal personnel. Include serial number, make, and model number of machine and state if under warranty.
    - (2) Printing services.
    - (3) Supply items in GSA Stores Stock Catalog.
    - (4) Supply items not in GSA Stores Stock Catalog.
    - (5) Miscellaneous contractual services.
  - b. Forward original through appropriate channels to the Procurement and Materiel Management Service Office (PMMSO) and retain a copy, or submit to local central supply unit, as appropriate.
7. The PMMSO will:
  - a. Review requirement, consider sources of supply, and determine method of action, whether by available excess of stock, requisition to region, through GSA, or by local procurement.
  - b. Take necessary action and complete form.
  - c. Retain request in file to document action.
- 9-14. Insert the Budget Finance Number. Block 9 will show the funding finance number, and Block 10 will show the finance number of the office receiving the equipment for property accountability. Blocks 11 through 14 show the Property Accountable Number, FEDSTRIP address code, CAG number, and PCN, as appropriate, of requisitioning office.
15. If the requesting office is a vehicle maintenance facility, check the VMF block. If not, check Other.
16. If this is a request for a modification to an existing item of capital property, enter the property identification number (usually available from the property identification label on the item).
17. Use separate line for each item. Indicate the appropriate catalog number. If any of these items can be obtained from GSA, you must so indicate here.
  - a. Enter PSN, NSN, PSIN or Part number.
  - b. If number has been entered in column 15a, enter only the name of the item. Otherwise, provide complete description of the item, equipment, or service being requisitioned. Mention if the item is a manufacturers only or equal requirement. Include complete specifications.
  - c. Insert the quantity for each item. Where an issue unit is given in the catalogs, the quantity must be expressed in such units.
  - d. Show for each item the issue unit shown by catalog: e.g., cwt, ft., set, etc. If box is indicated, state number of units in box.
  - e. Enter price of item from catalog or previous purchase order. If unknown, enter estimated cost.
  - f. Multiply quantity by unit price, if known, or estimated price and enter total here.
18. Explain why item or service is required. Emergency requests must be justified, explaining specific reasons for urgent requirement.
19. Insert the names, addresses, and telephone numbers of manufacturers, sources of supply, repair companies, and/or suggested bidders.
- 20a-f. The signature of the requesting and approving officer, funding official, and other approval officials, as necessary, must appear in these blocks.

### Specific

(Explanation of Blocks and Columns)

1. Show current fiscal year and number of the requisition submitted, including this one (1-89, 2-89, etc.)
2. Enter date this requisition was prepared.
3. Enter date the service, item, or equipment is required.
4. Enter job work order number, as appropriate (*Maintenance use only*).
5. Insert the complete address of either the PMMSO that provides procurement support for the requisitioning office, or the local central supply unit.
6. Insert the complete name and address of the requisitioning office.
7. Insert complete delivery address, including room number.
8. Insert the name and PEN/commercial telephone number of the person who can furnish additional information concerning the requisition.

### For Procurement Units use only:

21. Indicate name and address of vendor or other type of action taken.
22. Indicate contract/purchase order number, when applicable.
23. This space may be used to record notes applicable to this requisition. Use additional sheets as necessary.
24. Indicate date of purchase order, when applicable.
25. The signature and title of the procuring official must appear in this block.

## Requirements: Contract Postal Unit

## I. Description

1. Administrative Post Office. The Contract Postal Unit will report to the postmaster at:

\_\_\_\_\_

The contracting officer will assign a contracting officer's representative (COR) who will be responsible for directing the operation of the Contract Postal Unit.

2. Type of Contract Postal Unit

☐ Contract Station ☐ Contract Branch ☐ Community Post Office (See Clause OB-589, *Definitions (Contract Postal Unit)*, in Exhibit C, Section G.)

3. Area/Location (identify general boundaries and attach map or sketch)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Operational Date \_\_\_\_ - \_\_\_\_ - \_\_\_\_ or within \_\_\_\_ days after award, whichever is later, subject to provision of Contract Postal Unit bond and availability of USPS property. If the contract postal unit is to be operated on a seasonal basis the opening date will be \_\_\_\_\_ and the closing date will be \_\_\_\_\_ each year of operation.

5. Hours (except Federal holidays)

Day	Total Operating Hours		Service Hours (Open to the Public)		Midday Closing (if any)	
	From	To	From	To	From	To
Monday	_____	_____	_____	_____	_____	_____
Tuesday	_____	_____	_____	_____	_____	_____
Wednesday	_____	_____	_____	_____	_____	_____
Thursday	_____	_____	_____	_____	_____	_____
Friday	_____	_____	_____	_____	_____	_____
Saturday	_____	_____	_____	_____	_____	_____
Sunday	_____	_____	_____	_____	_____	_____

Total Operating Hours per Week \_\_\_\_\_ Total Operating Hours per Year \_\_\_\_\_

6. Size: Floor Space: \_\_\_\_\_ square feet  
Wall Space: \_\_\_\_\_ for PO Boxes (if required, see page 2)
7. Estimated Revenue \$ \_\_\_\_\_ the first year.
8. Contract Postal Unit Bond Amount \$ \_\_\_\_\_. (See Provision OA-509, *Contract Postal Unit Bond*, in Exhibit C, Section J.)

Exhibit A Part 2, Requirements: Contract Postal Unit (CPU)

**II. Services**

The contractor must provide sufficient staff to offer the services checked.

- |   |   |   |
|---|---|---|
| 1. Sales  | 2. Domestic Mail  | 3. International Mail   |
| <input type="checkbox"/> Stamps                                     | <input type="checkbox"/> Regular (1st, 2nd, 3rd, 4th class)     | <input type="checkbox"/> First Class  |
| <input type="checkbox"/> Stationary (envelopes, postal cards, etc.) | <input type="checkbox"/> Special Services (insured, registered) | <input type="checkbox"/> Other (Specify) _____  |
| <input type="checkbox"/> Postal Service Money Orders                | <input type="checkbox"/> Express Mail                           | _____   |
| <input type="checkbox"/> Other( Specify) _____                      | <input type="checkbox"/> Other (Specify) _____                  | _____   |
| 4. Mail Delivery  | <input type="checkbox"/> General Delivery (Window Service)      | <input type="checkbox"/> PO Boxes _____ (No.)<br>(rented self serve wall recept-<br>cles) |

**III. Equipment**

- |   |   |
|---|---|
| 1. The Postal Service will furnish the items checked.             | 2. The contractor must furnish the items checked. |
| <input type="checkbox"/> PO Boxes                                 | <input type="checkbox"/> Utilities                |
| <input type="checkbox"/> PO Box Installation                      | <input type="checkbox"/> Counters                 |
| <input type="checkbox"/> Scales (Weights _____ )                  | <input type="checkbox"/> Safe                     |
| <input type="checkbox"/> Money Order Imprinter                    | <input checked="" type="checkbox"/> Telephone     |
| <input type="checkbox"/> CPU Forms                                | <input type="checkbox"/> Common Office Supplies   |
| <input type="checkbox"/> Accountable Paper (Stamps and Envelopes) | <input type="checkbox"/> Other (Specify) _____    |
| <input type="checkbox"/> Other (Specify) _____                    | _____   |

**I. Point Assignments**

Each business proposal will be evaluated according to the criteria shown below and assigned points relative to the maximum points shown below for each criterion.

Maximum Points

1. Suitability of Location \_\_\_\_\_

Is the proposed facility—

- (a) Within the area designated by the solicitation?
- (b) *Easily accessible to handicapped* and other customers?
- (c) In a location likely to stimulate usage by customers?
- (d) An appropriate distance from the nearest Postal Service operated facility?

2. Suitability of Facility \_\_\_\_\_

- (a) Is the proposed facility attractive, well maintained, and in good repair?
- (b) Is parking sufficient?
- (c) Does the facility have at least the square footage required by the solicitation?

3. Ability to Provide Service \_\_\_\_\_

- (a) Does the offeror have relevant experience?
- (b) Does the offeror have personnel sufficient to operate the facility or means of obtaining them?
- (c) Does the offeror have a good business reputation and good standing in the community?
- (d) Are any nonpostal services to be provided at the facility compatible with the postal services to be provided?

