

# U.S. Postal Service Competition Report

Fiscal Year 2012





## Contents

Results of FY12 Competition . . . . .	1
Competition Advocate Role . . . . .	1
Contracting Authority/Responsibility, Systems, and Contracting Data . . . . .	1
Competition Advocate Reviews of Noncompetitive Purchase Requests of \$1M or Greater. . . . .	4
SM Strategies and Tools Used to Promote Competition in FY12 . . . . .	5
Barriers to Competition in FY12. . . . .	7
FY13 Action Plan to Promote Competition . . . . .	8

## Appendices

<b>A</b> Competition Advocate Delegation Letter . . . . .	9
<b>B</b> Supplying Principles & Practices Process Step 2 – 10 Determine Extent of Competition . . . . .	10
<b>C</b> Contract Commitments and Competitive Classifications for CAMS - 80 Percent of Total Commitment Dollars . . . . .	13
<b>D</b> Contract Commitments and Competitive Classifications for TCSS - 80 Percent of Total Commitment Dollars . . . . .	19
<b>E</b> Contract Commitments and Competitive Classifications for eFMS - 80 Percent of Total Commitment Dollars . . . . .	25
<b>F</b> Contract Commitments and Competitive Classifications from FPDS-NG Competition Advocate Report . . . . .	27
<b>G</b> Noncompetitive Purchases – Management Instruction (SP S2-2011-1) . . . . .	29
<b>H</b> Contracting Data Definitions . . . . .	38



## I. Results of FY12 Competition

The competition report conveys the Postal Service™ commitment towards promoting competition and obtaining best value. The Postal Service devotes a significant amount of effort and resources throughout the year to increase competitive opportunities. This report outlines the specific activities that were implemented in 2012 to promote competition. In April 2011, the Postal Service issued the first Competition Report, which only included contracting data for the second half of 2011. This 2012 Competition Report contains a full year of contracting data and reviews by the Competition Advocate (CA) of noncompetitive purchases valued at \$1M or greater.

In 2012, the Postal Service committed over \$5B in contracting actions and awarded \$3.9B or 78.9% of those actions competitively. This compares to the second half of 2011, when the Postal Service committed over \$1.9B in contracting actions and awarded \$1.2B or 78.8% of those actions competitively. We benchmarked these results against the information reported via the Federal Procurement Data System – Next Generation (FPDS-NG). In 2012, the Federal Government reported that 63.2% of the total contracting actions were awarded competitively. If you remove the Department of Defense (DOD) contracting data, the percentage of competitive contracts reported for all other Federal agencies is 77.4%.

In 2012, the Competition Advocate reviewed 72 Noncompetitive Purchase Requests (NPRs), with an estimated committed value of \$850.9M over a period of five years. This compares to the second half of 2011, when the CA reviewed 52 NPRs with an estimated committed value of \$1.8B over a period of five years. This represents a significant reduction in the dollar value of NPR's submitted to the CA for review in 2012 compared to 2011.

The competition report was developed by Donna L. Schoenbeck, the Competition Advocate for the Postal Service. While the target audience for this report is the Vice President, Supply Management, Susan M. Brownell, this report will be distributed to a wide range of audiences. The report includes examples and details to help the reader more fully understand intent and context.

## II. Competition Advocate Role

The Competition Advocate is responsible for promoting competition and improving the competitive performance of the Postal Service. The CA must maintain a program that includes identifying, tracking, and following up on actions to remove barriers to competition. The CA is responsible for the following:

- Challenging barriers to the competition of Postal Service requirements.
- Assisting purchase/supply chain management teams in the development of effective SCM solutions and obtaining best value.
- Providing independent advice to contracting officers (COs) regarding proposed noncompetitive purchases of \$1M or greater.
- Producing an annual report on noncompetitive purchasing activity.

The CA is appointed by the Vice President, Supply Management (see Appendix A) and the CA's role and responsibilities are defined in Section 2-10, Determine Extent of Competition, of the Postal Service's Supplying Principles and Practices (SPs and Ps), and Management Instruction SP S2-2011-1, *Noncompetitive Purchases*. The complete SPs and Ps can be found internally on the USPS® Intranet site: <http://blue.usps.gov/policy/> and externally at: <http://about.usps.com/manuals/spp/html/welcome.htm>.

See Appendix B for excerpts of the SPs and Ps related to competition and the CA's role.

The MI is available internally on the Postal Service Intranet site: <http://blue.usps.gov/cpim/ftp/manage/sps2111.pdf>.

See Appendix G for a copy of the MI.

## III. Contracting Authority/Responsibility, Systems, and Contracting Data

### Contracting Authority/Responsibility

The authority and responsibility for all procurement contracting actions within the Postal Service (with the exception of real estate and related services contracts) are consolidated within the Supply Management (SM) organization. Real estate contracting authority is delegated to the Vice President, Facilities.

Local purchases of up to \$10K can be executed by individuals through delegated local buying authority. Local purchases and contract actions valued at less than \$10K are not subject to the competition requirements. Table 1 provides the approval levels for noncompetitive contract actions.

**Table 1. Level of SM Approval for Non-Competitive Contract Actions**

Estimated values of proposed contract action	Approved by
\$10K to \$250K	Team Leader/Manager
>\$250K to \$10M (except for Professional and Consultant Services)	Portfolio Manager
\$10 million or greater	Vice President
\$1 million of Professional and Consultant Services	Vice President

### Contracting Systems and Capture of Competitive/Noncompetitive Contract Action Classifications

Postal Service contracting actions are captured within one of three contracting systems: CAMS, TCSS, and eFMS. Contract actions are defined as a new contract, delivery order, task order, work order, modification to, or termination of a contract.

To promote data consistency across the contracting systems, in March 2012, the TCSS and eFMS systems were updated to include the same competitive classification codes that are maintained in CAMS. The following paragraphs outline each system and the data relevant to the specific contracting system.

#### Contract Authoring and Management System (CAMS)

CAMS is the primary contracting system. It is a commercial-off-the-shelf (COTS) system that supports the purchase of supplies, services, equipment, and mail transportation (excluding surface transportation). Contracting actions are coded using the following competition classification codes:

- Below Competitive Threshold (BCT) (less than \$10K)
- Competitive
- Competitive — Simplified Purchasing
- Noncompetitive — Compelling Business Interests
- Noncompetitive — Industry Structure or Practice
- Noncompetitive — Sole Source
- Noncompetitive — Superior Performance
- Ordering Agreements — Comp Code Not Applicable
- Required Source — Policy/Legally Mandated
- Required Source — Regulated Utility
- Unauthorized Commitment

For purposes of this report, the BCT actions are excluded because they are excluded from the competition requirements. All other classifications, other than competitive, are considered noncompetitive.

From October 1, 2011, to September 30, 2012, there were a total of 6,860 contract actions executed equal to or above the competitive threshold (\$10K) with commitments totaling \$4.3B in CAMS. The commitment value of competitive contracting actions in CAMS equaled \$3.3B or 76.7% of total contract actions. The number of competitive contracting actions totaled 5,040 or 73.5% of total contracting actions in CAMS.

See Appendix C for more details related to CAMS contract actions.

#### Transportation Contract Support System (TCSS)

TCSS is a custom-built Postal Service system. TCSS is used to manage highway transportation requirements contracts and payment processes. It supports the award of new contracts, modification to contracts, and renewal of contracts. To promote data consistency across the contracting systems, TCSS uses the same competitive classification codes as maintained in CAMS.

All new highway contract actions are executed using competitive methods. Renewals of contracts are considered outside the scope of the competitive requirements because Title 39, Chapter 50, Section 5005, allows for contracts to be renewed at the existing rate by mutual agreement between the contractor or subcontractor and the Postal Service. The renewal business process requires the comparison of the existing rate to comparable contract rates and to proceed with the renewal only when the rates are competitive with similar contracts. These renewals are not included in the competitive/noncompetitive reporting due to the Title 39 requirements.

From October 1, 2011, to September 30, 2012, there were a total of 1,862 new fixed-price contract actions executed equal to or above the competitive threshold (\$10K) in TCSS with commitments totaling \$533M. The commitment value of competitive contracting actions equaled \$526.7M or 98.8% of total contract actions. The number of competitive contracting actions totaled 1,853 or 99.5% of total contracting actions.

The committed value of the contracts was calculated by multiplying the annual value of the contract by the contract term because TCSS only captures the annual value of the contract to calculate payments. The commitment value of competitive contracting actions equaled \$529.7M or 100% of total contract actions.

See Appendix D for more details related to the TCSS contract actions.

**Note:** From October 1, 2011, to September 30, 2012, there were a total of 1,476 renewal fixed-price contract actions executed equal to or above the competitive threshold (\$10K) in TCSS with commitments totaling \$683.1M. As stated above, these actions are not included in the competitive/noncompetitive classification due to Title 39 requirements, but are included here for general information.

## Facilities Management System (eFMS)

eFMS is a custom-built Postal Service system. eFMS is used to manage work orders, contracts, and payments for facility construction, repairs and alteration contracts, along with real estate contracts. As noted above, contracting authority for real estate contracts has been delegated to the Vice President, Facilities, and therefore such activity is not within the scope of this report.

