



POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Office of the Chairman

May 9, 2008

The Honorable Danny K. Davis
Chairman
Subcommittee on Federal Workforce, Postal Service,
and the District of Columbia
Committee on Oversight and Government Reform
2159 Rayburn House Office Building
Washington, DC 20515

The Honorable Kenny Marchant
Ranking Member
Subcommittee on Federal Workforce, Postal Service,
and the District of Columbia
Committee on Oversight and Government Reform
1037 Longworth House Office Building
Washington, DC 20515

Dear Messrs. Davis and Marchant:

Thank you for inviting me to testify yesterday at the Subcommittee's hearing on *The U.S. Postal Service, Post-PAEA: What's Next*. Unfortunately, we did not have an opportunity to discuss the Commission's work on preparing the Report on Universal Postal Service and the Postal Monopoly mandated by section 702 of the Postal Accountability and Enhancement Act (PAEA). My written testimony described briefly the Commission's progress to date on this project.

I understand that subsequent witnesses raised concerns regarding this study. I would like to take this opportunity to provide additional information to correct any misperceptions about how seriously the Commission views its responsibilities in this area. I would appreciate it if this clarification could be added to the hearing record.

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The Congress directed the Commission to undertake a comprehensive analysis of this important topic, considering the past and future as well as the present scope of universal postal service and the postal monopoly. Because of the breadth of this issue, the Commission solicited expert assistance through a Request for Proposals (RFP) that carefully tracked the various requirements of the broad assignment given us by Congress. For reference, I have attached the applicable sections of the law and our RFP. In light of the wide range of issues inherent in the study, each of the bids we received put together groups of experts with significant knowledge of relevant issues.

Let me emphasize, however, that the Commission clearly recognizes that the PAEA intended the Commission to utilize fully its expertise and submit to the President and Congress a report that reflects its carefully considered views and best analyses of these issues. Contrary to what some imply, we have not "contracted out" this responsibility. We have hired a consultant to assist the Commission in researching the substantial information and background areas required by the law. However, any conclusions, findings, recommendations or policy determinations will be those of the Commission, not of a consultant.

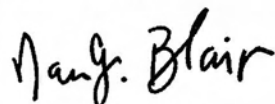
We will be receiving the consultant's work in drafts and component parts, not as a single document. That input will undoubtedly be edited, changed and reconsidered as the report progresses. The final document will be the Commission's work, and I would expect that it will be subject to public debate in the same manner as any regulatory agency's study.

I understand some witnesses yesterday expressed concerns about the Commission's process and work. The Subcommittee should be aware that I am meeting with representatives of the postal unions and management associations Monday, May 12th to answer their questions. Further, the Commission has invited witnesses from some of those organizations to testify at our upcoming field hearings. All the employee union and management organizations will be invited separately to participate in a workshop on this topic the Commission is hosting in June.

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The Commission expects its report to be ready for Congressional review by the December deadline. I look forward to your careful review of it at that time. We approach this task very seriously, and I pledge to you that the Commission will perform this work in a fair, balanced and objective manner.

Sincerely,

A handwritten signature in black ink that reads "Dan G. Blair". The signature is written in a cursive, slightly slanted style.

Dan G. Blair

Attachment

SEC. 702. REPORT ON UNIVERSAL POSTAL SERVICE AND THE POSTAL MONOPOLY. 39 USC 501 note.**(a) REPORT BY THE POSTAL REGULATORY COMMISSION.—**

(1) **IN GENERAL.**—Not later than 24 months after the date of enactment of this Act, the Postal Regulatory Commission shall submit a report to the President and Congress on universal postal service and the postal monopoly in the United States (in this section referred to as “universal service and the postal monopoly”), including the monopoly on the delivery of mail and on access to mailboxes.

(2) **CONTENTS.**—The report under this subsection shall include—

(A) a comprehensive review of the history and development of universal service and the postal monopoly, including how the scope and standards of universal service and the postal monopoly have evolved over time for the Nation and its urban and rural areas;

(B) the scope and standards of universal service and the postal monopoly provided under current law (including sections 101 and 403 of title 39, United States Code), and current rules, regulations, policy statements, and practices of the Postal Service;

(C) a description of any geographic areas, populations, communities (including both urban and rural communities), organizations, or other groups or entities not currently covered by universal service or that are covered but that are receiving services deficient in scope or quality or both; and

(D) the scope and standards of universal service and the postal monopoly likely to be required in the future in order to meet the needs and expectations of the United States public, including all types of mail users, based on discussion of such assumptions, alternative sets of assumptions, and analyses as the Postal Service considers plausible.