**II. Scoring Formula**

Business Score = Points awarded to a specific proposal divided by highest points awarded any proposal.

Price Score = Lowest offered annual rate divided by offeror's annual rate.

Business score will count for \_\_\_\_\_ % of the final score, and price score will count for \_\_\_\_\_ % of the final score (must total 100%).





**Exhibit B—Sample Contract Postal Unit Documents**

This exhibit contains sample correspondence, worksheets, forms and formats. Except for Parts 3, 7 and 8, these documents may be modified to satisfy local needs. Parts 3 and 8 may also be modified providing they contain, at a minimum, the information contained in these samples.

- Part 1, Solicitation Cover Letter
- Part 2, Letter to Requesting Office/Administrative Post Office
- Part 3, Proposal Evaluations
- Part 4, Letter of Intent
- Part 5, Notice of Award
- Part 6, COR Notice of Appointment
- Part 7 (a), Payment Authorization (DGS)
- Part 7 (b), Form 1531, *Payment Authorization for Contract Postal Units*
- Part 8, Monthly Report of Operations
- Part 9, Notice to Unsuccessful Offerors
- Part 10, Notice of Withdrawal of Letter of Intent
- Part 11, Notice of CPU Award and COR Appointment



United States Postal Service  
(Name of Procuring Office)  
(Street Address)  
(City, State, and ZIP+4)

(Date)

(Prospective Offeror's Name and Address)

Re: Contract Postal Unit for (Name of CPU)

Dear \_\_\_\_\_ :

The Postmaster at (name of Administrative Post Office) has indicated that you may be interested in providing contract postal unit services for (name of contract postal unit). Attached to this letter is a solicitation for proposals to perform such services. It describes the work to be performed, states the terms and conditions that will apply to any contract that is awarded, and provides instructions on preparing and submitting proposals.

Please review the solicitation. If you have any questions, please call (contact person) at (area code and number). Do not rely on information that you may obtain from anyone other than that person.

If you are interested in providing the required services, please complete the appropriate solicitation blocks.

Return the number of copies specified in Block 5 of the Solicitation Cover Page. Please note that failure to follow the preceding instructions could result in the rejection of your proposal.

If you are not interested in providing these services, please let us know by writing a short letter or marking this letter "not interested" and returning it.

If you submit a proposal, you can expect to be contacted within approximately 30 days and advised as to whether your proposal is being considered for award.

Thank you for your cooperation.

Sincerely,

(s)  
Contracting Officer

Attachment

Exhibit B Part 1, Solicitation Cover Letter

---

United States Postal Service

---

(City, State and Zip +4)

Date :

Our ref:

Subject: Enclosed Solicitation for Contract Postal Unit

To : Postmaster, (name of Administrative Post Office)

Please post a copy of the enclosed solicitation on your lobby bulletin board or some other public place.

We have distributed copies to the offerors indicated on the request sent to this office. Please forward the names and addresses of any other interested parties to this office. This will enable us to send them copies of the solicitation and any amendments that may become necessary.

Any prospective offeror who desires an explanation or interpretation of the solicitation should be told to call the contact person shown on the solicitation at (area code and phone number).

Please advise prospective offerors that their proposals should not be submitted to your office but instead should be mailed directly to the address shown in the solicitation,

Your cooperation is appreciated.

(s)  
Contracting Officer

Attachment

**Evaluation Worksheet 1****Point Summaries for Business Proposals**

Solicitation no.: \_\_\_\_\_

Name of offeror: \_\_\_\_\_

Complete a separate worksheet for every proposal received, assigning points for each criterion based on the point maximums established in the evaluation plan. Cite your rationale for each point assignment, addressing the sub-criteria set forth in the evaluation plan.

Suitability of Location

Points: \_\_\_\_\_

Suitability of Facility

Points: \_\_\_\_\_

Ability to Provide Service

Points: \_\_\_\_\_

Evaluator: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Evaluation Worksheet 2

## Overall Evaluation of Business Proposals

Solicitation No.: \_\_\_\_\_ CPU Name/Number: \_\_\_\_\_

Compute averages based on points assigned by the individual evaluation committee members)

Offeror	Average Points— Location	Average Points— Facility	Average Points— Service	Average Points— Total
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Installation head: \_\_\_\_\_

(Signature)

Date: \_\_\_\_\_

## Evaluation Worksheet 3

## Computations of Business and Price Scores

Solicitation No.: \_\_\_\_\_

CPU Name/No.: \_\_\_\_\_

Administrative PO: \_\_\_\_\_

## Computation of Business Scores

	Offeror	Points Assigned		Highest Points		Business Score
1.	_____	_____	/	_____	=	_____
2.	_____	_____	/	_____	=	_____
3.	_____	_____	/	_____	=	_____
4.	_____	_____	/	_____	=	_____
5.	_____	_____	/	_____	=	_____

## Computation of Price Scores

	Offeror	Lowest Price		Offeror Price		Price Score
1.	_____	_____	/	_____	=	_____
2.	_____	_____	/	_____	=	_____
3.	_____	_____	/	_____	=	_____
4.	_____	_____	/	_____	=	_____
5.	_____	_____	/	_____	=	_____

Evaluation Worksheet 4  
Computations of Final Scores/Recommendation for Award

Solicitation no.: \_\_\_\_\_ Business proposal = \_\_\_\_\_ %  
CPU name/no.: \_\_\_\_\_ Price proposal = \_\_\_\_\_ %  
Administrative PO: \_\_\_\_\_

**Computation of Final Scores****Offeror**

1. _____	Business score	_____ x _____ % = _____
	Price score	_____ x _____ % = _____
	Total (final score)	= _____
2. _____	Business score	_____ x _____ % = _____
	Price score	_____ x _____ % = _____
	Total (final score)	= _____
3. _____	Business score	_____ x _____ % = _____
	Price score	_____ x _____ % = _____
	Total (final score)	= _____
4. _____	Business score	_____ x _____ % = _____
	Price score	_____ x _____ % = _____
	Total (final score)	= _____
5. _____	Business score	_____ x _____ % = _____
	Price score	_____ x _____ % = _____
	Total (final score)	= _____

**Recommendation**

Based on the final scores shown, award should be made to:

\_\_\_\_\_

Provided the offeror is determined to be a responsible prospective contractor.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



United States Postal Service  
(Name of Procuring Office)  
(Street Address)  
(City, State, and ZIP+4)

(Date)

(Offeror's Name and Address)

Re: Contract Postal Unit for (Name of CPU)

Dear \_\_\_\_\_ :

On \_\_\_\_\_ we issued Solicitation No. \_\_\_\_\_ requesting proposals to operate a contract postal unit for (Name of CPU). You submitted a proposal dated \_\_\_\_\_ to operate the CPU at an annual rate of \$\_\_\_\_\_.

After evaluating all proposals, yours was determined to be the most advantageous to the Postal Service. However, before the contract can be awarded, you must obtain a Contract Postal Unit bond in the amount of \$\_\_\_\_\_ from a bonding company approved by the Treasury Department.

Please sign the Contract Postal Unit Bond form attached exactly as you signed your proposal, and have it filled out by the bonding company. Return it to me on or before \_\_\_\_\_. Also let us know the date through which the premium has been paid. Failure to submit this bond may cause your proposal to be rejected, so please take care of the matter as soon as possible.

If you have any questions, please phone me at \_\_\_\_\_ area code and number).

[s]  
Contracting Officer

Attachment

Exhibit B Part 4, Letter of Intent

United States Postal Service  
(Name of Procuring Office)  
(Street Address)  
(City, State, and ZIP+4)

(Date)

(Offeror's Name and Address)

Re: Contract Postal Unit Services for (Name of CPU)

Dear \_\_\_\_\_ :

We have received your Contract Postal Unit bond for \$ \_\_\_\_\_ and are pleased to award you the contract to operate a contract postal unit at (street address, city and state). A copy of Contract No. \_\_\_\_\_ is enclosed.