As a result of the organizational redesign, facility construction, repairs, and alteration contracts are now managed within SM. To promote data consistency across the contracting systems, eFMS uses the same competitive classification codes as maintained in CAMS.

From October 1, 2011, to September 30, 2012, there were a total of 1,010 contract actions executed equal to or above the competitive threshold (\$10K) in eFMS with commitments totaling \$213.4M. The commitment value of competitive contracting actions equaled \$183M or 85.7% of total contract actions. The number of competitive contracting actions equaled 870 or 86.1% of total contracting actions.

See Appendix E for more details related to eFMS contract actions.

## Summary of Contracting Actions

Table 2 provides the total commitments and contracting actions across the three contract management systems for the October 1, 2011, to September 30, 2012 reporting period.

**Table 2. Aggregated Competition Classifications**

System	Competitive/ Noncompetitive Classification	Committed \$	Number of Contract Actions	Percent of Total Committed	Percent of Total Contract Actions
CAMS	Competitive	\$3,284,877,249	5,040	64.9%	51.8%
eFMS	Competitive	\$183,034,101	870	3.6%	8.9%
TCSS	Competitive	\$529,684,988	1,853	10.5%	19.0%
	<b>Competitive Total</b>	<b>\$3,997,596,338</b>	<b>7,763</b>	<b>78.9%</b>	<b>79.8%</b>
CAMS	Noncompetitive	\$1,033,194,198	1,820	20.4%	18.7%
eFMS	Noncompetitive	\$123,674	2	0.0%	0.0%
TCSS	Noncompetitive	\$3,315,812	9	0.1%	0.1%
	<b>Noncompetitive Total</b>	<b>\$1,036,633,684</b>	<b>1,831</b>	<b>20.5%</b>	<b>18.8%</b>
eFMS	Not Defined*	\$30,319,373	138		
<b>Grand Total</b>		<b>\$5,064,549,395</b>	<b>9,732</b>		

\* eFMS - Not Defined, represents contract actions that were executed before the new competitive contracting codes were implemented in the eFMS system on March 31, 2012.

Sixty-six federal departments reported contract actions and commitments via the Federal Procurement Data System – Next Generation (FPDS-NG) and classified them as competitive or noncompetitive during the same reporting period as the Postal Service. This information is available via an annual FPDS-NG Competition Advocate (CA) report. For the period spanning October 1, 2011, to September 30, 2012, the FPDS-NG CA report identified \$515.6B in contract commitments of which 63.2% were awarded competitively. This compares to \$5.1B in contract commitments reported by the USPS® of which 78.9% were awarded competitively.

See Appendix F for more details related to the FPDS-NG Competition Advocate report.

## IV. Competition Advocate Reviews of Noncompetitive Purchase Requests of \$1M or Greater

### Competition Advocate Role and Reviews

The CA must complete an independent review of all noncompetitive purchase requests (NPRs) valued at \$1M or greater and provide feedback and comments to responsible COs. The COs must address any comments raised by the CA in their evaluation and recommendation concerning the NPR and the proposed supplier. The NPRs are submitted to the COs by the requiring organizations once the purchase/Supply Chain Management team makes a preliminary purchase method recommendation to proceed noncompetitively.

From October 1, 2011, to September 30, 2012, the CA reviewed and commented on 72 requests with a total estimated value of \$850.9M. The requests ranged from short-term contract modifications of a few months to long-term extensions over multiple years. The requested value included in the NPR is based on the estimated future spend by the requiring organization. Each request may be executed by the CO via a single contract action or via multiple actions over the time period and value defined in the NPR.

The full value of the NPR may never be committed if it contains options that are not exercised. Table 3 outlines the total NPR estimated value by fiscal year.

**Table 3. NPR Value by FY**

Fiscal Year	NPR Requested Value
FY12	\$212,192,363
FY13	\$402,605,044
FY14	\$105,141,799
FY 5	\$78,596,893
FY16–FY18	\$52,375,497
<b>Total</b>	<b>\$850,911,595</b>

Note: The largest four NPRs represent \$343.6M (40%) of the total NPR requested value.

Each NPR must be based on one of the four following business scenarios:

- Sole Source.
- Industry Structure or Practice.
- Compelling Business Interests.
- Superior Performance.

See Appendix B, section 2-10.3.2, for definitions of each business scenario.

Table 4 provides the details related to each business scenario justification.

**Table 4. NPR Review Statistics**

Business Scenario(s) Justification	Count	Requested Value	Percent of Requests	Percent of Value
Compelling Business Interests	60	\$467,6687,588	83.3%	55.0%
Sole Source	9	\$328,059,750	12.5%	38.6%
Industry Structure or Practice	3	\$55,183,257	4.2%	6.5%
Superior Performance	0	\$0	0.0%	0.0%
<b>Grand Total</b>	<b>72</b>	<b>\$850,911,595</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Some NPRs are submitted with multiple business scenario justifications. To prevent double counting, the scenario with the strongest justification is recorded.

Table 5 provides details related to the value and total requests by the Executive Leadership Team (ELT) member organization.

Table 5. NPR Value by ELT Organization

ELT	NPR \$ Value	Number of NPR Requests	Number of NPR \$ Value	Percent of NPR Request
CIO	\$369,993,413	29	43.5%	40.3%
CMSO	\$67,868,360	8	8.0%	11.1%
CFO	\$64,590,444	6	7.6%	8.3%
CHRO	\$6,667,879	3	0.8%	4.2%
COO	\$188,056,499	17	22.1%	23.6%
DPG	\$126,800,000	2	14.9%	2.8%
GC	\$17,985,000	4	2.1%	5.6%
CPI	\$8,950,000	3	1.1%	4.2%
<b>Total</b>	<b>\$850,911,595</b>	<b>72</b>	<b>100.0%</b>	<b>100.0%</b>

### Overview of high-value Noncompetitive Contract Actions

There were 6 NPRs with dollar values greater than \$30M, totaling \$414.6M or 48.7% of the total dollar value of NPRs submitted. Below is information about the larger dollar value NPRs that were issued in 2012.

#### Chief Information Officer (CIO) Organization:

- The CIO organization issued 2 NPRs totaling over \$54M for renewal of annual software and maintenance agreements to support existing IT infrastructure.
- An NPR was issued with an estimated value of \$27M for ongoing software development and technical services to support several high-level information technology solutions including the Next Generation Intelligent Mail Service Program.
- The Postal Service has a unique requirement to provide a bio-detection system in Mail Processing Centers to detect anthrax and other dangerous chemicals. In 2012, the Postal Service issued a noncompetitive contract to a licensed supplier to provide BDS cartridges and buffer solutions to support BDS equipment. The value of the contract is \$87M.
- The Postal Service is conducting a pilot test of the use of Electronic Parcel Lockers. The purpose of the pilot test is to improve customer service and grow the package business. A noncompetitive contract was issued to an existing collection box supplier to design and deliver Electronic Parcel Lockers. The NPR was issued with an estimated value of \$38M.

#### Chief Financial Officer (CFO) Organization:

- A noncompetitive contract was awarded to an existing Payment Switch provider. Payment Switch technology is used by retailers to process and manage credit and debit card transactions. The technology is complex and takes multiple years to implement. The estimated contract commitment value is \$6.7M annually for a period up to seven years not to exceed \$47.6M.

#### Chief Operating Officer (COO) Organization:

- An NPR was issued with an estimated value of \$89M to an existing supplier of Videojet Printers. Videojet Printers are used in all phases of mail processing equipment. Standardization of this technology across all platforms provides benefits to the Postal Service in volume pricing, reduction of service parts, and training/troubleshooting time.
- In 2012, two previously awarded contracts with large utility companies were modified to lock in rates for over 3,200 utility accounts in deregulated states. The estimated value of the extensions equal \$47.3M. By extending these contracts, the Postal Service will receive an estimated \$8M in savings from these agreements.

#### Deputy Postmaster General (DPMG) Organization:

- In 2012, a short-term noncompetitive contract extension was issued to our current Customer Service Center provider to ensure continuity of service until the transition to the Postal Service-operated Call Center can be fully completed. Additional options periods were included in the NPR for a maximum value up to \$120M.

## V. SM Strategies and Tools Used to Promote Competition in FY12

The Postal Service is a large organization with many unique sourcing requirements. In 2012, the Postal Service continued to devote significant efforts and resources to promote competition and obtain best value in the contracting process.

### Simplified Purchasing

- To help promote competition for small buys, we updated our policies and implemented a new process for simplified purchasing.

Simplified purchasing is a streamlined competitive purchasing practice used to buy commercially available goods and services valued at \$10K to \$250K.

- Simplified purchasing can:
  - a. Reduce administrative costs.
  - b. Promote efficiency and economy in contracting.
  - c. Lessen unnecessary burdens on both the Postal Service and its suppliers.
- In 2012, purchases made using simplified purchasing process indicated that the cycle time was reduced from 67 days to 23 days, or 65%, using this streamlined process.