(b) RECOMMENDED CHANGES TO UNIVERSAL SERVICE AND THE MONOPOLY.—The Postal Regulatory Commission shall include in the report under subsection (a), and in all reports submitted under section 701 of this Act—

(1) any recommended changes to universal service and the postal monopoly as the Commission considers appropriate, including changes that the Commission may implement under current law and changes that would require changes to current law, with estimated effects of the recommendations on the service, financial condition, rates, and security of mail provided by the Postal Service;

(2) with respect to each recommended change described under paragraph (1)—

(A) an estimate of the costs of the Postal Service attributable to the obligation to provide universal service under current law; and

(B) an analysis of the likely benefit of the current postal monopoly to the ability of the Postal Service to sustain the current scope and standards of universal service, including estimates of the financial benefit of the postal monopoly to the extent practicable, under current law; and

(3) such additional topics and recommendations as the Commission considers appropriate, with estimated effects of the recommendations on the service, financial condition, rates, and the security of mail provided by the Postal Service.

(c) CONSULTATION.—In preparing the report required by this section, the Postal Regulatory Commission—

(1) shall solicit written comments from the Postal Service and consult with the Postal Service and other Federal agencies, users of the mails, enterprises in the private sector engaged in the delivery of the mail, and the general public; and

(2) shall address in the report any written comments received under this section.

(d) CLARIFYING PROVISION.—Nothing in this section shall be considered to relate to any services that are not postal services within the meaning of section 102 of title 39, United States Code, as amended by section 101 of this Act.

39 USC 3633
note.

Deadline.
Reports.

SEC. 703. STUDY ON EQUAL APPLICATION OF LAWS TO COMPETITIVE PRODUCTS.

(a) IN GENERAL.—The Federal Trade Commission shall prepare and submit to the President and Congress, and to the Postal Regulatory Commission, within 1 year after the date of enactment of this Act, a comprehensive report identifying Federal and State laws that apply differently to the United States Postal Service with respect to the competitive category of mail (within the meaning of section 102 of title 39, United States Code, as amended by section 101) and to private companies providing similar products.

(b) RECOMMENDATIONS.—The Federal Trade Commission shall include such recommendations as it considers appropriate for bringing such legal differences to an end, and in the interim, to account under section 3633 of title 39, United States Code (as added by this Act), for the net economic effects provided by those laws.

(c) CONSULTATION.—In preparing its report, the Federal Trade Commission shall consult with the United States Postal Service, the Postal Regulatory Commission, other Federal agencies, mailers, private companies that provide delivery services, and the general public, and shall append to such report any written comments received under this subsection.

(d) COMPETITIVE PRODUCT REGULATION.—The Postal Regulatory Commission shall take into account the recommendations of the Federal Trade Commission, and subsequent events that affect the continuing validity of the estimate of the net economic effect, in promulgating or revising the regulations required under section 3633 of title 39, United States Code.

SEC. 704. REPORT ON POSTAL WORKPLACE SAFETY AND WORKPLACE-RELATED INJURIES.

(a) REPORT BY THE INSPECTOR GENERAL.—

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Request for Proposal-PRC-07-01**



Postal Regulatory Commission

Report on Universal Postal Service

Request for Proposal

November 29, 2007

**Postal Regulatory Commission
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SECTION 1 INTRODUCTION

1.1 Purpose

This is a Request for Proposals from organizations and individuals to assist the Postal Regulatory Commission staff in developing a Report on Universal Postal Service and the Postal Monopoly to be submitted to the President and Congress in late 2008.

1.2 Background

The Postal Regulatory Commission is an agency of the federal government with responsibility for analyzing the rates and fees charged by the U.S. Postal Service for its products and services and for ensuring its service standards are met. The Commission was created by the Postal Accountability and Enhancement Act of 2006 (PAEA) and was formerly called the Postal Rate Commission. It has a staff complement of about 57 employees, primarily skilled in accounting, economics and the law.