As the contracting officer for this CPU, I have designated as my authorized contracting officer's representative (COR):

(Name and Title)  
(Installation)  
(Address)  
(Phone Number)

The COR will be your local contact on the overall operation of the CPU. Please contact the COR about establishing the CPU, to begin operations on \_\_\_\_\_. Two copies of his/her notice of appointment, detailing his/her authorities and responsibilities in relation to contract performance, are enclosed. Please read the notice, sign one copy and return it to this office, and keep the other copy for your contract file.

Perhaps the most important aspect of the COR's authority is its limitations. Under no circumstances may he/she make changes that would affect the duration of the contract or the contract price. Please contact me [or another member of the procurement office] directly at [area code and phone number] if you anticipate changes that would affect the overall time of performance or the price, or if you encounter problems that cannot be resolved with the COR.

(Add this paragraph only if award is to a minimum rate contractor) The contract requires you to submit a monthly report of operating hours. A supply of the format to be used is enclosed. Please complete the format in duplicate no later than two working days after the end of each month and send it to the COR.

Sincerely,

(s)  
Contracting Officer

Attachments

Exhibit B Part 5, Notice of Award

**Appointment of Contracting Officer's Representative****Order No.: (Order Number)****Location: (CPU Name)**

For the purpose of representing the contracting officer in administering the above Contract Postal Unit contract, (COR's Name Only), is hereby designated as contracting officer's representative (COR).

As COR, you are delegated authority and responsibility for assisting the contractor in CPU start-up and providing any necessary training. The CPU is scheduled to open for business on (date). Please do the following immediately:

1. Establish CPU accountability.
2. Establish a pickup and delivery schedule.
3. Give the contractor a copy of the Domestic Mail Manual (DMM), and arrange for training as necessary.
4. Furnish the contractor with all Postal Service property specified in the contract. See that the contractor signs an itemized list of all property furnished except accountable paper, and provide that list to me for insertion in the official contract file. Notify me in writing of any changes.
5. Notify all affected units of this award.

On an ongoing basis, you are responsible for monitoring the overall operation of the CPU and ensuring compliance with all contract terms and requirements. In doing so, you are authorized and directed to perform the duties and functions described in Handbook AS-707F, *Contracting for Contract Postal Units*, and summarized below:

1. Conducting periodic on site reviews of CPU operations, working with the contractor to correct minor problems and reporting major problems to the contracting officer.
2. Reviewing the contractor's Contract Postal Unit bond once a year to make sure that the amount reflects the contractor's current accountability; checking the expiration date to make sure that the bond does not lapse before a new one is obtained; if necessary, notifying the contracting officer that an increase in the bond amount is needed.
3. Maintaining necessary financial controls and reporting, including conduct of an annual audit. Notifying the Inspection Service and the contracting officer immediately if there is reason to suspect mismanagement of postal funds, including accountable paper.

4. (Insert this version if contractor is minimum rate) Seeing that the contractor maintains a detailed record of operating hours using the Monthly Report of Operations format and submits it for your review no later than 2 working days after the end of each calendar month. Checking the hours worked to make sure they comply with the contract requirements, and forwarding the original to the contracting officer.
5. (Insert this version if contractor is non-minimum rate) Monitoring the hours of service provided by the contractor, and notifying the contracting officer if the unit is open for business fewer than the hours specified in the contract.
6. Keeping a contract administration file that contains all correspondence (both to and from the Postal Service), reports, and other documents pertinent to the contract.
7. Upon contract close out or termination, ensuring that all Postal Service property has been returned. Forward to the contracting officer a copy of any documents or correspondence not previously provided.

Please note that you may not re-delegate any of the authority listed above, except for clerical tasks associated with that authority.

Also, be aware that under no circumstances may you make changes that would affect the duration of the contract or the contract price. Please contact me if there is a need for changes that would affect the overall time of performance or the price.

If you require any assistance in performing these duties and responsibilities, or in resolving any contractual problems that arise, please contact the contracting office.

I am providing you with two copies of this notice of appointment. Please sign one copy in the space provided below to indicate your acceptance, and return that copy to me.

(s)  
Contracting Officer

I have read the Code of Ethical Conduct for Postal Service Employees, and accept this appointment.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## U.S. Postal Service Contract Unit Payment Authorization

1. Contract number: \_\_\_\_\_
2. a. Issued by:  
U. S. Postal Service
- b. ACO Code:  
c. For Information Call:

3. Performance Requirements:
- a. Administrative Post Office:
- b. COR Name:  
c. Telephone:

4. a. Payee/owner
- b. Contact Name:  
c. Telephone No:  
d. TIN:  
e. Parent TIN:

## 5. Accounts Payable data: (Completed by Contracting Office)

Type of Action:	Unit Designation:
Budgetary Finance #:	Begin Date:
Account No: 52301	End Date:
Total Hours of Operation per Week:	(NOT) MINIMUM WAGE
Annual Rate:	
Days of Operation per Week:	
Hours of Operation each Day:	
Contract Unit Name:	Location:
Remarks:	

Completed by Postal Data Center

FAC S Loc \_\_\_\_\_ VDF Code \_\_\_\_\_

## 6. Signature of U.S. Postal Service Contracting Officer:

_____ Signature	_____ Name	_____ Date Submitted
--------------------	---------------	-------------------------

This document may be issued at the time of award or later with a modification, if necessary, to inform the Postal Data Center that operations have begun. The original document should be mailed to the Postal Data Center, U.S. Postal Service, Attn: Rent and Lease Section, P.O. Box 80181, St. Louis, MO 63180-9180. Copies should be placed in the Contract File and mailed to the COR.

Exhibit B Part 7(a), Payment Authorization (DGS)

# Contract Unit Payment Authorization

See Instructions On Reverse

1. Contract No.

2. TO:

Postal Data Center  
US Postal Service  
ATTN: Rent and Lease Section  
1720 Market Street  
St. Louis, MO 63180-9180

3.

a. Procuring Service Office, Address and ZIP + 4

Submitted By:

b. Finance No.

c. Date Submitted

4. Type of Action (Check One)

a. New Unit

b. Termination (unit replaced)

c. Termination (not replaced)

d. Suspension (Seasonal unit)

e. Successor In Interest

f. Change / Adjustment (in payment rate see remarks)

5. Designation of the Unit

a. Contract Station

b. Contract Branch

c. Community Post Office

d. Non-Personnel Unit

e. Other (Specify)

6. a. Day of Week

Unit is Operated (Show day of week and hours of day)

b. Hours of Day

7. Contract Classification

a. Minimum Rate

b. Non-Minimum Rate

8. Total Hours of Service per Week

9.

Complete Unshaded Blocks Below

CD	T/P	Finance No.	FAC SLOC	VDR Code	Social Security Federal Tax ID	Amount or Annual Rate	Account	Sub Acct	W/C P CODE									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	B																	
1	B																	
2	B																	
3	B																	
4	B																	
5	B																	

10. Parent Office Name

11. Remarks

12.

Contracting Officer

a. Printed Name

b. Signature

PS Form 1531, May 1989

**INSTRUCTIONS**

1. If a suspension of service action indicate the specific period(s) of suspended service in the "Remarks" item.
2. If the action is a termination please check whether the unit will be replaced or not. Also precede effective date with "C.O.B."
3. If the action is a change of contractor (with the same location and rate) check "Successor in interest." Also indicate the names of both the current and new contractor in the "Remarks" item.
4. If the action is a change in rate (owing to a negotiated increase, minimum wage increase, etc.) or an adjustment (owing to an omission in service, overtime for minimum rate contractors, etc.) please check change/adjustment item and indicate reason for action in remarks item.
5. Make three copies of this form.
6. Send the original to the address in block 2.
7. Distribute the copies to:
  - a. Contracting Officer
  - b. Contracting Officer Representative
  - c. Contractor

PS Form 1531, May 1989 (Reverse)

**U.S. Postal Service  
Monthly Report of Operations**

Contract Postal Unit, Contract No. \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Contractor (Name, Address, and Zip+4) \_\_\_\_\_

Location of CPU (If other than shown) \_\_\_\_\_

Administering Post Office \_\_\_\_\_

Month and Year Covered by Report \_\_\_\_\_

**Hours of Operation\***

Date	No. Hours	Date	No. Hours	Date	No. Hours
1		12		23	
2		13		24	
3		14		25	
4		15		26	
5		16		27	
6		17		28	
7		18		29	
8		19		30	
9		20		31	
10		21			
11		22			

Monthly Total

Remarks \_\_\_\_\_

By signing this form, the contractor certifies that the hours of operation shown were in accordance with the contract terms and conditions and were required to perform the services specified for this reporting period.