## Competition Advocate Communications

The CA promoted competition through:

- Recommendations to only issue short-term extensions for contracts when lack of planning or emergency buys are indicated as justification in the NPR.
- One-on-one communications with COs to help develop competitive sourcing strategies.
- Meetings with requiring organizations to discuss the role of the CA, to promote early involvement of the SM organization in sourcing decisions, and to incorporate competition as a sourcing strategy when appropriate.
- Meetings with suppliers to discuss the role of the CA and to encourage them to register their interest in doing business with the Postal Service via eSourcing.

## Supplier Communications and Supplier Webpage

The Supply Management organization communicates to our suppliers through multiple channels including:

- Supplier webpage on usps.com.
- *Re: Supply* newsletter.
- Supplier email list.
- Supplier conferences.
- Supplier outreach programs.

We developed a robust Supplier webpage that provides information on “How to Do Business with USPS” and how to register to become a new supplier. Over 22,000 individuals visited the Supplier webpage in 2012. These communication vehicles help to promote a clearer understanding within the supplier community of the needs of the Postal Service and to promote competition and supplier diversity by increasing the number of suppliers registered via the USPS eSourcing tool.

## Supplier Outreach

In FY12, the Postal Service participated in 30 industry, congressional, or federally sponsored supplier outreach events. At these events, the Postal Service provided suppliers with guidance on how to do business with the Postal Service and whom to contact for answers to commodity-specific contracting questions. Suppliers were also aided in registering as a new supplier using the Supplier Registration tool. Knowledgeable SM professionals conducted one-on-one capability briefings with interested suppliers and provided supplier information to SM category teams.

As a result of these events and open communications, the Postal Service received noteworthy recognition in FY12:

- The Top Government Agency for Multicultural Business Opportunities – DiversityBusiness.com. - 2012- Listed in Top 10 Companies.
- Public Entity Award – Maryland, DC Council.
- Named Chair of OSDBU Interagency Collaboration Committee.

In addition, the Postal Service is an active member and participates on a number of supplier diversity councils including: National Center for American Indian Enterprise Development; U.S. Hispanic Chamber of Commerce; Women Business Enterprise Council; U.S. Women Chamber of Commerce; Office of Small Disadvantage Business Utilization; National Minority Supplier Development, MD, DC, and VA; Minority Supplier Development Councils; U.S. Pan Asian American Chamber of Commerce; and League of United Latin American Citizens.

## eSourcing

The Postal Service uses an electronic sourcing solution to enhance and streamline the competitive sourcing practices. eSourcing is a commercial-off-the-shelf (COTS) software solution that supports electronic supplier registration, requests for information (RFIs), requests for proposal (RFPs), requests for quotes (RFQs), reverse auctions, and combinatorial optimization events.

In 2012, more than 10,000 suppliers had registered via eSourcing and were eligible to be invited to bid on competitive solicitations. Suppliers were encouraged to register through the Re: Supply newsletter, CO communications, FedBizOps, and supplier outreach events.

The eSourcing solution helps the Postal Service and suppliers streamline the competitive sourcing process by combining the proposal and evaluation process into one solution. This significantly reduces the time between activities that are often seen in the traditional paper-based proposal process.

## Category Sourcing Strategy Plans (CSSP)

Portfolio teams developed CSSPs for commodities that represent 80% of total spend. The CSSP process is used to analyze category spend, extent of competition and supplier diversity within the supply base, market trends, future business needs, and result in the development of best-value sourcing strategies. CSSPs are updated each year and reviewed by SM managers to promote competition, improve project planning, and optimize the supplier base.

## Continuous Competition

The organization has implemented a number of programs where competition occurs not only at the initial contract award, but through ongoing competition throughout the contract lifecycle:

- Office Products and Maintenance Repair and Operations (MRO) Items — Multiple contracts have been awarded through competitive solicitations using eSourcing combinatorial optimization for office products and MRO items. These national contracts are made available as catalogs in the eBuy2 system from which requisitioners can place orders for their needs. The eBuy2 system allows requisitioners to compare similar items from different suppliers to make the best value decision. Catalog suppliers are permitted to reduce their prices throughout the contract term. This produces ongoing competition amongst the suppliers beyond the initial contract award.
- IT Services — The Postal Service competitively awarded four indefinite delivery/indefinite quantity (IDIQ) contracts for Enterprise Technology services. Through these contracts, the Postal Service has the option of further competing requirements and awarding individual task orders to obtain best value based on each individual business need.
- Professional Services — Over the past two years, the Postal Service has awarded multiple ordering agreements with professional service suppliers. These agreements allow for streamlined competitive sourcing of individual task orders as terms and conditions are already established.

## SM/CFO Monthly Reports

Monthly SM/CFO contract and spend reports are produced that provide management visibility to the past and future sourcing actions underway within the organization. These reports contain multiple sub-reports related to:

- Spending trends.
- Spend with top suppliers.
- Contracting actions for the month.
- Significant long-term contracts.
- Future sourcing actions in the pipeline with preliminary sourcing plans for competition.

The reports help raise the visibility of current and future sourcing actions and initiate earlier dialog on how to achieve best value.

## VI. Barriers to Competition in FY12

The Postal Service contracts with over 21,000 suppliers to provide a broad range of goods and services necessary to support our large retail infrastructure of over 32,000 facilities. Given the nature, size, and scale of our business, many of the products and services that we source are unique and custom designed to support our business needs, including mail processing equipment, IT hardware and software, and transportation services. Some of the key barriers to competition during FY12 within the Postal Service were the following:

- Size and Scale of Postal Service Infrastructure: Given the size and scale of the Postal Services operations, most of our IT solutions and mail processing equipment are customized and designed specifically to meet our business requirements. Competition of related requirements can be cost prohibitive and contrary to commercial business practices which would be to extend the maintenance and support on the system with the initial supplier until the system no longer meets the needs of the business.
- Lack of Communication and Advanced Planning: Instances occurred where the requiring organization did not communicate with the CO early in the sourcing process to jointly evaluate the marketplace and make a preliminary sourcing decision. They

independently executed their own market research, and then developed and submitted the NPR to the CO with limited time before the business need to conduct competition.

- **Sole Source:** Some of our software, equipment, or parts for the equipment are only provided by the original equipment manufacturer (OEM) or sub-contractor who worked on the project during initial implementation. OEM suppliers hold patents, license, or proprietary rights that prohibit us from using other suppliers. Extensive and costly reverse-engineering would be required to introduce competition in these instances. Reverse engineering also requires specially trained and skilled engineering and contracting resources to execute efficiently.
- **Delays in Executing Competition or Implementation:** In a few instances, noncompetitive requests were needed when delays occurred during the competitive process or during implementation of the new contract, thus making it necessary to noncompetitively extend an existing contract until the new competitive contract was established and the transition completed.

## VII. FY13 Action Plan to Promote Competition

Given the Postal Service's financial situation, it is important that we continue to expedite contracts to ensure that we meet aggressive timelines to support our goals of reducing cost and increasing revenue to improve our financial health. In FY13, the following actions are planned to challenge barriers to competition and promote data integrity:

### Communications

- Develop a CA internal web page with guidance on competitive sourcing and best value selection.
- Host webinar sessions and distribute communications to promote the use of competition to achieve best value.
- Work with targeted internal business partners to understand challenges and barriers to competition and develop effective sourcing strategies to compete future opportunities.
- Work cross-functionally with internal stakeholders to develop a process to stagger contract end dates throughout the year to help balance workload and create opportunities to compete requirements.
- Continue supplier outreach events to improve supplier understanding of how to do business with the Postal Service, to promote the value of competition within the sourcing process, and to promote a diverse supply base. Set up supplier registration tool at outreach events.

### Training and Enhanced Policies and Compliance

- Identify and develop competitive training topics on Strategic Sourcing, Best Value Selection, Supplier Research, Developing Commodity Strategy, Simplified Purchasing and Supplier Registration and other tools that promote competitive sourcing into new employee training material.
- Conduct contract compliance reviews to ensure the appropriate competitive classification codes are being maintained in the contracting systems along with all other relevant contracting file information.

### Reporting

- Develop standard reports and dashboard reporting to help improve project planning and identify opportunities to competitively source requirements.

### Category Sourcing Strategy Plans (CSSPs)

- Review updated CSSPs and assist sourcing teams where needed with external market research to identify potential new sourcing strategies and suppliers in the marketplace.

## Appendix A. Competition Advocate Delegation Letter

SUSAN M. BROWNELL  
VICE PRESIDENT, SUPPLY MANAGEMENT



July 30, 2012

DONNA SCHOENBECK

SUBJECT: Appointment as Postal Service Competition Advocate

Effective July 30, I hereby appoint you as the Postal Service's Competition Advocate.

As Competition Advocate, you are responsible for:

- Challenging barriers to the competition of Postal Service requirements;
- Assisting purchase supply chain management (SCM) teams in the development of effective SCM solutions and obtaining best value;
- Providing independent advice to contracting officers regarding proposed noncompetitive purchases; and
- Producing an annual report on noncompetitive purchasing activity.