1.3 Scope

Section 702 of the Postal Enhancement and Accountability Act (PAEA) requires the Postal Regulatory Commission ("PRC" or "the Commission") to submit a report to the President and Congress on universal postal service and the postal monopoly in the United States, including the monopoly on the delivery of mail and on access to mail boxes. Universal postal service, also referred to as universal service obligation (USO), is mandated by law and defines the minimum mail service to which each citizen is entitled. Generally, the USO incorporates five features: (1) access to retail services and delivery, (2) frequency of delivery, (3) quality of service, (4) affordability, and (5) range of mail products offered. Because providing a minimum level service to every citizen may not be profitable under certain conditions, a USO is generally financed by granting exclusive rights to the postal administration to provide selected services, i.e., a postal monopoly. Over the last ten years, many countries, mostly in Europe, have begun to reduce the postal monopoly while at the same time ensuring some minimum level of service for each citizen. It is within this context that Congress has mandated this study.

The PAEA lists a series of items Congress expects to be included in the Report. Each of these items actually represents tasks to be performed, some of which might be considered descriptive in nature and some of which might be considered analytic in nature. The Commission has decided to outsource some of the work. Although there are discrete tasks, each task represents a part of the ultimate report, and so prospective providers should recognize how each task relates to the other tasks so as to provide a meaningful comprehensive report. It would not be an understatement to characterize this report as critical to the future of the Postal Service and stakeholders since Congress may act on any recommendations included in the report. For this reason, care and due diligence must be exercised in carrying out the tasks. Below the Commission describes each of the tasks, the deliverables, the timeline, and the evaluative criteria.

Attachment 1 to this document includes Table 1 which contains the potential outline for the report with references to the PAEA and the tasks described below. Attachment 2 to this

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document includes Table 2 which is based on Table 1 and summarizes how tasks relate to specific chapters and appendices expected to be in the report.

1.4 Type of Contract

Firm Fixed Price.

1.5 Period of Performance

Award date until December 1, 2008.

1.6 Geographic Location

Work to be performed off-site.

1.7 Contracting Officer and Contracting Officer's Representative (COR)

Steven W. Williams (CO)
Chief Administrative Officer

Charles J. Robinson (Program Manager and COR)
Assistant Director, Office of Accountability and Compliance

Postal Regulatory Commission
901 New York AV NW STE 200
Washington DC 20268

1.8 Travel

Supplier travel is not anticipated on this project. Travel reimbursement, should travel be authorized by the PRC COR, will be subject to the terms and conditions covered by Sections 1.8.1 and 1.8.2 of this RFP.

1.8.1 USPS Handbook F-15 Applicability

All travel will be conducted in accordance with the US Postal Service Handbook F-15, a copy of which will be made available by request to the CO. Although not anticipated, Supplier employees may be asked to minimally travel with reimbursement for travel expenses based upon current postal regulations.

1.8.2 Travel Restrictions

The Supplier shall not receive G&A, handling, profit or other expenses attributed to travel performed under this contract. The PRC shall not pay relocation fees/charges under this contract.

SECTION 2 WORK TO BE PERFORMED

2.1 Task 1

The Commission will institute a public proceeding to solicit the views of the Postal Service, other federal agencies, users of the mails, enterprises in the public sector engaged in the delivery of the mail, and the general public. (See § 702(c)(1) and (2) of the PAEA)

Contractor shall prepare, in a written document within 30 days of the beginning of the contract period, proposed questions on issues related to universal postal service and the postal monopoly to be included in the order initiating the public proceeding.

2.2 Task 2

Contractor shall brief the Commission staff, both orally and in writing, on all known methodologies for calculating the cost of the universal service obligation. Contractor may also include new approaches to calculating this cost. The briefing must also include hypothetical or actual examples of how to calculate the cost of universal service using known and new methodologies and a discussion of the pros and cons of each universal service costing methodology. (See § 702(b)(2)(A) of the PAEA)

2.3 Task 3

Contractor shall provide, in a written document, a comprehensive review of the history and development of universal service and the postal monopoly, including how the scope and standards of universal service have evolved over time for the nation and its urban and rural areas. The written document shall be suitable for incorporation into the final Report to the President and Congress. (See § 702(a)(2)(A) of the PAEA)

2.4 Task 4

Contractor shall provide a written document identifying the scope and standards of universal service and the postal monopoly under current law (including Sections 101 and 403) and current rules, regulations, policy statements, and practices of USPS. Contractor shall include an estimate of the corresponding cost of universal service, the value of the postal monopoly, and a discussion of the ability of the current postal monopoly to sustain the current universal service obligation. The discussion shall include an analysis of alternative approaches to estimating the value of the postal monopoly. The discussion should also address, where relevant, how the current minimum level of service varies demographically and between geographic regions. Contractor shall also include an analysis of the "mailbox monopoly," which the PAEA describes as "...the monopoly on the delivery of mail and on access to mailboxes." This analysis should include an examination of the historic rationale for restricting access to delivery, other countries' experiences with this restriction, and the connection of the restriction to the universal service obligation. The written document shall be suitable for incorporation into the final Report to the President and Congress. (See § 702(a) (1) and (a)(2)(B) of the PAEA).