Contractor's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

COR Reviewed: \_\_\_\_\_ Date: \_\_\_\_\_

\* Insert the letter "X" in the column headed "No. Hours" for each date during the reporting period for which postal services were *not* required to be provided under the terms of the contract.



United States Postal Service  
(Name of Procuring Office)  
(Street Address)  
(City, State, and ZIP+4)

(Date)

(Offeror's Name and Address)

Re: Contract Postal Unit for (Postal Service Facility)

Dear \_\_\_\_\_ :

You recently submitted an offer in response to Solicitation No. \_\_\_\_\_, issued on \_\_\_\_\_, for operation of a contract postal unit under the (name of Postal Service facility).

Award was made to \_\_\_\_\_ on \_\_\_\_\_.

The Postal Service appreciates your efforts in response to our solicitation. We will keep your name on our solicitation mailing list.

Sincerely,

(s)  
Contracting Officer

United States Postal Service  
(Name of Procuring Office)  
(Street Address)  
(City, State, and ZIP+4)

(Date)

(Offeror's Name and Address)

Re: Withdrawal of Letter of Intent to Award

Dear \_\_\_\_\_ :

Due to your inability to provide a Contract Postal Unit bond as required by Solicitation No. \_\_\_\_\_, issued for the operation of the \_\_\_\_\_ contract postal unit, I must withdraw my letter of intent to award dated \_\_\_\_\_.

My letter and Provision J.2 - *Contract Postal Unit Bond* (Provision OA-509) in the solicitation outlined our requirement for the bond.

The Postal Service appreciates your efforts in response to our solicitation.

Sincerely,

(s)  
Contracting Officer

## United States Postal Service

(City, State and Zip+4)

Date:

Our Ref: Handbook AS-707F, *Contracting for CPUs*

Subject: Notice of Award and Appointment as COR for Contract Postal Unit

To: (Name and title, and address)

Attached is a copy of the Contract Postal Unit Order No. (Order No.). The CPU is scheduled to open on (opening date) and was awarded to (contractors name).

You have been appointed the contracting officer's representative (COR) for this order. Attached are two copies of the COR Notice of Appointment detailing your authorities and responsibilities. Please read the notice and review the Postal Service Employees Code of Ethical Conduct (see Part 660 of the *Employee and Labor Relations Manual (ELM)*). Sign and date one copy of the appointment and return it to this office. The other copy should be maintained in your CPU administration file.

Perhaps the most important aspect of the COR's authority is its limitations. Under no circumstances may the COR make changes that would affect the duration of the order or its price. Please contact me [or another member of the procurement office] if you encounter problems that cannot be resolved.

We expect the COR Notice of Appointment to be returned within five (5) days. If you have any questions, please contact (administrator's name) at (telephone number).

[s]  
Contracting Officer

Attachments



**Exhibit C—Sample Solicitation for CPUs**

This exhibit is a sample DGS-generated solicitation package for Contract Postal Units (CPUs). The clauses it contains may change periodically. They are incorporated in this exhibit for reference only. This exhibit was prepared using an estimated annual rate of \$50,000.00 and including a requirement for a Contract Postal Unit bond.

If when you generate a CPU solicitation via the DGS, a different clause (dated later than the same one in this exhibit) is included in the contract document, do not change it. The clause may have been revised since the issuance of this exhibit.

However, the provisions and clauses contained in the DGS-prepared document should be checked for currency against revisions to Publication 41, *Procurement Manual*.

- Solicitation Cover Page
- Solicitation Table of Contents
- Offer and Award
- Part 1, Schedule
  - A. Items and Prices
  - B. Specifications/Statement of Work
  - C. Delivery/Performance
  - D. Packaging/Marking
  - E. Inspection and Acceptance
  - F. Payment and Funding

- Part 2, Clauses and Attachments
  - G. Special Clauses
  - H. General Clauses
  - I. List of Attachments

- Part 3, Solicitation Provisions
  - J. Instructions to Offerors
  - K. Solicitation Notices and Provisions
  - L. Representations and Certifications
  - M. Evaluation and Award Factors

Attachments



1. Solicitation Number:

Cover page

2. Solicitation Information:

- a. Issue date :
- b. Return date :
- c. Return time :
- d. Contact :
- e. Telephone :

f. Return to Address:

3. Offeror Name and Address:

4. Issued by:

5. Sealed offers (in original and \_\_\_\_\_ signed copies) for furnishing the supplies or services described in this solicitation will be received at the place specified (and, if hand-carried, in \_\_\_\_\_) until the date and time (local time of the place specified) shown in Block 2. All offers are subject to the provisions, representations, certifications, specifications and contract clauses which follow or which are incorporated by reference, whether or not all of such attached pages are returned with the offer.

6. Notes to Offerors:

Please complete the following:

Block 7 and 11 on page 1 of the Offer and Award document.

The proposed annual price in Section A.

All appropriate information in Section L and Attachment 2.

Evaluation and Award Factors in Section M should be reviewed.

7. In compliance with this solicitation the undersigned offers and agrees, if this offer is accepted within \_\_\_\_\_ calendar days (60 calendar days unless a different period is inserted by the offeror) from the solicitation return date, to furnish any or all items upon which prices are offered at the same price set opposite each item, delivered at the designated point(s), within the time(s) specified in the solicitation.

**Note:** Offers must set forth full, accurate, and complete information as required by this solicitation (including attachments). The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.





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## U.S. Postal Service Offer and Award (Contract Postal Units)

1. Contract Number: 2. Solicitation Number:  
3. Request Number: 4. Soc/Ec: 5. Commodity Code:

6. a. Issued By: b. For Information Call:

(No Collect Calls)

7. a. Offeror/Contractor

b. Contact name:  
c. Telephone No:  
d. TIN:  
e. Parent TIN:  
TIN=Taxpayer Identification Number

f. Remittance Name and/or Address: (If different from above)

8. Delivery/Performance Requirements:

a. Administrative Post Office:

b. COR Name:  
c. Telephone:

The contractor agrees to begin operations on \_\_\_\_\_, or within 10 days after award, whichever is later, in accordance with Attachment 1, Requirements: Contract Postal Unit.

9. Items & Prices/General Description of Requirement:

The contractor agrees to operate a Contract Postal Unit subject to the representations, certifications, specifications, and contract clauses which follow or which are incorporated by reference.

10. Annual Rate (Completed by USPS) \_\_\_\_\_

11. Signature: Offeror/Contractor

U.S. Postal Service

Signature	Date	Signature	Award Date
Typed or printed name of person authorized to sign offer	Title	Name of Contracting Officer	

Distribution: Original - File

Copy - Contractor

Copy - COR

## Section A

## Part 1—Schedule

## Section A—Items and Prices

## A.1 Contract Postal Unit Operation (Clause OB-591) (June 1988)

The contractor agrees to operate a Contract Postal Unit (CPU) for the fixed annual price of \_\_\_\_\_.

## A.2 Acknowledgment of Amendments (Clause OB-199) (August 1988)

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

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

## Section B

## Section B—Specifications/Statement of Work

**B.1 General Requirements (Contract Postal Unit) (Clause OB-592) (June 1988)**

- a. The contractor must operate the CPU and provide all services and equipment in compliance with all terms of this contract and as described in Attachment 1 to this solicitation, Requirements—Contract Postal Unit (CPU).
- b. Day-to-day operations must be conducted according to the Domestic Mail Manual (DMM) to be provided by the Postal Service at the time of contract award.
- c. The contractor is responsible for ensuring compliance by any CPU employees.