Please see Supplying Principles and Practices (SPs and Ps) 2-10.3.4 for a full discussion of these responsibilities and the factors you should consider when reviewing noncompetitive purchase requests.

If you are absent from the office, you may redelegate one of your team leaders as acting Competition Advocate.

I have every confidence you will execute these duties to the best of your ability and in the best interests of the Postal Service.

This appointment will remain in effect until it is rescinded.

A handwritten signature in cursive script that reads "Susan M. Brownell".

cc: Supply Management Leadership Team  
Douglas P. Glair

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## Appendix B.

# Supplying Principles & Practices Process Step 2 – 10 Determine Extent of Competition

The following sections of the SPs and Ps are provided for easy reference. They were extracted from the SPs and Ps on September 30, 2011:

### + 2-10 Determine Extent of Competition

The goal of Postal Service supplying activities is the achievement of best value for the Postal Service, and sourcing and material management decisions are made on this basis. Best value is defined in the Best Value Supplying Principle as “the outcome that provides the optimal combination of elements such as lowest TCO, technology, innovation and efficiency, assurance of supply, and quality consistent with the Postal Service’s needs and market strategy.” In the sourcing area, best value is generally achieved through competition because competition brings market forces to bear and helps purchase/SCM teams compare the relative value of proposals and prices.

#### 2-10.1 Market Surveillance

Market surveillance is the continuous process of updating market research and is used to obtain a sense of the products and services available in the market place and their various characteristics and capabilities. It includes activities designed to keep the purchase/SCM team abreast of current technology, product development, and innovative services. Market surveillance should focus on industry trends, technological change, and economic conditions. The awareness of the market obtainable through market surveillance gives the Postal Service the information necessary to maximize the opportunity for competition, thus increasing the likelihood of achieving best value.

#### 2-10.2 Competitive Purchases

Competitive purchases should be made on the basis of adequate competition whenever feasible. Adequate competition means the solicitation of a sufficient number of the best qualified suppliers to ensure that the required quality and quantity of goods and services are obtained when needed and that the price is fair and reasonable.

#### 2-10.3 Noncompetitive Purchases

##### 2-10.3.1 General

Noncompetitive purchases greater than \$10,000 are subject to the following procedures.

##### 2-10.3.2 Business Scenarios

In some circumstances, Postal Service business and competitive objectives may be met most effectively through a noncompetitive purchase. The following four scenarios discuss the instances when it is appropriate to use the noncompetitive method:

- Sole Source — Only one supplier exists, capable of satisfying a requirement.
- Industry structure or practice — The industry producing or supplying the required goods or services is structured in a manner that renders competition ineffective (e.g., when purchasing goods or services that are regulated, such as utilities, or when purchasing from nonprofit or educational institutions that do not compete in the market place).
- Compelling business interests — There is a business interest that is so compelling that purchasing noncompetitively outweighs the benefits of competition. These situations can include, but are not limited to, the urgency of the requirement, a supplier innovation that furthers Postal Service business objectives, or undue cost or delay would result from a contract award to a new supplier.
- Superior Performance — A supplier’s superior performance and its contributions to the Postal Service’s business and competitive objectives merit award of a particular purchase. For example, extending the term or expanding the scope of a contract for substantially the same goods or services when a supplier has performed at such a high level that the extension or expansion is well deserved, or when a supplier’s superior performance has made such performance beneficial to Postal Service operations.

##### 2-10.3.3 Noncompetitive Purchase Request

If it has been preliminarily recommended that the purchase should be made noncompetitively, then the requesting organization must submit a Noncompetitive Purchase Request (NPR) to the contracting officer. The NPR must include the business scenario and rationale for the noncompetitive purchase. While the extent and detail of the request will depend on the particular purchase, the purchase complexity, and the purchase’s potential dollar value, all elements of the NPR must be addressed fully and completely. If the requesting organization determines that an element is irrelevant or cannot be addressed fully and completely, a statement

explaining the circumstances must be provided. In addition, the NPR must be signed and dated by the originator/preparer and his/her management chain. If the estimated cost of the request exceeds \$250,000, then it must also be signed and dated by the responsible Vice President. The signers of the request must also certify to the conflicts of interest and nondisclosure statements which are included in the NPR. To view the NPR format, see MI SP-S2-2010-1, Noncompetitive Purchases.

The NPR is sent by the requesting organization to the contracting officer for evaluation and recommendation. If the purchase is valued at \$1 million or more, the contracting officer must forward a copy to the Competition Advocate (CA) at [competitionadvocate@usps.gov](mailto:competitionadvocate@usps.gov) and provide the CA with a timeline for the contract as well as any other pertinent information if practical. See below sections for more information about the CA role.

## 2-10.3.4 Competition Advocate

### 2-10.3.4.a. General

The CA is appointed by the VP, SM, and is generally responsible for promoting competition throughout the purchasing process, challenging barriers to the competition of Postal Service requirements, and assisting purchase/SCM teams in the development of effective supply chain management (SCM) solutions and obtaining best value. More specifically, the CA completes an independent review of all NPRs for purchases valued at \$1 million or more, provides independent advice to contracting officers regarding proposed noncompetitive purchases, and produces an annual report on noncompetitive purchase activity; the report is submitted to the VP, SM, and posted on-line for both internal Postal Service and public audiences.

### 2-10.3.4.b. Review

During the review, the CA should consider the following questions:

- Is the NPR based on sound business reasons that serve to promote the business and competitive interests of the Postal Service?
- Is the NPR justified under one of the four “Business Scenarios” (see section 2-10.3.1, Business Scenarios, for more detail)?
- Are the specifications and statements of work included in the NPR restrictive in any way? For example, are geographic preferences justified, or are brand name products or unnecessary experience or bonding required?
- Is the NPR complete and accurate? If any elements of the NPR are not addressed, is the rationale convincing?
- Does the NPR reflect commercial best practices?
- Does the NPR contradict or negatively impact the Postal Service’s commitment to and efforts towards supplier diversity?
- What plans for future competition of the requirement are both realistic and achievable?

After the review of the NPR is complete, the CA must prepare his/her recommendations to the contracting officer. This recommendation should provide advice to the contracting officer during his/her evaluation and recommendation on the NPR.

## 2-10.3.5 Contracting Officer Evaluation and Recommendation

The contracting officer reviews the NPR and performs a written evaluation of the proposed supplier’s past performance and supplier capability and any other matter he or she believes will lead to a more informed and effective purchase decision, including the Competition Advocate’s guidance if applicable. The contracting officer must document his or her approval or disapproval if within his or her delegated authority, or forward his or her recommendation through the management chain to the appropriate approval authority. The contracting officer’s or approval authority’s approval of the NPR does not constitute approval of contract award, and, in all cases, the contracting officer is required to negotiate reasonable pricing and terms and conditions prior to contract award, including review of relevant market pricing, when applicable, and a determination that the contract price is fair and reasonable.

## 2-10.3.6 Collaboration

If the parties should disagree as to purchase method, they should collaborate in order for the final purchase method determination or recommendation to be made. This collaboration will provide the requesting organization with the opportunity to bring forth any new or changed information which may affect the opinions of the contracting officer and approval authority. The CA may assist in these deliberations.

## 2-10.3.7 Purchase Method Approval Authorities

The portfolio managers (Facilities, Mail Equipment, Services, Supplies, and Transportation) within Supply Management may approve purchase method recommendations for noncompetitive purchases valued up to \$10 million, except for noncompetitive purchases of professional, technical, and consultant services valued at \$1 million or more. Requests for noncompetitive professional, technical, and consultant services purchases valued at \$1 million or more, and all other noncompetitive purchases valued at \$10 million or more, must be reviewed and approved by the VP, SM. Portfolio managers may delegate up to \$250,000 of this purchase method approval authority to subordinate Team Leaders or managers in the applicable purchasing organizations.

### **2-10.3.8 Publicizing**

All noncompetitive contract awards valued at more than \$1 million must be publicized in the Government Point of Entry (GPE) and other media, as appropriate.

### **2-10.3.9 Documentation**

See section 2-40.3.2, Contract Files for Noncompetitive Contracts, for information on required documentation.

### **2-10.4 Other Topics Considered**

Section 2-9, Perform Switching Cost Analysis

Section 2-20, Develop and Finalize Sourcing Strategy

Section 2-41, Obtain Selected Reviews and Approvals

## Appendix C.

## Contract Commitments and Competitive Classifications for CAMS - 80 Percent of Total Commitment Dollars

From October 1, 2011, to September 30, 2012, there were a total of 6,860 contract actions executed equal to or above the competitive threshold (\$10K) with commitments totaling \$4.3B. The actions involved 2,742 unique suppliers as defined by the APEX accounting system. The actions included commitments and de-commitments. The following table highlights the top 80 percent of supplier commitments based on commitment totals and includes the competitive classification breakdown by supplier.