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2.5 Task 5

Contractor shall provide a written document describing any geographic areas, populations, communities (urban and rural), organizations, or other groups or entities not currently covered by universal service or that are covered but that are receiving services deficient in scope or quality or both. The written document shall be suitable for incorporation into the final Report to the President and Congress. (See § 702(a)(2)(C) of the PAEA)

2.6 Task 6

Contractor shall provide a written document describing the policies of other countries concerning universal postal service and the postal monopoly. The document should include recently adopted policies and prospective policies under consideration or expected to be adopted. It should also include an evaluation of the effectiveness of eliminating the legal monopoly in terms of meeting the USO in those countries that have eliminated it, namely, Great Britain, Sweden, and Finland. Contractor shall not limit review to European countries. The written document shall be suitable for incorporation into the final Report to the President and Congress.

2.7 Task 7

To facilitate Tasks 8 and 9 below, contractor shall develop and present to the Commission for approval a plan to determine the needs and expectations of the general public, both as senders and recipients, concerning universal service. The plan must focus on single-piece mailers, small nonprofit mailers, and small business mailers of all subclasses, as appropriate. The needs and expectations of commercial mailers and other interested parties will be provided by such participants in the Postal Regulatory Commission's public proceeding instituted for the purpose of receiving their input on this matter. Contractor may consider a national survey, focus groups, adding a question(s) to an already existing survey, or another approach. (See § 702(c)(1) of the PAEA).

2.8 Task 8

Based on Task 7 and with the approval of the Commission, contractor shall (1) conduct the study, (2) brief the Commission on the results, and (3) provide a written document describing the conduct of the study and its results. The written document shall be suitable for incorporation into the final Report to the President and Congress. (See § 702(c)(1) of the PAEA).

2.9 Task 9

Contractor shall provide a briefing to the Commission staff, the Commission, and the Postal Service, both orally and in writing, on (1) the scope and standards of universal service and the postal monopoly likely to be required in the future to meet the needs and expectations of the U.S. public including all types of mail users, based on discussion of such assumptions, alternative sets of assumptions, and analyses as the Postal Service considers plausible; and, (2) options for recommended changes to universal service and the postal monopoly for the Commission to consider, including changes that the Commission can implement under current law and changes that would require changes to the current law, with estimated

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effects on service, financial condition, rates, and security of mail. The analysis should address each of the five components of universal service discussed in the introductory paragraph above and, where relevant, how the minimum level of service might vary demographically or between geographic regions. The analysis should also address the “mailbox monopoly” as appropriate (See Task 4). (See § 702(a)(1),(a)(2)(D),and (b)(1) of the PAEA)

2.10 Task 10

Contractor shall provide a written document identifying the scope and standards of universal service and the postal monopoly likely to be required in the future to meet the needs and expectations of the U.S. public including all types of mail users, based on discussion of such assumptions, alternative sets of assumptions, and analyses *as the Postal Service considers plausible*. The analysis should also address the “mailbox monopoly” as appropriate (See Task 4). The written document shall be suitable for incorporation into the final Report to the President and Congress. (See § 702(a)(1) and (a)(2)(D) of the PAEA)

2.11 Task 11

Contractor shall provide a written document discussing any recommended changes to universal service and the postal monopoly that the Commission considers appropriate, including changes that the Commission can implement under current law and changes that would require changes to the current law. For each recommended change, contractor shall estimate (1) the effects on service, financial condition, rates, and security of mail; (2) the cost of the USO (current or modified); and, (3) the ability of the postal monopoly (current or modified) to sustain the USO (current or modified). The analysis should also address the “mailbox monopoly” as appropriate (See Task 4). The written document shall be suitable for incorporation into the final Report to the President and Congress. (See § 702(a)(1), (b)(1), (b)(2)(A), and (b)(2)(B) of the PAEA).

2.12 Task 12

Contractor shall provide a written document identifying and describing all known methodologies for calculating the cost of the universal service obligation. Contractor may also include new approaches to calculating this cost. The document should also include hypothetical or actual examples of how to calculate the cost of the universal service obligation for each known and new methodology. The document must also include a discussion of the pros and cons of each universal service obligation costing methodology. In consultation with the staff of the Postal Regulatory Commission, contractor shall select an appropriate methodology for use in completing Task 11. The written document shall be suitable for incorporation into the final Report to the President and Congress.