**B.2 Hours of Service/Operation (Contract Postal Unit) (Clause OB-593) (June 1988)**

- a. The CPU must be open to the public during the service hours shown in Attachment 1, Requirements—Contract Postal Unit (CPU).
- b. The CPU will be operated during the operating hours shown in Attachment 1, Requirements—Contract Postal Unit (CPU). Operating time outside of service hours is for performing administrative duties (opening/closing, preparing reports, etc.) and, if applicable, sorting mail into post office boxes.
- c. The CPU will not be opened on Federal holidays.
- d. No minimum rate contractor (see Clause OB-589, *Definitions*, in Section G) may exceed the operating hours shown in the attached Contract Postal Unit Requirements without prior authorization from the Postal Service.

**B.3 Location (Contract Postal Unit) (Clause OB-594) (June 1988)**

The CPU must not be located in, or directly connected to, a room where intoxicating beverages are sold for consumption on the premises.

**B.4 Security (Contract Postal Unit) (Clause OB-595) (June 1988)**

When the CPU is closed or unattended, all monies and postage supplies—including blank money orders—must be locked in a safe with a combination lock which requires at least three complete turns of the dial to open. Envelopes and postal cards may be kept in any suitable locked cabinet.

## Section B

**B.5 Employees (Contract Postal Unit) (Clause OB-599) (June 1988)**

- a. Neither the contractor nor any employee of the contractor may be a Postal Service employee or a member of a Postal Service employee's immediate family.
- b. All contractor employees must project a favorable image of the Postal Service at all times.

**B.6 Nonpostal Transactions (Contract Postal Unit) (Clause OB-596) (June 1988)**

The contractor may sell nonpostal money orders, travelers checks, etc., and may handle shipments for nonpostal delivery services. However, these sales and transactions must be in an area clearly separate and distinct from the area assigned to the CPU. Postal funds must be kept separate from all other funds.

**B.7 Monthly Reports—Minimum Rate Contractors (Contract Postal Unit) (Clause OB-598) (June 1988)**

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



Section C

**Section C—Delivery/Performance**

**C.1 Contract Duration and Termination (Contract Postal Unit) (Clause OB-490) (June 1988)**

- a. Duration. The contract will be for an indefinite term, subject to the rights of termination specified in b below.
- b. Termination. This contract may be terminated by either the Postal Service contracting officer or the contractor upon 60 days' written notice. The contracting officer may terminate the contract upon one day's written notice if necessary to protect the Postal Service's interest.

**C.2 Hours (Contract Postal Unit) (Clause OB-588) (June 1988)**

Hours of service and hours of operation must be as specified in Attachment 1, Requirements—Contract Postal Unit.

Section D

**Section D - Packaging and Marking**

(For this document, there is no text in this section)

## Section E

**Section E—Inspection and Acceptance****E.1 Contracting Officer's Representative (Clause OB-547) (June 1988)**

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

**E.2 Inspection of Work (Contract Postal Unit) (Clause OB-494) (June 1988)**

The contracting officer's representative (COR) will periodically inspect the contractor's performance to make sure that it is in accordance with the contract. The COR will immediately notify the contracting officer if the work is unsatisfactory. If the contractor continues to perform unsatisfactorily, the contracting officer will notify the contractor in writing to correct the deficiencies; if uncorrected, the Postal Service may terminate the contract.

## Section F

**Section F—Payment and Funding****F.1 Payment (Contract Postal Unit) (Clause OB-587) (January 1988)**

Payment is made automatically, in arrears, by the St. Louis Postal Data Center in 12 equal monthly installments. Seasonal contracts will be paid, in arrears, at the end of each month or partial month of service. Public Service Contracts are paid once annually, in arrears, after the contract anniversary date or on the contract termination date. Payment will be made within 30 days after the end of the performance period.

**F.2 Taxes (Contract Postal Unit) (Clause OB-489) (June 1988)**

The Postal Service will not withhold any Social Security, Federal, State, or local taxes, as the contractor is not a Postal Service employee. The Postal Service bears no responsibility for making the contractors required payments of these taxes.

## Section G

## Part 2—Clauses and Attachments

## Section G—Special Clauses

**G.1 Definitions (Contract Postal Unit) (Clause OB-589) (January 1989)**

- a. "Contract postal unit" (CPU) means a contractor-owned and operated facility, under contract to the Postal Service and under the jurisdiction of an administrative post office, that provides selected postal services to the public.
- b. "Contract station" (CS) means a unit located within the corporate limits of the city, town, or village served by the administrative post office.
- c. "Contract branch" (CB) means a unit located outside the corporate limits of the city, town, or village served by the administrative post office.
- d. "Community post office" (CPO) means a unit, usually located in a small rural community, that provides service because a Postal Service facility has been discontinued or otherwise deemed impractical. CPO's generally use the same name as the community.
- e. "Minimum rate contractor" means an individual who (1) is self-employed (2) operates the CPU personally more than 50 percent of the time, and (3) conducts no other primary business at the CPU location. The primary business is that which generates the greatest revenue for the contractor.
- f. "Non-minimum rate contractor" means a contractor who does not meet the criteria outlined in e above.
- g. "Public service contract" means a contract based on a proposal to operate a contract postal unit for community convenience or business reasons.

**G.2 Request for Price Adjustment (Contract Postal Unit) (Clause OB-491) (June 1988)**

- a. The contractor may request an increase in the contract's annual price after the contractor has had the contract for at least two full years or has operated the CPU for two years since the last price increase. The contractor must submit a written request that provides adequate explanation and documentation to justify the proposed increase based on one or both of the following reasons:
  - 1. Direct cost increases for rent, utilities, taxes, and labor. (If the CPU is operated in conjunction with another business, the increased costs must be prorated; only those required to support the CPU may be considered.)
  - 2. Increased benefit to the Postal Service. The benefit may derive from increased real revenue (not from fee or rate increases), increased transactions, or other improvements (must be specific).

## Section G

- b. The contractor must submit the request to the contracting officer's representative, who will forward it to the contracting officer.
- c. The contracting officer may accept the request, deny the request, or negotiate with the contractor to reach agreement on a new annual price. If the request is accepted or agreement is reached on another amount, the contractor must waive its right to terminate for one year, beginning from the effective date of the new price. If the request is denied or no agreement is reached, the contractor may continue at the same annual price or the contract may be terminated by either party in accordance with the Contract Duration and Termination clause.

**G.3 Minimum Rate (Contract Postal Unit) (Clause OB-492) (June 1988)**

It is Postal Service policy that minimum rate contractors receive no less than the Federal minimum wage for work performed. The annual price proposed by a minimum rate offeror must, when divided by the annual operating hours, provide the contractor at least the prevailing minimum wage. If it does not, the offer may be rejected.

**G.4 Employees (Contract Postal Unit) (Clause OB-493) (June 1988)**

The contracting officer may require removal of an employee from the CPU operation if, in the opinion of the contracting officer, the employee cannot do the work or fails to comply with applicable standards of conduct.

**G.5 Notice to the Contracting Officer (Contract Postal Unit) (Clause OB-496) (June 1988)**

- a. The contractor must notify the contracting officer, in writing, of the occurrence of any of the following, within the time frames shown below:
  - 1. Within five days after the owner of the leased building in which the CPU is located cancels the lease or decides not to renew it.
  - 2. At least five days before the contractor closes or sells a business it operates in conjunction with the CPU.
  - 3. Within five days after notice is given that the CPU's services are no longer required at a military installation, college, or Federal building.

## Section G

- b. In 1 above, the contracting officer may terminate the contract if the contractor cannot relocate in a location that serves the needs of the Postal Service. In 2 above, if the contractor decides to close the business and the CPU, the contract will be terminated; if the contractor sells the business and the CPU operation, the Postal Service may recognize the new owner through an assignment of the contract pursuant to the Transfer of Contract clause; if the contractor decides to sell the business but not the CPU, the contractor may continue CPU operations if the contractor can maintain control of the same space and obtain a new contract postal unit bond, and if the contracting officer determines that continued operation is in the best interest of the Postal Service. In 3 above, the contracting officer may terminate the contract or may modify it to allow a move of the CPU.