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
United Airlines Cargo - WHQSA	Competitive	\$323,104,820	4		
United Airlines Cargo - WHQSA Total		\$323,104,820	4	7.5%	7.5%
AMERICAN BANK NOTE	Competitive	\$242,491,833	3		
AMERICAN BANK NOTE Total		\$242,491,833	3	5.6%	13.1%
UPS WORLDWIDE FORWARDING INC	Competitive	\$182,355,802	4		
	Noncompetitive - Sole Source	\$50,535,097	8		
	Noncompetitive - Compelling Business Interests	\$6,061,250	3		
UPS WORLDWIDE FORWARDING INC Total		\$238,952,149	15	5.5%	18.6%
ACCENTURE	Competitive	\$78,359,675	61		
	Noncompetitive - Sole Source	\$56,084,673	55		
	Noncompetitive - Compelling Business Interests	\$16,269,589	14		
	Ordering Agreements - Comp Coding Not Applicable	\$679,880	1		
ACCENTURE Total		\$151,393,817	131	3.5%	22.1%
DELTA AIRLINES INC	Competitive	\$126,032,702	3		
DELTA AIRLINES INC Total		\$126,032,702	3	2.9%	25.1%
NORTHROP GRUMMAN INFORMATION	Competitive	\$112,668,756	108		
	Noncompetitive - Compelling Business Interests	\$545,765	3		
	Noncompetitive - Industry Structure or Practice	\$479,999	2		
	Competitive - Simplified Purchasing	\$264,173	2		
NORTHROP GRUMMAN INFORMATION Total		\$113,958,692	115	2.6%	27.7%
CAMPBELL-EWALD COMPANY	Noncompetitive - Compelling Business Interests	\$63,798,927	14		
	Competitive	\$46,000,000	1		
CAMPBELL-EWALD COMPANY Total		\$109,798,927	15	2.5%	30.2%
IBM CORP	Noncompetitive - Compelling Business Interests	\$83,492,257	34		
	Competitive	\$9,325,540	21		
	Noncompetitive - Sole Source	\$8,449,161	10		
	Noncompetitive - Industry Structure or Practice	\$42,750	1		
IBM CORP Total		\$101,309,709	66	2.3%	32.6%
UNITED AIRLINES INC	Competitive	\$95,165,467	1		
	Competitive - Simplified Purchasing	\$38,059	1		
UNITED AIRLINES INC Total		\$95,203,526	2	2.2%	34.8%
American Airlines, Inc.	Competitive	\$89,836,639	2		
	Noncompetitive - Compelling Business Interests	\$28,210	1		
American Airlines, Inc. Total		\$89,864,849	3	2.1%	36.9%
AMERICAN AIRLINES INC	Competitive	\$80,950,711	2		
AMERICAN AIRLINES INC Total		\$80,950,711	2	1.9%	38.7%
HP ENTERPRISE SERVICES LLC	Competitive	\$74,521,295	125		
	Noncompetitive - Industry Structure or Practice	\$1,973,358	1		
	Noncompetitive - Compelling Business Interests	\$1,478,709	2		
HP ENTERPRISE SERVICES LLC Total		\$77,973,362	128	1.8%	40.6%
CONVERGYS GOVERNMENT SOLUTIONS LLC	Competitive	\$66,997,958	8		
CONVERGYS GOVERNMENT SOLUTIONS LLC Total		\$66,997,958	8	1.6%	42.1%

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
NORTHROP GRUMMAN SECURITY	Noncompetitive - Sole Source	\$60,213,268	14		
	Required Source - Policy/Legally Mandated	\$60,000	3		
	Below Competitive Threshold	\$20,000	2		
<b>NORTHROP GRUMMAN SECURITY Total</b>		<b>\$60,293,268</b>	<b>19</b>	<b>1.4%</b>	<b>43.5%</b>
EMC CORPORATION	Competitive	\$47,413,663	11		
	Noncompetitive - Compelling Business Interests	\$9,738,718	10		
	Noncompetitive - Industry Structure or Practice	\$2,153,150	3		
<b>EMC CORPORATION Total</b>		<b>\$59,305,531</b>	<b>24</b>	<b>1.4%</b>	<b>44.9%</b>
HEWLETT PACKARD CO	Competitive	\$52,808,420	172		
	Noncompetitive - Compelling Business Interests	\$4,368,539	11		
	Ordering Agreements - Comp Coding Not Applicable	\$841,500	4		
	Noncompetitive - Industry Structure or Practice	\$105,232	1		
<b>HEWLETT PACKARD CO Total</b>		<b>\$58,123,691</b>	<b>188</b>	<b>1.3%</b>	<b>46.2%</b>
LGSTX Distribution Services, Inc	Competitive	\$35,296,472	4		
	Noncompetitive - Compelling Business Interests	\$13,609,461	1		
<b>LGSTX Distribution Services, Inc Total</b>		<b>\$48,905,933</b>	<b>5</b>	<b>1.1%</b>	<b>47.4%</b>
CSC APPLIED TECHNOLOGIES LLC	Competitive	\$44,878,152	10		
	Noncompetitive - Compelling Business Interests	\$219,874	3		
<b>CSC APPLIED TECHNOLOGIES LLC Total</b>		<b>\$45,098,026</b>	<b>13</b>	<b>1.0%</b>	<b>48.4%</b>
MATHESON FLIGHT EXTENDERS INC	Competitive	\$25,615,904	4		
	Noncompetitive - Compelling Business Interests	\$14,432,467	4		
<b>MATHESON FLIGHT EXTENDERS INC Total</b>		<b>\$40,048,371</b>	<b>8</b>	<b>0.9%</b>	<b>49.3%</b>
WEBCOR PACKAGING CORPORATION	Competitive	\$39,000,000	6		
<b>WEBCOR PACKAGING CORPORATION Total</b>		<b>\$39,000,000</b>	<b>6</b>	<b>0.9%</b>	<b>50.2%</b>
ALASKA AIRLINES	Competitive	\$38,395,826	9		
<b>ALASKA AIRLINES Total</b>		<b>\$38,395,826</b>	<b>9</b>	<b>0.9%</b>	<b>51.1%</b>
METRO AIR SERVICE INC	Competitive	\$34,957,834	4		
	Competitive - Simplified Purchasing	\$151,320	1		
	Noncompetitive - Compelling Business Interests	\$128,100	4		
	Noncompetitive - Sole Source	\$20,000	1		
<b>METRO AIR SERVICE INC Total</b>		<b>\$35,257,254</b>	<b>10</b>	<b>0.8%</b>	<b>51.9%</b>
DELOITTE CONSULTING LLP	Competitive	\$34,495,558	78		
<b>DELOITTE CONSULTING LLP Total</b>		<b>\$34,495,558</b>	<b>78</b>	<b>0.8%</b>	<b>52.7%</b>
NCR CORP	Competitive	\$32,831,799	22		
	Competitive - Simplified Purchasing	\$936,370	2		
	Noncompetitive - Industry Structure or Practice	\$123,591	2		
	Noncompetitive - Compelling Business Interests	\$10,680	1		
<b>NCR CORP Total</b>		<b>\$33,902,440</b>	<b>27</b>	<b>0.8%</b>	<b>53.5%</b>
DELOITTE & TOUCHE LLP	Competitive	\$31,771,263	7		
<b>DELOITTE &amp; TOUCHE LLP Total</b>		<b>\$31,771,263</b>	<b>7</b>	<b>0.7%</b>	<b>54.3%</b>
GENERAL DYNAMICS INFORMATION TECHNOLOGY	Competitive	\$16,873,546	23		
	Noncompetitive - Compelling Business Interests	\$10,450,000	6		
	Noncompetitive - Sole Source	\$1,967,308	7		
<b>GENERAL DYNAMICS INFORMATION TECHNOLOGY Total</b>		<b>\$29,290,854</b>	<b>36</b>	<b>0.7%</b>	<b>54.9%</b>
ASHTON POTTER USA LTD	Competitive	\$26,941,278	30		
	Ordering Agreements - Comp Coding Not Applicable	\$2,188,512	6		
<b>ASHTON POTTER USA LTD Total</b>		<b>\$29,129,790</b>	<b>36</b>	<b>0.7%</b>	<b>55.6%</b>
JAPAN AIRLINES	Competitive	\$28,879,280	2		
<b>JAPAN AIRLINES Total</b>		<b>\$28,879,280</b>	<b>2</b>	<b>0.7%</b>	<b>56.3%</b>