2.13 Task 13

Contractor shall provide a written document describing supporting analyses for Tasks 4 and 11 including the calculation of the USO cost and the value of the postal monopoly for each recommended change and the status quo. The written document shall be suitable for incorporation into the final Report to the President and Congress.

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2.14 Task 14

Contractor shall incorporate into the report any submissions to the Commission under the Public Docket instituted for the purpose of receiving the views of the Postal Service, other federal agencies, users of the mails, enterprises in the public sector engaged in the delivery of the mail, and the general public, or summaries thereof, as deemed appropriate. (See § 702(c)(1) and (2) of the PAEA)

2.15 Task 15

The contractor shall blend the written documents from the applicable tasks listed above into a comprehensive report to be delivered to the President and Congress.

SECTION 3 PRC AND SUPPLIER STAFFING AND RESPONSIBILITIES

3.1 PRC Staffing and Responsibilities

3.1.1 PRC Staffing

PRC will provide a Program Manager, who is responsible for providing day-to-day task direction. See section 1.7.

3.1.2 PRC Provided Equipment and Information

Supplier personnel are expected to perform the majority of the work off-site. When on-site for briefings, meetings, etc. the PRC will provide Supplier personnel access to PRC management staff, facilities and resources required to perform their tasks.

3.2 Supplier Staffing and Responsibilities

3.2.1 Supplier Training

The Supplier shall require personnel to be qualified and to maintain qualification. No Supplier training costs shall be charged to or paid by the PRC. Supplier shall provide resumes for all personnel proposed for this project.

3.2.2 Unsatisfactory Employees

The PRC reserves the right to compel the Supplier to remove personnel who are unsatisfactory from involvement under this contract. The Contracting Officer will provide written notice to the Supplier when an employee working under this contract is requested to be replaced. Upon receipt of the Contracting Officer's written notification, the Supplier shall immediately remove the unsatisfactory employee or provide justification for their retention. The Contracting Officer will review and either ask for an acceptable replacement within 10 (ten)-calendar days or uphold the justification. The Supplier must ensure that PRC property is protected during the transition period and that all accesses are secured from the employee utilizing them once they are removed.

3.2.3 Key Personnel

The Supplier must make no substitutions of project manager or key personnel unless illness, death, or termination of employment necessitates the substitution. The Supplier must notify the Contracting Officer and the Program Manager within 15 calendar days after the occurrence of any of these events and provide the information below. The Supplier must submit the information to the Contracting Officer at least 15 days prior to making any permanent substitutions.

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To the extent that the statement of work provides for services to be performed by key personnel, the personnel identified in the Supplier's proposal must perform those services unless the Contracting Officer has approved substitutes in writing. Use of junior personnel, even under key personnel supervision (for example, associates or student workers), is not authorized unless they are identified in the Supplier's proposal by name or position, with a description of their duties.

If the Contracting Officer determines that the Supplier has violated the Key Personnel clause, the contract can be terminated for default.

3.2.4 Overtime

Definition:

Overtime is defined as "time worked beyond 40 hours in a week." Overtime will be designated by exception basis only and must be pre-approved.

Overtime Payment:

Overtime, if approved in advance by the PRC COR or designee, shall be authorized under this contract, however the PRC **will not pay an overtime premium** for the Supplier's personnel, but rather, overtime for such personnel shall be paid at the established fixed hourly rate(s).

3.2.5 Personnel Requirements

The Supplier is responsible for obtaining, providing, maintaining and retaining properly trained, skilled and qualified personnel to perform under this contract. The Supplier will provide fully qualified personnel that have the education, skills, training and experience required to perform the tasks. The PRC expects to be furnished only qualified personnel who will perform the required work. The process of finding qualified personnel is the total responsibility of the Supplier.

If at any time during this portion of the Task Order, the Program Manager finds that the quality of service does not fulfill the requirements of the SOW or deliverables under the Delivery order, the Program Manager will inform the Contracting Officer (CO) of the poor performance pursuant to section 3.2.2.