**G.6 Transfer of Contract (Contract Postal Unit) (Clause OB-497) (June 1988)**

- a. The contractor may not transfer (assign to another party) this contract, any interest in it, or any claims based on it—except under the circumstances described in b below. If the contractor does so, the Postal Service may, at any time after notifying the contractor in writing, terminate the contract and use any other rights and remedies it has by law.
- b. Exceptions:
  - 1. The Postal Service may recognize a transfer as valid if all of the contractor's assets, or all those involved in fulfilling the contract, are transferred.
  - 2. Payments owed the contractor may be transferred to a bank, trust company, or other financial institution, including any Federal lending agency, if all amounts payable are transferred and the transfer is to a single party (who may be an agent or trustee for two or more parties who are involved in the financing).
- c. For any transfer to be valid, the contractor must give the Postal Service written notice with the transfer paper attached and obtain the contracting officer's approval in writing. Copies of the notice and attachments must be filed with (1) the contracting officer; (2) the surety or sureties on any contract postal unit bond; and (3) the Postal Service office, if any, that has been designated to make payment.

**G.7 Contract Postal Unit Bond Notification (Clause OB-498) (June 1988)**

The contractor must notify the contracting officer within five days if the contractor's surety cancels its contract postal unit bond or if the contractor changes sureties. Failure to notify the contracting officer may be cause for termination of the contract.

## Section H

## Section H—General Clauses

**H.1 Clauses Incorporated by Reference (Clause OB-110) (June 1988)**

The following clauses are incorporated by reference as if set forth in fulltext. The requirements of these clauses may also be found at the CFR reference shown in parentheses.

Clause Number	Date	Title
10-9	October 1987	Equal Opportunity (48 CFR 52.222-26 sets forth substantially the same requirements)

**H.2 Definitions (Clause B-1) (June 1988)**

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

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

**H.3 Changes (Clause B-2) (October 1987)**

- a. The contracting officer may, in writing, without notice to any sureties, order changes within the general scope of this contract in the following:
  1. Drawings, designs, or specifications when supplies to be furnished will be specially manufactured for the Postal Service in accordance with them.
  2. Statement of work or description of services.
  3. Method of shipment or packing.
  4. Place of delivery of supplies or performance of services.
  5. Delivery or performance schedule.
  6. Postal Service-furnished property or facilities.



## Section H

- b. 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 clause, provided that the contractor gives the contracting officer written notice stating (1) the date, circumstances, and source of the order and (2) that the contractor regards the order as a change order.
- c. If any such change affects the cost of performance or the delivery schedule, the contract will be modified to effect an equitable adjustment.
- d. The contractor'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.
- e. Failure to agree to any adjustment is a dispute under the Claims and Disputes clause. Nothing in that clause excuses the contractor from proceeding with the contract as changed.

**H.4 Claims and Disputes (Clause B-9) (June 1988)**

- a. This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613) ("the Act").
- b. Except as provided in the Act, all disputes arising under or relating to this contract must be resolved under this clause.
- c. "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the contractor seeking the payment of money exceeding \$50,000 is not a claim under the Act until certified as required by subparagraph d.2 below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.
- d.
  - 1. A claim by the contractor must be made in writing and submitted to the contracting officer for a written decision. A claim by the Postal Service against the contractor is subject to a written decision by the contracting officer.
  - 2. For contractor claims exceeding \$50,000, the contractor must submit with the claim a certification that—
    - (a) The claim is made in good faith;
    - (b) Supporting data are accurate and complete to the best of the contractor's knowledge and belief; and

## Section H

- (c) The amount requested accurately reflects the contract adjustment for which the contractor believes the Postal Service is liable.
- 3.
- (a) If the contractor is an individual, the certification must be executed by that individual.
  - (b) If the contractor is not an individual, the certification must be executed by—
    - (1) A senior company official in charge at the contractor's plant or location involved; or
    - (2) An officer or general partner of the contractor having overall responsibility for the conduct of the contractor's affairs.
- e. For contractor claims of \$50,000 or less, the contracting officer must, if requested in writing by the contractor, render a decision within 60 days of the request. For contractor-certified claims over \$50,000, the contracting officer must, within 60 days, decide the claim or notify the contractor of the date by which the decision will be made.
- f. The contracting officer's decision is final unless the contractor appeals or files a suit as provided in the Act.
- g. The Postal Service will pay interest on the amount found due and unpaid from—
- 1. The date the contracting officer receives the claim (properly certified if required); or
  - 2. The date payment otherwise would be due, if that date is later, until the date of payment.
- h. Simple interest on claims will be paid at a rate determined in accordance with the Interest clause.
- i. The contractor must proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the contracting officer.

**H.5 Examination of Records (Clause B-14) (October 1987)**

- a. The Postal Service and its authorized representatives will, until three years after final payment under this contract, or for any shorter period specified for particular records, have access to and the right to examine any directly pertinent books, documents, papers, or other records of the contractor involving transactions related to this contract.

## Section H

- b. The contractor agrees to include in all subcontracts under this contract a provision to the effect that the Postal Service and its authorized representatives will, until three years after final payment under the subcontract, or for any shorter specified period for particular records, have access to and the right to examine any directly pertinent books, documents, papers, or other records of the subcontractor involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes:

- 1. Purchase orders; and
- 2. Subcontracts for public utility services at rates established for uniform applicability to the general public.

**H.6 Protection of Postal Service Buildings, Equipment, and Vegetation (Clause B-26) (October 1987)**

The contractor must use reasonable care to avoid damaging buildings, equipment, and vegetation (such as trees, shrubs, and grass) on the Postal Service installation. If the contractor fails to do so and damages any buildings, equipment, or vegetation, the contractor must replace or repair the damage at no expense to the Postal Service, as directed by the contracting officer. If the contractor fails or refuses to make repair or replacement, the contractor will be liable for the cost of repair or replacement, which may be deducted from the contract price.

**H.7 Officials Not to Benefit (Clause 1-4) (October 1987)**

No member of or delegate to Congress may be admitted to any part or share of this contract, or to any benefit arising from it. This prohibition does not apply to the extent this contract is with a corporation for the corporation's general benefit.

**H.8 Gratuities (Clause 1-5) (October 1987)**

- a. The Postal Service may terminate this contract for default if, after notice and a hearing, the Postal Service Board of Contract Appeals determines that the contractor or the contractor's agent or other representative—
  - 1. Offered or gave a gratuity (such as a gift or entertainment) to an officer or employee of the Postal Service; and
  - 2. Intended by the gratuity to obtain a contract or favorable treatment under a contract.
- b. The rights and remedies of the Postal Service provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

## Section H

**H.9 Postal Service Property—Short Form (Clause 2-12) (October 1987)**

- a. The Postal Service will deliver to the contractor, at the time and locations stated in the contract, the Postal Service property described in the Schedule or specifications. If that property, suitable for its intended use, is not delivered timely to the contractor, the contracting officer must equitably adjust affected provisions of this contract in accordance with the Changes clause when—
  1. The contractor submits a timely written request for an equitable adjustment; and
  2. The facts warrant an equitable adjustment.
- b. Title to Postal Service property remains in the Postal Service. The contractor may use the Postal Service property only in connection with this contract. The contractor must maintain adequate property control records in accordance with sound industrial practice and must make them available for Postal Service inspection at all reasonable times.
- c. Upon delivery of Postal Service property to the contractor, the contractor assumes the risk and responsibility for its loss or damage, except—
  1. For reasonable wear and tear;
  2. To the extent property is consumed in performing the contract; or
  3. As otherwise provided in the contract.
- d. Upon completing this contract, the contractor must follow the contracting officer's instructions regarding the disposition of all Postal Service property not consumed in performing this contract or previously delivered to the Postal Service. The contractor must prepare for shipment, deliver f.o.b. origin, or dispose of the Postal Service property, as directed or authorized by the contracting officer. The net proceeds of any such disposal will be credited to the contract price or will be paid to the Postal Service as directed by the contracting officer.

**H.10 Additional Bond Security (Contract Postal Units) (Clause OB-404) (March 1989)**

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

## Section H

**H.11 Deposit of Assets Instead of Contract Postal Unit Bond (Clause OB-478) (February 1989)**

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

**H.12 Conflict of Interest (Clause 8-2) (October 1987)**

- a. In addition to the obligations embodied in the contractor's code of ethics, the contractor specifically agrees that there is no conflict of interest arising from the services to be provided under this agreement. The contractor further agrees that no employee, principal, or affiliate is in any such conflict.
- b. The contractor will immediately notify the contracting officer whenever any Nonpostal Service client requests or receives any professional advice, representation, or assistance regarding the Postal Service, whether or not related to the services provided under this agreement.
- c. The Postal Service reserves the right to refuse to allow the contractor to undertake any conflicting agreements with Nonpostal Service clients, or to terminate this agreement without cost to the Postal Service if the contracting officer determines that a conflict of interest exists.