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
CARGO FORCE INC	Competitive	\$21,783,546	10		
	Noncompetitive - Compelling Business Interests	\$6,970,467	6		
CARGO FORCE INC Total		\$28,754,014	16	0.7%	56.9%
NORTHERN AIR CARGO	Competitive	\$28,352,887	3		
		\$28,352,887	3	0.7%	57.6%
AVAYA GOVERNMENT SOLUTIONS	Noncompetitive - Compelling Business Interests	\$28,171,321	11		
AVAYA GOVERNMENT SOLUTIONS Total		\$28,171,321	11	0.7%	58.2%
HOLLINGSWORTH LOGISTICS GROUP	Competitive	\$26,570,331	12		
		\$26,570,331	12	0.6%	58.9%
INTERNATIONAL BUSINESS MACHINES	Noncompetitive - Sole Source	\$18,909,599	3		
	Noncompetitive - Compelling Business Interests	\$4,778,839	13		
	Competitive	\$2,010,000	8		
INTERNATIONAL BUSINESS MACHINES Total		\$25,698,438	24	0.6%	59.5%
BRITISH AIRWAYS PLC	Competitive	\$24,591,673	2		
		\$24,591,673	2	0.6%	60.0%
MDI	Required Source - Policy/Legally Mandated	\$22,764,314	9		
	Competitive	\$1,653,456	1		
MDI Total		\$24,417,770	10	0.6%	60.6%
TEMPLE INLAND	Competitive	\$24,385,000	5		
		\$24,385,000	5	0.6%	61.2%
ABM SECURITY SERVICES	Competitive	\$24,292,848	45		
		\$24,292,848	45	0.6%	61.7%
LOCKHEED MARTIN CORP	Noncompetitive - Sole Source	\$21,417,141	13		
	Noncompetitive - Superior Performance	\$2,367,394	2		
	Noncompetitive - Compelling Business Interests	\$244,774	1		
	Competitive - Simplified Purchasing	\$145,000	1		
	Ordering Agreements - Comp Coding Not Applicable	\$23,004	1		
LOCKHEED MARTIN CORP Total		\$24,197,312	18	0.6%	62.3%
CONTINENTAL AIRLINES, INC	Competitive	\$24,174,037	2		
		\$24,174,037	2	0.6%	62.8%
Evergreen EAGLE	Competitive	\$19,166,295	7		
	Noncompetitive - Compelling Business Interests	\$4,689,505	3		
Evergreen EAGLE Total		\$23,855,800	10	0.6%	63.4%
HARRIS IT SERVICES CORPORATION	Competitive	\$23,630,297	3		
		\$23,630,297	3	0.5%	63.9%
US AIRWAYS INC	Competitive	\$23,460,390	2		
		\$23,460,390	2	0.5%	64.5%
NEW BREED LEASING OF NJ INC	Competitive	\$22,967,032	11		
		\$22,967,032	11	0.5%	65.0%
WORLDWIDE FLIGHT SERVICES	Competitive	\$12,220,473	2		
	Noncompetitive - Compelling Business Interests	\$10,175,990	5		
WORLDWIDE FLIGHT SERVICES Total		\$22,396,463	7	0.5%	65.5%
ORANGE COUNTY CONTAINER	Competitive	\$20,000,000	4		
		\$20,000,000	4	0.5%	66.0%
BELL INC	Competitive	\$20,000,000	3		
		\$20,000,000	3	0.5%	66.5%
ALLIANCE PACKAGING LLC	Competitive	\$20,000,000	3		
		\$20,000,000	3	0.5%	66.9%
PETROLEUM TRADERS CORP	Required Source - Policy/Legally Mandated	\$19,090,378	72		
		\$19,090,378	72	0.4%	67.4%

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
SENNETT SECURITY PRODUCTS	Competitive	\$16,018,325	38		
	Ordering Agreements - Comp Coding Not Applicable	\$2,895,247	8		
SENNETT SECURITY PRODUCTS Total		\$18,913,572	46	0.4%	67.8%
SIEMENS INDUSTRY INC	Noncompetitive - Sole Source	\$9,475,814	5		
	Noncompetitive - Compelling Business Interests	\$4,153,229	12		
	Competitive	\$2,663,624	27		
	Competitive - Simplified Purchasing	\$953,322	20		
	Below Competitive Threshold	\$34,000	1		
SIEMENS INDUSTRY INC Total		\$17,279,989	65	0.4%	68.2%
INTERNATIONAL PAPER	Competitive	\$17,219,651	18		
	Competitive - Simplified Purchasing	\$13,067	1		
INTERNATIONAL PAPER Total		\$17,232,718	19	0.4%	68.6%
INTEGRATED AIRLINE SERVICE INC	Competitive	\$16,534,177	4		
	Noncompetitive - Compelling Business Interests	\$63,000	1		
INTEGRATED AIRLINE SERVICE INC Total		\$16,597,177	5	0.4%	69.0%
MURRAY AIR INC	Competitive	\$16,296,541	2		
MURRAY AIR INC Total		\$16,296,541	2	0.4%	69.4%
MOTOROLA SOLUTIONS INC	Competitive	\$11,688,648	31		
	Noncompetitive - Sole Source	\$4,561,698	2		
	Competitive - Simplified Purchasing	\$21,000	1		
MOTOROLA SOLUTIONS INC Total		\$16,271,346	34	0.4%	69.7%
AC TECHNOLOGIES INC	Noncompetitive - Compelling Business Interests	\$15,785,440	25		
	Noncompetitive - Sole Source	\$287,974	3		
AC TECHNOLOGIES INC Total		\$16,073,414	28	0.4%	70.1%
PALLET COMPANIES INC	Competitive	\$15,959,580	8		
PALLET COMPANIES INC Total		\$15,959,580	8	0.4%	70.5%
MANSFIELD OIL COMPANY	Required Source - Policy/Legally Mandated	\$15,648,948	30		
MANSFIELD OIL COMPANY Total		\$15,648,948	30	0.4%	70.8%
MAGELLAN BEHAVIORAL HEALTH	Noncompetitive - Compelling Business Interests	\$15,411,499	1		
MAGELLAN BEHAVIORAL HEALTH Total		\$15,411,499	1	0.4%	71.2%
SKY KING INC	Competitive	\$15,275,073	4		
SKY KING INC Total		\$15,275,073	4	0.4%	71.6%
INTERNATIONAL PAPER COMPANY	Competitive	\$15,000,000	2		
INTERNATIONAL PAPER COMPANY Total		\$15,000,000	2	0.3%	71.9%
SERCO INC	Noncompetitive - Compelling Business Interests	\$12,642,947	44		
	Competitive	\$1,976,021	3		
	Noncompetitive - Sole Source	\$25,719	1		
SERCO INC Total		\$14,644,686	48	0.3%	72.2%
ORACLE AMERICA INC	Noncompetitive - Compelling Business Interests	\$12,792,023	24		
	Competitive	\$1,417,979	1		
ORACLE AMERICA INC Total		\$14,210,001	25	0.3%	72.6%
ESCHER GROUP LTD	Competitive	\$13,504,904	7		
ESCHER GROUP LTD Total		\$13,504,904	7	0.3%	72.9%
XO COMMUNICATIONS SERVICES INC	Competitive	\$13,313,492	2		
XO COMMUNICATIONS SERVICES INC Total		\$13,313,492	2	0.3%	73.2%
THE WEST RIVER GROUP	Competitive	\$13,019,842	5		
THE WEST RIVER GROUP Total		\$13,019,842	5	0.3%	73.5%
TERADATA GOVERNMENT SYSTEMS LLC	Noncompetitive - Compelling Business Interests	\$10,540,700	9		
	Competitive	\$2,281,952	5		
TERADATA GOVERNMENT SYSTEMS LLC Total		\$12,822,653	14	0.3%	73.8%
WORLD WIDE TECHNOLOGY INC	Competitive	\$12,494,012	24		