SECTION 4 DELIVERABLES

Contractor shall provide draft and final written documents as discussed above, and in keeping with the dates shown in the timeline, suitable for incorporation into a comprehensive report to the President and Congress, as applicable. Written documents shall be provided using Microsoft Word and spreadsheets should be provided using Microsoft Excel. On or about the scheduled delivery date for each draft document (including the written plan in task 7), contractor shall brief the Commission, both orally and in writing, on the content. In addition, contractor must provide a bibliography for each written document, as applicable. Contractor must be aware that each of the written documents to be included in the Report to the President and Congress¹ may have to be modified to incorporate relevant materials from the public proceeding. Contractor will also provide monthly progress reports on the first of each month beginning on the first full month after the contract begins.

Attachment III includes Table 3 showing the deliverables and expected target dates.

SECTION 5 SECURITY

The task order resulting from this solicitation will require the Supplier or its employees (including Sub-Suppliers and their employees) to have access to occupied PRC facilities, and/or to PRC information and resources including PRC computer systems.

It is the Supplier's obligation to ensure that Supplier employees read, comprehend, and sign the PRC Non-disclosure agreement before reporting to the PRC facility to work. Such agreement will be provided by the PRC Contracting Officer.

¹ Tasks 3, 4, 5, 6, 8, 10, 11, 12, and 13.

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SECTION 6 INSTRUCTIONS TO OFFERORS

6.1 Proposal Submission Instructions

Direct questions regarding the content and instructions of this solicitation to:

Postal Regulatory Commission
ATTN: Steven Williams
901 New York Avenue, NW, Suite 200
Washington, DC 20001

Telephone: (202) 789-6840
Fax: (202) 789-6886
Email: steven.williams@prc.gov

6.2 Proposal Format

The following instructions establish the acceptable minimum requirements for the format of proposal material and information evaluated by the PRC in order to determine which Supplier represents the "best value" to the PRC.

6.3 Number of Volumes and Media

The Offeror shall submit two separate volumes: Volume 1; Technical Proposal, shall include the Supplier's proposal information for the technical evaluation; Volume 2; Price/Cost proposal shall include the Suppliers proposed pricing for the contract. The Supplier shall submit a complete media copy of the proposal using Microsoft Word for text documents and Microsoft Excel for spreadsheet(s) documents (any version of MS Word and Excel up to and including ver. 2002).

The proposal shall be submitted in both hard copy and on a CD. The disk shall be an exact duplicate of the hard copy format.

Alternate proposals shall not be solicited nor will they be evaluated.

6.4 Proposal Content

Proposals shall be limited in the number of pages:

Technical Proposal	20 pages
Cost Proposal	no limit

Proposal documents excluded from the mandatory page count are:

- Original signature letters of transmittal;

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- Table of contents (which will not be evaluated);
- Glossary (if included will be for reference only and its contents will not be evaluated);
- Proposal cross reference matrix (if included will be for reference only and its contents will not be evaluated);
- Resumes for key personnel (limited to no more than two pages per individual);
- Supplier's "Labor Category Descriptions";

Suppliers' proposals received by the time stated will be reviewed for completeness. For completeness, a Supplier's proposal shall contain a dated, original signature transmittal letter from the Supplier to the PRC's Contracting Officer which shall include the following information;

- the solicitation name and number
- the Supplier's name and complete business/mailling address
- the Supplier's point of contact (POC) for the proposal, including the POC's phone, their e-mail address and facsimile number

All proposal information provided by the Supplier shall be certified by the transmittal letter that it is accurate and complete to the best of the Supplier' knowledge.

6.4.1 Technical Proposal

The written technical proposal is limited to a maximum of 20 pages that address the following:

6.4.1.1 Project Management Plan

The Offeror shall describe their approach to managing this project and shall focus on demonstrating their expertise and capabilities both qualitatively and quantitatively as they relate to meeting the requirements of the statement of work. Identify and describe the roles, responsibility and authority of all management and management support positions proposed in support of this specific contractual effort. Identify where these assets are located in the Supplier's organization. This description shall include the role of the Project Manager to direct, control, and commit resources to adequately fulfill program responsibilities.

6.4.1.2 Staffing Plan

Resumes for any key personnel will be attached at the end of this section, and are not included in the page count. Present project functional organizational chart(s) and sufficient supplemental narrative to fully describe all organizational levels, plans and activities related to managing this specific effort. This chart shall be hierarchical in nature and must delineate clearly all major area responsibilities and management positions. Provide a chart of the program organization to be used in performance of the contract. Provide a narrative describing how the Supplier shall fully integrate the management of all elements of the project. Identify key personnel who will be assigned to the project. If the project includes Sub-Suppliers, provide organizational information about the Sub-Supplier, and include Sub-Supplier organizational elements in the project organization chart.