**H.13 Convict Labor (Clause 10-3) (October 1987)**

In connection with the work under this contract, the contractor agrees not to employ any person undergoing sentence of imprisonment, except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4082(c)(2)) and Executive Order 11755, December 29, 1973.

**H.14 Assignment of Claims (Short Form) (Clause OB-132) (June 1988)**

If this contract provides for payments aggregating \$10,000 or more, claims for moneys due or to become due thereunder may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency. Except as herein provided, assignment of this contract or any interest therein will be grounds for annulment of this contract at the option of the Postal Service.

## Section I

## Section I—List of Attachments

Attachment No.	Title	No of Pages
1	Requirements: Contract Postal Unit	2
2	Business Proposal: Contract Postal Unit	1
3	Contract Postal Unit Bond	3

## Section J

## Part 3—Solicitation Provisions

## Section J—Instructions To Offerors

**J.1 Submission of Business Proposal** (Provision OA-507) (June 1988)

The offeror must complete and return Attachment 2, Business Proposal: Contract Postal Unit. Additional sheets may be attached if needed.

**J.2 Contract Postal Unit Bond** (Provision OA-509) (June 1988)

Prior to award, the offeror selected for award must complete a contract postal unit bond in the amount specified in Attachment 1, Requirements: Contract Postal Unit. The bond must be prepared using Attachment 3, Contract Postal Unit Bond. It must be executed by a surety acceptable to the Postal Service.

**J.3 Preparation of Proposals** (Provision A-1) Alternate I (June 1988)

- a. Each offeror must furnish the information required by the solicitation. The offeror must sign the proposal and print or type its name on the proposal and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the proposal.
- b. In case of discrepancy between a unit price/cost and an extended price/cost, the unit price/cost will be presumed to be correct, subject, however, to correction to the same extent and in the same manner as any other mistake.

**J.4 Submission of Proposals** (Provision A-2) (October 1987)

- a. Proposals and proposal modifications must be submitted in sealed envelopes or packages—
  1. Addressed to the office specified in the solicitation; and
  2. Showing the time specified for receipt, the solicitation number, and the name and address of the offeror.
- b. Telegraphic proposals will not be considered unless authorized by the solicitation. However, proposals may be modified by telegraphic notice (including Mailgram) if that notice is received by the time specified for receipt of proposals.

## Section J

**J.5 Modification or Withdrawal of Proposals (Provision A-3) (October 1987)**

- a. Proposals may be modified by written notice or telegram (including Mailgram) received before the time specified for receipt of proposals.
- b. Proposals may be withdrawn by written notice or telegram (including Mailgram) received at any time before award. Proposals may be withdrawn in person by an offeror or an authorized representative, if the representative's identity is made known and the representative signs a receipt for the proposal before award.

**J.6 Late Submissions and Modifications of Proposals (Provision A-4) (October 1987)**

Any proposal or modification of a proposal received at the office designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and—

- a. It is the only proposal received; or
- b. Consideration of the proposal is determined by the contracting officer to be in the Postal Service's interest.

**J.7 Acknowledgment of Solicitation Amendments (Provision A-5) (October 1987)**

- a. Offerors must acknowledge receipt of any amendment to this solicitation—
  1. By signing and returning the amendment;
  2. By identifying the amendment number and date in the space provided for this purpose on the solicitation form; or
  3. By letter or telegram.
- b. Acknowledgments of amendments are subject to the Late Submissions and Modifications of Proposals provision of the solicitation. Proposals lacking acknowledgment of an amendment affecting price, quantity, quality, or delivery may be disregarded.



## Section K

**Section K—Solicitation Notices and Provisions****K.1 Explanation to Prospective Offerors (Provision A-6) (October 1987)**

Any prospective offeror desiring an explanation or interpretation of the solicitation, drawings, or specifications must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their proposals. Oral explanations or instructions will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

**K.2 Order of Precedence (Provision A-11) (January 1988)**

Any inconsistency in the provisions of this solicitation or the contract awarded under this solicitation will be resolved by giving precedence in the following order:

- a. The Schedule.
- b. The solicitation provisions and instructions.
- c. Special clauses and general clauses.
- d. Provisions contained in attachments or incorporated by reference.

**K.3 Labor Information (Provision A-13) (October 1987)**

General information regarding the requirements of the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), and the Service Contract Act of 1965 (41 U.S.C. 351 et seq.) may be obtained from the Department of Labor, 200 Constitution Avenue, N.W., Washington, DC 20210-0999, or from any regional office of that agency.

**K.4 Protests (Provision A-15) (October 1987)**

Protests will be considered only if submitted in accordance with the time limits and procedures provided in Chapter 4 of the USPS Procurement Manual. A copy of the protest procedures may be obtained from the office issuing the solicitation.

Section K

**K.5 Deposit of Assets Requirements (Contract Postal Unit) (Provision OA-520) (February 1989)**

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

## Section L

**Section L—Representations and Certifications****L.1 Certificate of Independent Price Determination (Provision 1-1) (October 1987)**

- a. 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—
  1. 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;
  2. 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
  3. 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.
- b. Each person signing this proposal certifies that—
  1. 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
  2. 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.
- c. 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.

**L.2 Contingent Fee Representation (Provision 1-2) (October 1987)**

- a. The offeror must complete the following representations:
  1. The offeror ( ) has ( ) has not employed or retained any company or person (other than a full-time bona fide employee working solely for the offeror) to solicit or secure this contract.
  2. The offeror ( ) has ( ) has not paid or agreed to pay any company or

## Section L

person (other than a full-time bona fide employee working solely for the offeror) any fee, commission, percentage, or brokerage fee, contingent upon or resulting from the award of this contract.

- b. If either representation is in the affirmative, or upon request of the contracting officer, the offeror must furnish, in duplicate, a completed Form 7319, *Contractor's Statement of Contingent or Other Fees*, and any other information requested by the contracting officer. If the offeror has previously furnished a completed statement to the office issuing this solicitation, it may accompany its proposal with a signed statement—
1. Indicating when the completed form was previously furnished;
  2. Identifying the number of the previous solicitation or contract, if any, in connection with which the form was submitted; and
  3. Representing that the statement on the form is applicable to this proposal.

**L.3 References (Provision OA-502) (June 1988)**

The offeror submits the following references who can confirm its ability and qualifications. (List name of company or organization, person to contact, title, street address including zip code, and telephone number. Any information furnished by references will be held in strict confidence by the Postal Service).

1. Company/Organization: \_\_\_\_\_  
Person to contact: \_\_\_\_\_ Title: \_\_\_\_\_  
City: \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone number: \_\_\_\_\_ (including area code)
2. Company/Organization: \_\_\_\_\_  
Person to contact: \_\_\_\_\_ Title: \_\_\_\_\_  
City: \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone number: \_\_\_\_\_ (including area code)
3. Company/Organization: \_\_\_\_\_  
Person to contact: \_\_\_\_\_ Title: \_\_\_\_\_  
City: \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
Telephone number: \_\_\_\_\_ (including area code)

## Section L

**L.4 Control of Space (Contract Postal Unit) (Provision OA-513) (June 1988)**

(To be completed by offeror)

- a. The space provided by the offeror is in a building the offeror ( ) owns, ( ) leases, ( ) has a binding commitment to lease.

- b. If the answer to a above is "leases," state length of unexpired portion of lease:
- \_\_\_\_\_

- c. If the answer to a above is "has a binding commitment to lease," state type of commitment (oral or written) and furnish name and address of owner:
- \_\_\_\_\_
- \_\_\_\_\_

**L.5 Determination of Minimum or Non-Minimum Rate Contractor (Provision OA-514) (June 1988)**

(To be completed by offeror)

- a. The contract postal unit ( ) will, ( ) will not be operated jointly with another commercial activity (grocery, pharmacy, etc.) owned or managed by the offeror.