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
WORLD WIDE TECHNOLOGY INC Total		\$12,494,012	24	0.3%	74.1%
PITNEY BOWES GOVERNMENT	Competitive	\$12,429,025	8		
PITNEY BOWES GOVERNMENT Total		\$12,429,025	8	0.3%	74.4%
ROBLEX AVIATION INC	Competitive	\$12,359,569	2		
ROBLEX AVIATION INC Total		\$12,359,569	2	0.3%	74.7%
DIEBOLD INCORPORATED	Competitive	\$11,780,932	23		
DIEBOLD INCORPORATED Total		\$11,780,932	23	0.3%	74.9%
STATE OF OKLAHOMA	Competitive	\$11,566,320	4		
STATE OF OKLAHOMA Total		\$11,566,320	4	0.3%	75.2%
DRAFTFCB INC	Noncompetitive - Compelling Business Interests	\$11,407,314	7		
DRAFTFCB INC Total		\$11,407,314	7	0.3%	75.5%
Marriott Hotel Services, Inc.	Competitive	\$10,800,000	1		
Marriott Hotel Services, Inc. Total		\$10,800,000	1	0.3%	75.7%
NEW BREED CORP	Competitive	\$10,545,990	4		
NEW BREED CORP Total		\$10,545,990	4	0.2%	76.0%
EFUNDS CORPORATION	Noncompetitive - Sole Source	\$8,251,576	1		
	Competitive	\$2,074,500	2		
	Noncompetitive - Compelling Business Interests	\$190,000	2		
EFUNDS CORPORATION Total		\$10,516,076	5	0.2%	76.2%
FIRST DATA MERCHANT SERVICES	Noncompetitive - Compelling Business Interests	\$10,500,000	1		
FIRST DATA MERCHANT SERVICES Total		\$10,500,000	1	0.2%	76.4%
VITRONIC MACHINE VISION LTD	Noncompetitive - Sole Source	\$9,700,000	1		
	Competitive	\$686,625	2		
	Noncompetitive - Compelling Business Interests	\$30,100	2		
VITRONIC MACHINE VISION LTD Total		\$10,416,725	5	0.2%	76.7%
VIDEOJET TECHNOLOGIES INC	Noncompetitive - Sole Source	\$7,431,462	13		
	Noncompetitive - Compelling Business Interests	\$2,253,880	2		
	Competitive	\$326,854	3		
	Competitive - Simplified Purchasing	\$154,914	2		
VIDEOJET TECHNOLOGIES INC Total		\$10,167,110	20	0.2%	76.9%
ALL NIPPON AIRWAYS	Competitive	\$10,155,898	1		
ALL NIPPON AIRWAYS Total		\$10,155,898	1	0.2%	77.2%
MATSON NAVIGATION CO	Competitive	\$9,525,000	3		
MATSON NAVIGATION CO Total		\$9,525,000	3	0.2%	77.4%
M & N AVIATION INC.	Competitive	\$9,443,525	2		
M & N AVIATION INC. Total		\$9,443,525	2	0.2%	77.6%
SHUERT INDUSTRIES INC	Competitive	\$9,431,702	3		
SHUERT INDUSTRIES INC Total		\$9,431,702	3	0.2%	77.8%
INTEPLAST GROUP LTD	Competitive	\$9,386,160	1		
INTEPLAST GROUP LTD Total		\$9,386,160	1	0.2%	78.0%
SOCIETE AIR FRANCE	Competitive	\$9,229,939	2		
SOCIETE AIR FRANCE Total		\$9,229,939	2	0.2%	78.2%
LEWIS & ROCA	Noncompetitive - Compelling Business Interests	\$9,220,000	2		
LEWIS & ROCA Total		\$9,220,000	2	0.2%	78.5%
SEALED AIR CORPORATION	Competitive	\$9,000,000	3		
SEALED AIR CORPORATION Total		\$9,000,000	3	0.2%	78.7%
MicroStrategy Services Corporation	Noncompetitive - Compelling Business Interests	\$8,850,481	17		
MicroStrategy Services Corporation Total		\$8,850,481	17	0.2%	78.9%
PITNEY BOWES GOVERNMENT SOLUTIONS	Competitive	\$8,799,988	1		
PITNEY BOWES GOVERNMENT SOLUTIONS Total		\$8,799,988	1	0.2%	79.1%
SOUTH TEXAS LIGHTHOUSE	Noncompetitive - Sole Source	\$8,677,032	2		

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
SOUTH TEXAS LIGHTHOUSE Total		\$8,677,032	2	0.2%	79.3%
SOUTHERN COUNTIES OIL CO. / DBA SC FUEL	Required Source - Policy/Legally Mandated	\$8,548,100	10		
	Competitive	\$60,000	1		
SOUTHERN COUNTIES OIL CO. / DBA SC FUEL Total		\$8,608,100	11	0.2%	79.5%
DIVERSI PLAST PRODUCTS	Competitive	\$8,321,032	1		
DIVERSI PLAST PRODUCTS Total		\$8,321,032	1	0.2%	79.7%
BMC SOFTWARE INC	Noncompetitive - Compelling Business Interests	\$8,209,917	6		
BMC SOFTWARE INC Total		\$8,209,917	6	0.2%	79.9%
AVERY DENNISON	Competitive	\$6,991,815	27		
	Ordering Agreements - Comp Coding Not Applicable	\$1,143,374	5		
	Noncompetitive - Sole Source	\$16,720	1		
AVERY DENNISON Total		\$8,151,909	33	0.2%	80.0%

## Appendix D.

## Contract Commitments and Competitive Classifications for TCSS - 80 Percent of Total Commitment Dollars

From October 1, 2011, to September 30, 2012, there were a total of 1,862 new fixed price contract actions executed equal to or above the competitive threshold (\$10K) with commitments totaling \$533M. The committed value of the contracts was calculated by multiplying the annual value of the contract by the contract term as TCSS only captures the annual value of the contract. The following table highlights the top 80 percent of supplier commitments based on commitment totals. All new TCSS actions are classified as competitive actions.

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
R&F TRANSPORTATION CO INC	Competitive	\$12,458,003	1		
R&F TRANSPORTATION CO INC Total		\$12,458,003	1	5.1%	5.1%
BEAM BROS TRUCKING INC	Competitive	\$11,808,894	2		
BEAM BROS TRUCKING INC Total		\$11,808,894	2	4.8%	10.0%
MIDWEST TRANSPORT INC	Competitive	\$10,942,661	3		
MIDWEST TRANSPORT INC Total		\$10,942,661	3	4.5%	14.5%
TROJAN HORSE LIMITED	Competitive	\$7,545,885	1		
	Noncompetitive - Compelling Business Interests	\$3,068,795	2		
TROJAN HORSE LIMITED Total		\$10,614,680	3	4.4%	18.8%
BYRD TRUCKING CO INC	Competitive	\$9,651,656	1		
BYRD TRUCKING CO INC Total		\$9,651,656	1	4.0%	22.8%
FAMES TRANSPORT INC	Competitive	\$5,535,023	4		
FAMES TRANSPORT INC Total		\$5,535,023	4	2.3%	25.0%
FLORIDA CARRIERS & BROKER SERVICES INC	Competitive	\$5,305,877	2		
FLORIDA CARRIERS & BROKER SERVICES INC Total		\$5,305,877	2	2.2%	27.2%
POSTAL TRANSPORT INC	Competitive - Simplified Purchase	\$4,098,069	1		
	Competitive	\$784,267	4		
POSTAL TRANSPORT INC Total		\$4,882,336	5	2.0%	29.2%
SADLER BROS TRUCKING & LEASING CO INC	Competitive	\$4,696,360	1		
SADLER BROS TRUCKING & LEASING CO INC Total		\$4,696,360	1	1.9%	31.1%
FBT TRANSPORT LLC	Competitive	\$4,272,566	4		
FBT TRANSPORT LLC Total		\$4,272,566	4	1.8%	32.9%
T&T ENTERPRISES OF OHIO INC	Competitive	\$3,086,012	3		
	Competitive - Simplified Purchase	\$436,577	1		
T&T ENTERPRISES OF OHIO INC Total		\$3,522,589	4	1.4%	34.3%
COP TRANSPORTATION LLC	Competitive	\$3,501,185	3		
COP TRANSPORTATION LLC Total		\$3,501,185	3	1.4%	35.8%
MC & G TRUCKING LLC	Competitive	\$3,429,175	2		
MC & G TRUCKING LLC Total		\$3,429,175	2	1.4%	37.2%
HARTMANN TRUCKING	Competitive	\$3,376,606	8		
HARTMANN TRUCKING Total		\$3,376,606	8	1.4%	38.6%
TNSTUMPPF ENTERPRISES LLC	Competitive	\$2,659,592	8		
	Competitive - Simplified Purchase	\$607,094	3		
TNSTUMPPF ENTERPRISES LLC Total		\$3,266,685	11	1.3%	39.9%
FRANCIA TRUCKING INC	Competitive	\$3,044,838	10		
FRANCIA TRUCKING INC Total		\$3,044,838	10	1.2%	41.2%
DOUGLAS M FECK	Competitive	\$2,897,769	3		
DOUGLAS M FECK Total		\$2,897,769	3	1.2%	42.4%
DAVIS MAIL SERVICES INC	Competitive	\$2,789,617	3		
DAVIS MAIL SERVICES INC Total		\$2,789,617	3	1.1%	43.5%