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Describe the working relationships that the Supplier will establish with the PRC and Sub-Suppliers supporting this specific contracted effort. If the use of Sub-Suppliers is proposed, provide a listing of those companies, the task(s) to be performed/labor to be provided by those companies, and the percentage of the overall effort that each of these companies will perform. Describe the approach to managing Sub-Supplier activities on this contract. Include in the approach the organizational relationship maintained between the prime and Sub-Suppliers and methods of requirement flow-down and activity progress reporting back to the prime. Describe the approach to maintaining quality from services supplied by Sub-Suppliers. Clearly define the circumstances that require the use of Sub-Suppliers and how long Sub-Suppliers will be used.

6.4.1.3 Risk Management

Describe the approach to identifying, mitigating, and managing program and contract risks on this effort.

6.4.1.4 Technical Section

The Offeror shall describe their technical approach and shall focus on demonstrating the Offeror's technical expertise and capabilities both qualitatively and quantitatively as they relate to meeting the functional requirements of the statement of work.

6.4.1.5 Past Performance

The offeror shall describe their corporate experience on contracts of similar technical scope and nature, including tasks similar to the work described in the Statement of Work. Offeror shall submit three (3) references of corporate experience with in the last five years.

At a minimum each example should provide:

- Name of Supplier(s)
(Identify the Primary and any secondary suppliers on the contract)
(Identify areas of work performed by each supplier)
- Narrative description of the contract
- Contract No. or Title
- Contract dollar value
- Type of contract
- Period of performance
- Contact Name & Title
- Contact phone number

6.4.2 Price / Cost Proposal

The Price / Cost Proposal will provide information regarding the Supplier's pricing structure and costing proposal for this contract. While cost is not weighted in the evaluation process,

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it will be used in determination of the “best value” to the PRC. The Price / Cost Proposal has no page limit.

6.4.2.1 Exceptions to Requirements of the Solicitation

Identify any exceptions, conditions, or assumptions taken to any portion of the solicitation or its attachments in a separate section. Any exception, condition or assumption taken shall indicate the paragraph number of the requirement to which the above noted condition is taken, paragraph title, and the reasons for the exception along with the proposed suggested wording. Any exceptions to pricing shall also be addressed.

Suppliers are reminded that exceptions to the solicitation are discouraged because they may result in the proposal being determined to be a nonconforming counter offer. Suppliers should be aware that the appropriate time to request clarifications or exceptions to the terms and conditions of the contract as set forth in the solicitation is during the proposal preparation stage before proposals are submitted.

SECTION 7.0 EVALUATION FACTORS

7.1 Evaluation Criteria

The PRC will award this contract to the Supplier whose proposal offers the best value to the PRC. Best value will be reflected by the best combination of technical score and price proposal. The technical score is more important. However, cost may be a paramount factor in selecting a Supplier if the submitted technical proposals are reasonably comparable in quality.

Proposals should include a plan for performing the work. This will form one basis for evaluating each proposal. Potential providers should also feel free to make adjustments to tasks or to add tasks as appropriate. This will also form one basis for evaluating proposals.

Potential providers must have experience: (1) analyzing postal costs, revenues, volumes, databases, and issues; (2) writing comprehensive reports; (3) conducting scientific surveys, focus group studies, or other applicable experience national in scope; (4) briefing organizations on complex technical and policy issues; (5) experience on issues related to universal service and the financing mechanism. The experience and past performance of the firm and the skills and experience of the individuals proposed to be assigned to this contract will form a basis for evaluation. Potential providers may use subcontractors subject to the required experience and past performance outlined in this paragraph.