- b. If "will" is checked in a above, state type of commercial activity:
- \_\_\_\_\_

- c. If "will" is checked in a above, answer the following question:

The commercial activity ( ) will, ( ) will not be the primary business activity at the location.

- d. The unit ( ) will, ( ) will not be operated in a private residence.

- e. The unit ( ) will, ( ) will not be operated in a facility exclusively devoted to providing contract postal service.

- f. The unit ( ) will, ( ) will not be operated more than 50 percent of the time by one or more individuals who are, or will be, employed by the offeror.

- g. The offeror ( ) is, ( ) is not a Federal, State, or local government entity, or a college, university, or other educational institution.

## Section L

**L.6 Type of Business Organization (Provision A-20) (November 1988)**

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

- a. Operates as ( ) a corporation incorporated under the laws of the State of \_\_\_\_\_, ( ) an individual, ( ) a partnership, ( ) a joint venture, ( ) a nonprofit organization, ( ) or an educational institution; and
- b. Is a ( ) small business concern, ( ) minority-owned enterprise, ( ) woman-owned business, ( ) labor surplus area concern, ( ) educational or other nonprofit organization, or ( ) none of the above entities.
- c. **Small Business Concern.** A small business concern for the purposes of Postal Service procurement is a concern, including its affiliates, which is independently owned and operated, is not dominant in the field of operations in which it is submitting an offer, and is of a size consistent with the standards set forth by SBA in CFR Part 121, or if no standard has been established, then of a size employing not more than 500 employees. (Also see USPS Procurement Manual, Chapter 10, Section 1.)
- d. **Minority Business Enterprise.** A minority business enterprise is a concern of which at least 51 percent is owned by, and of which the management and daily business operations are controlled by, one or more members of a minority group. (For the purpose of this definition, minority group members are United States citizens who are black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans. "Native Americans" means American Indians, Eskimos, Aleuts, native Hawaiians. "Asian-Pacific Americans" means those whose origins are in Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands, the Northern Mariana Islands, Laos, Kampuchea, or Taiwan. "Asian-Indian Americans" means those whose origins are in India, Pakistan, or Bangladesh.)
- e. **Woman-Owned Business.** A woman-owned business is a business which is at least 51 percent owned, controlled, and operated by a woman or women. Controlled is defined as exercising the power to make policy decisions. Operated is defined as actively involved in the day-to-day management.
- f. **Labor Surplus Area.** A geographical area which at the time of award is either a section of concentrated unemployment or underemployment, a persistent labor surplus area, or a substantial labor surplus area, as defined in this paragraph.
  - (1) Section of concentrated unemployment or underemployment means appropriate sections of States or labor areas so classified by the Secretary of Labor.
  - (2) Persistent labor surplus area means an area which is classified by the Department of Labor as an area of substantial and persistent labor surplus (also called Area of Substantial and Persistent Unemployment) and is listed as such by that Department in conjunction with its publication Area Trends in Employment and Unemployment.

## Section L

- (3) Substantial labor surplus area means an area which is classified by the Department of Labor as an area of substantial labor surplus (also called Area of Substantial Unemployment) and which is listed as such by that Department in conjunction with its publication Area Trends in Employment and Unemployment.
- g. Labor Surplus Area Concern. A firm which will perform or cause to be performed a substantial proportion of a contract in a labor surplus area.
- h. 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.

**L.7 Parent Company and Taxpayer Identification Number (Provision A-21) (October 1987)**

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

Offeror's TIN: \_\_\_\_\_

- c. ☐ Check this block if the offeror is owned or controlled by a parent company.
- d. 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: \_\_\_\_\_

- e. 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: \_\_\_\_\_

## Section M

## Section M—Evaluation and Award Factors

**M.1 Evaluation Criteria and Assignment of Points** (Provision OA-511) (June 1988)

- a. Each business proposal will be evaluated according to the criteria shown below and assigned points relative to the maximum points shown below for each criterion.

Maximum Points

## 1. Suitability of Location \_\_\_\_\_

Is the proposed facility—

- (a) Within the area designated by the solicitation?
- (b) Easily accessible to handicapped and other customers?
- (c) In a location likely to stimulate usage by customers?
- (d) An appropriate distance from the nearest Postal Service operated facility?

## 2. Suitability of Facility \_\_\_\_\_

- (a) Is the proposed facility attractive, well maintained, and in good repair?
- (b) Is parking sufficient?
- (c) Does the proposed facility have at least the square footage required by the solicitation?

## 3. Ability to Provide Service \_\_\_\_\_

- (a) Does the offeror have relevant experience?
- (b) Does the offeror have personnel sufficient to operate the facility or means of obtaining them?



## Section M

- (c) Does the offeror have a good business reputation and good standing in the community?
- (d) Are any nonpostal services to be provided at the facility compatible with the postal services to be provided?

Total: 100 points

- b. The Postal Service may need to meet with the offeror and visit the proposed CPU facility in order to complete the process of proposal scoring.

**M.2 Selection for Award—Scoring Formula (Provision OA-512) (June 1988)**

- a. Selection for award will be based on the highest final score, based on business score and price score.
- b. Business and price scores will be calculated as follows:

Business Score = Points awarded to a specific proposal divided by highest points awarded any proposal

Price Score = Lowest offered annual rate divided by offeror's annual rate

- c. Final score will be obtained as follows:

Business score will count for \_\_\_\_% of the final score, and price score will count for \_\_\_\_% of the final score (must total 100%).

(Business score x \_\_\_\_% plus price score x \_\_\_\_% = final score)

- d. If competing proposals receive the same final score, the contracting officer will base the selection on past experience as a Postal Service contractor, past performance record, or other factors in the Postal Service's interest.



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Attachment 1

Attachment 1

Requirements: Contract Postal Unit

(INSERT REQUIREMENTS DOCUMENT HERE)



## Attachment 2—Business Proposal

## Contract Postal Unit

## LOCATION

I will operate the contract postal unit at the following location:

Name of Firm or Building: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Room Number (within building): \_\_\_\_\_

Number of square feet provided: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

## OPERATION

I will operate the unit as follows:

(Discuss who will staff the unit; you, others, or a combination of the two. Also discuss how the unit will be staffed when the primary operators are sick etc.)

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## CAPABILITY

The following is a summary of my capabilities and experience, as well as the qualifications of others (if any) that I will use to operate the unit:

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## HOURS OF SERVICE

If you are unable to provide the hours of service in accordance with Attachment 1, *Requirements: Contract Postal Unit*, indicate the hours of service you wish to provide:

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Signature & title of Offeror: \_\_\_\_\_

Printed name & title: \_\_\_\_\_

Home street address: \_\_\_\_\_

City, State, ZIP: \_\_\_\_\_

Home telephone no.: \_\_\_\_\_

Contract in name of: \_\_\_\_\_

Mail checks and correspondence to: Business Address: \_\_\_\_\_ Home Address: \_\_\_\_\_



Attachment 3

**Attachment 3—Contract Postal Unit Bond Instructions**

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

**Contract Postal Unit Bond**

DATE BOND EXECUTED: \_\_\_\_\_

PENAL SUM OF BOND: \$\_\_\_\_\_

CONTRACT UNIT LOCATION: \_\_\_\_\_

PRINCIPAL (Legal name and business address) \_\_\_\_\_

TYPE OF ORGANIZATION ("X" one)

<input type="checkbox"/>	Individual	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	Joint	<input type="checkbox"/>	Corporation
	Venture		

STATE OF INCORPORATION \_\_\_\_\_

SURETY(IES) (Name(s) and business address(es)) \_\_\_\_\_

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

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

NOW THEREFORE, If the Principal(s):

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

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



**Contract Postal Unit Bond (Continued)**

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

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this contract postal unit bond and have affixed their seals on the date set forth above.

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**PRINCIPAL**

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

Name(s) & Title(s) (Typed)	1.	2.
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**CORPORATE SURETY(IES)**

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Name & Address	STATE OF INC.	LIABILITY LIMIT
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Signature(s)	1.	2.
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Name(s) & Title(s) (Typed)	1.	2.
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