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Attachment 1

TABLE 1					
PROPOSED OUTLINE OF REPORT TO THE PRESIDENT AND CONGRESS ON UNIVERSAL SERVICE AND THE POSTAL MONOPOLY					
				Contractor Task	PRC Task
	Chapter Title	PAEA Ref	Comment		
1	Executive Summary				PRC
2	Introduction that discusses/defines parameters of universal service obligation (USO)				PRC
	(a) reform requirements				PRC
	(b) the features of universal service and the postal monopoly (PM)				PRC
	(c) the organization of the report & which parts respond to specific parts of the PAEA				PRC
3	How Universal Service and the Postal Monopoly have evolved in the US	702(a)(2)(A)	Descriptive	3	
4	What is the current Universal Service and Postal Monopoly	702(a)(2)(B)	Descriptive	4,2,12	
	(a) define USO and postal monopoly		Descriptive	4	
	(b) the cost of the USO		Analytical	2,12	
	(c) the value of the postal monopoly		Analytical	4,13	
	(d) the ability of the current PM to sustain the Current USO		Analytical	13	
5	Who is not covered by current USO and who is getting bad service	702(a)(2)(C)	Descriptive	5	
6	What does the public want for a USO	702(c)(1)	Descriptive	7,8,prc docket	
7	What do USPS and mailers want for a USO & PM	702(c)(1)	Descriptive	prc docket	PRC
8	How does the rest of the world define USO & PM	PRC Add-on	Descriptive	6	
9	The Scope & Standards of the USO & PM likely needed in the future	702(a)(2)(D)		9,10	
	(a) all options			9,10	
	(1) under current law		Analytical	9,10	
	(2) that require changes to law		Analytical	9,10	
	(b) likely USO/PM required in 5 years, 10 years, etc.		Analytical	9,10	
	(c) Options considered plausible by the Postal Service		Analytical	9,10	
10	Recommended Changes to USO & PM	702(b)(1)		9,11	
	(a) under current law				
	(1) changes to USO and the Postal Monopoly	702(b)(1)	Analytical	9,11	
	(2) the effect on service, financial condition, rates, and security of mail	702(b)(1)	Analytical	13	
	(3) the cost of the modified USO	702(b)(2)(A)	Analytical	2,12,13	
	(4) the ability of the postal monopoly to sustain the USO	702(b)(2)(B)	Analytical	13	
	(b) that require changes to the law with USO cost				
	(1) changes to USO and the Postal Monopoly	702(b)(1)	Analytical	9,11	
	(2) the effect on service, financial condition, rates, and security of mail	702(b)(1)	Analytical	13	
	(3) the cost of the modified USO	702(b)(2)(A)	Analytical	2,12,13	
	(4) the ability of the postal monopoly to sustain the USO	702(b)(2)(B)	Analytical	13	
	Appendix				
A	USO Costing Methodologies		Analytical	2,11	
B	The Calculation of the USO cost for Each Recommended Change and Current USO&PM		Analytical	13	
C	Survey of Public		Descriptive	8	
D	Summary of Proceeding		Descriptive		PRC
E	Bibliography		Descriptive	as applicable	

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Attachment II

TABLE 2	
SUMMARY TABLE OF TASK VS. CHAPTER OR APPENDIX	
Task	Chapter/Appendix
1	Supports public proceeding described in Chapter 6 & Appendix D
2	Supports Tasks 4, 11, &12
3	Write-up of Chapter 3
4	Write-up of Chapter 4
5	Write-up of Chapter 5
6	Write-up of Chapter 8
7	Supports Task 8
8	Write-up of Appendic C & summarized in Chapter 6
9	Supports Task 10
10	Write-up Chapter 9 & summarized in Chapter 7
11	Write-up of Chapter 10
12	Write-up of Appendix A
13	Write-up of Appendix B
14	Revise chapter write-ups to reflect results of public proceeding
15	Blend all chapter/appendix write-ups into fianl report

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Attachment III

TABLE 3													
TIMELINE													
Chapter/App		1/1/2008	2/1/2008	3/1/2008	4/1/2008	5/1/2008	6/1/2008	7/1/2008	8/1/2008	9/1/2008	10/1/2008	11/1/2008	12/1/2008
1*	Exec Sum										D*	F*	
2*	Intro										D*	F*	
3	Evolution of USO&PM in US				B/D	F							
4	Current USO&PM in US				B/D	F							
5	Not Covered +/- or bad service				B/D	F							
6	Expectations of Public						B/D	F					
7	USPS/mailler expectations						B/D	F					
8	USO&PM in ROW				B/D	F							
9	USO&PM likely needed per USPS							B:PRC/USPS		D to USPS	D to PRC	F	
10	PRC Recommended Changes						B**			B/D		F	
A	USO Costing Methodologies			B***		B/D	F						
B	Cost/Analysis Supporting Ch.10							D	F				
C	Survey of U.S. Public						D	F					
D*	Summary of PRC Proceeding			SP*			EP*	D*	F*				
* PRC Task	B** = Task 9												
B = Briefing	B*** = Task 2		F = Final Version		ROW = Rest of World								
D = Draft			SP = Start Proceeding										
B/D = Briefing and Draft			EP = End Proceeding										