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
DDA TRANSPORT INC	Competitive	\$2,694,112	1		
DDA TRANSPORT INC Total		\$2,694,112	1	1.1%	44.6%
GOT MAIL LLC	Competitive	\$2,289,490	3		
GOT MAIL LLC Total		\$2,289,490	3	0.9%	45.5%
EAGLE EXPRESS LINES INC	Competitive	\$2,207,521	3		
EAGLE EXPRESS LINES INC Total		\$2,207,521	3	0.9%	46.5%
MUSTAFA ONOGUL	Competitive	\$2,137,580	2		
MUSTAFA ONOGUL Total		\$2,137,580	2	0.9%	47.3%
CAMINANTE TRUCKING	Competitive	\$2,105,251	5		
CAMINANTE TRUCKING Total		\$2,105,251	5	0.9%	48.2%
EXPERIENCED MAIL TRANSPORT INC	Competitive	\$2,082,352	1		
EXPERIENCED MAIL TRANSPORT INC Total		\$2,082,352	1	0.9%	49.1%
POSTAL FLEET SERVICES INC	Competitive	\$1,966,007	2		
POSTAL FLEET SERVICES INC Total		\$1,966,007	2	0.8%	49.9%
O & M TRUCKING CO LLC	Competitive	\$1,864,264	1		
O & M TRUCKING CO LLC Total		\$1,864,264	1	0.8%	50.6%
W & L MAIL SERVICE	Competitive	\$1,807,477	4		
W & L MAIL SERVICE Total		\$1,807,477	4	0.7%	51.4%
J AND K TRUCKING INC	Competitive	\$1,793,728	2		
J AND K TRUCKING INC Total		\$1,793,728	2	0.7%	52.1%
TR STONE TRUCKING CO	Competitive	\$1,338,646	1		
	Competitive - Simplified Purchase	\$289,585	1		
TR STONE TRUCKING CO Total		\$1,628,231	2	0.7%	52.8%
DUANE PREMPEH SENCHEREY JR	Competitive	\$1,628,024	1		
DUANE PREMPEH SENCHEREY JR Total		\$1,628,024	1	0.7%	53.4%
MLM TRUCKING INC	Competitive	\$1,580,370	1		
MLM TRUCKING INC Total		\$1,580,370	1	0.6%	54.1%
JOSE A TREJO	Competitive	\$1,546,733	1		
JOSE A TREJO Total		\$1,546,733	1	0.6%	54.7%
C4 LIVESTOCK AND PRODUCTS, LLC	Competitive	\$1,521,562	1		
C4 LIVESTOCK AND PRODUCTS, LLC Total		\$1,521,562	1	0.6%	55.3%
SOUTH WIND TRUCKING LLC	Competitive	\$1,517,132	1		
SOUTH WIND TRUCKING LLC Total		\$1,517,132	1	0.6%	56.0%
ALBERT MARTELL	Competitive	\$1,511,463	5		
ALBERT MARTELL Total		\$1,511,463	5	0.6%	56.6%
AL LA STELLA INC	Competitive	\$1,342,492	1		
AL LA STELLA INC Total		\$1,342,492	1	0.6%	57.1%
TRIPLE L INC	Competitive	\$1,290,412	3		
TRIPLE L INC Total		\$1,290,412	3	0.5%	57.7%
MISTI'S TRANSPORT INC	Competitive - Simplified Purchase	\$1,213,505	2		
MISTI'S TRANSPORT INC Total		\$1,213,505	2	0.5%	58.2%
C & K DELIVERY INC	Competitive	\$1,206,287	4		
C & K DELIVERY INC Total		\$1,206,287	4	0.5%	58.7%
NOBLE BAY EQUITIES LLC	Competitive	\$1,189,529	3		
NOBLE BAY EQUITIES LLC Total		\$1,189,529	3	0.5%	59.2%
HERBYS TRANSFER	Competitive	\$1,176,356	4		
HERBYS TRANSFER Total		\$1,176,356	4	0.5%	59.6%
EDWARD J LOCKERBY	Competitive - Simplified Purchase	\$1,103,295	1		
EDWARD J LOCKERBY Total		\$1,103,295	1	0.5%	60.1%
JK HANDYMAN SERVICES LLC	Competitive	\$1,081,180	2		
JK HANDYMAN SERVICES LLC Total		\$1,081,180	2	0.4%	60.5%

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
AJAR LOGISTICS	Competitive	\$1,049,636	3		
AJAR LOGISTICS Total		\$1,049,636	3	0.4%	61.0%
C BLACKBURN INC	Competitive - Simplified Purchase	\$770,416	1		
	Competitive	\$270,263	2		
C BLACKBURN INC Total		\$1,040,678	3	0.4%	61.4%
PONY EXPRESS DELIVERY, INC	Competitive	\$1,018,682	6		
PONY EXPRESS DELIVERY, INC Total		\$1,018,682	6	0.4%	61.8%
SHERYNTON RESOURCES, LLC	Competitive - Simplified Purchase	\$1,011,062	2		
SHERYNTON RESOURCES, LLC Total		\$1,011,062	2	0.4%	62.2%
MAPLES TRUCK LINE INC	Competitive	\$1,002,822	2		
MAPLES TRUCK LINE INC Total		\$1,002,822	2	0.4%	62.6%
LOUIE G REMOLADOR	Competitive	\$998,265	2		
LOUIE G REMOLADOR Total		\$998,265	2	0.4%	63.0%
MARK W CLEMONS	Competitive	\$979,958	1		
MARK W CLEMONS Total		\$979,958	1	0.4%	63.4%
MCCORMICK TRUCKING INC	Competitive	\$949,260	3		
MCCORMICK TRUCKING INC Total		\$949,260	3	0.4%	63.8%
AEH TRUCKING CO.	Competitive	\$889,509	2		
AEH TRUCKING CO. Total		\$889,509	2	0.4%	64.2%
METHOD FREIGHT INC	Competitive	\$873,530	1		
METHOD FREIGHT INC Total		\$873,530	1	0.4%	64.6%
DAVOSA TRANSPORT SERVICE	Competitive	\$856,215	3		
DAVOSA TRANSPORT SERVICE Total		\$856,215	3	0.4%	64.9%
TRAVIS J SMITH	Competitive	\$853,185	1		
TRAVIS J SMITH Total		\$853,185	1	0.4%	65.3%
RANDOLPH D LUNDGREN	Competitive	\$849,198	2		
RANDOLPH D LUNDGREN Total		\$849,198	2	0.3%	65.6%
IDEAS EXPRESS SERVICES	Competitive	\$819,532	1		
IDEAS EXPRESS SERVICES Total		\$819,532	1	0.3%	65.9%
SKILLS 4 LIFE	Competitive	\$810,247	1		
SKILLS 4 LIFE Total		\$810,247	1	0.3%	66.3%
GRAHAM & GRAHAM TRK LLC	Competitive	\$803,931	1		
GRAHAM & GRAHAM TRK LLC Total		\$803,931	1	0.3%	66.6%
PACIFIC ALLIANCE TRANSPORT INC	Competitive	\$792,947	2		
PACIFIC ALLIANCE TRANSPORT INC Total		\$792,947	2	0.3%	66.9%
LUIS H SAMBUCETTI	Competitive	\$785,430	1		
LUIS H SAMBUCETTI Total		\$785,430	1	0.3%	67.3%
RESCIGNO LOGISTICS GROUP LLC	Competitive	\$782,650	1		
RESCIGNO LOGISTICS GROUP LLC Total		\$782,650	1	0.3%	67.6%
AIRLINKS LLC	Competitive	\$760,713	1		
AIRLINKS LLC Total		\$760,713	1	0.3%	67.9%
MARROQUIN EXPRESS INC	Competitive	\$746,200	1		
MARROQUIN EXPRESS INC Total		\$746,200	1	0.3%	68.2%
C JS TRANSPORTATION SERVICES IN	Competitive - Simplified Purchase	\$725,618	2		
C JS TRANSPORTATION SERVICES IN Total		\$725,618	2	0.3%	68.5%
MARK PRAUS	Competitive	\$714,441	1		
MARK PRAUS Total		\$714,441	1	0.3%	68.8%
LE-MAR HOLDINGS INC	Competitive	\$712,825	3		
LE-MAR HOLDINGS INC Total		\$712,825	3	0.3%	69.1%
BRIZUELA'S TRANSPORTATION INC	Competitive	\$706,299	1		

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
BRIZUELA'S TRANSPORTATION INC Total		\$706,299	1	0.3%	69.4%
ALAN RITCHEY LLC	Competitive	\$693,729	1		
ALAN RITCHEY LLC Total		\$693,729	1	0.3%	69.7%
ROBERT DEMAGISTRIS	Competitive	\$673,849	1		
ROBERT DEMAGISTRIS Total		\$673,849	1	0.3%	69.9%
NR MAIL LLC	Competitive	\$672,050	1		
NR MAIL LLC Total		\$672,050	1	0.3%	70.2%
TRACIE MCCORMICK INC	Competitive	\$671,919	2		
TRACIE MCCORMICK INC Total		\$671,919	2	0.3%	70.5%
COMMERCIAL TRAILER LEASING INC	Competitive	\$651,103	1		
COMMERCIAL TRAILER LEASING INC Total		\$651,103	1	0.3%	70.7%
BLUE TICK INCORPORATED	Competitive	\$648,985	2		
BLUE TICK INCORPORATED Total		\$648,985	2	0.3%	71.0%
WALTON TRANSPORT LLC	Competitive	\$647,531	1		
WALTON TRANSPORT LLC Total		\$647,531	1	0.3%	71.3%
BLUE EAGLE CONTRACTING INC	Competitive	\$630,739	1		
BLUE EAGLE CONTRACTING INC Total		\$630,739	1	0.3%	71.5%
SALANGER TRUCKING	Competitive - Simplified Purchase	\$363,123	2		
	Competitive	\$226,137	1		
SALANGER TRUCKING Total		\$589,260	3	0.2%	71.8%
TRIPLE R AND SONS LLC, INC	Competitive	\$585,733	2		
TRIPLE R AND SONS LLC, INC Total		\$585,733	2	0.2%	72.0%
X-POST LLC	Competitive	\$584,908	1		
X-POST LLC Total		\$584,908	1	0.2%	72.3%
R L TRUCKING INC	Competitive	\$578,479	3		
R L TRUCKING INC Total		\$578,479	3	0.2%	72.5%
CHANELLE & BRANDOS TRANSPORT, LLC	Competitive	\$576,996	2		
CHANELLE & BRANDOS TRANSPORT, LLC Total		\$576,996	2	0.2%	72.7%
CARRIE FRANCIS FUNKHOUSER	Competitive	\$569,971	1		
CARRIE FRANCIS FUNKHOUSER Total		\$569,971	1	0.2%	73.0%
REYNOLDS TRUCKING INC	Competitive	\$561,909	2		
REYNOLDS TRUCKING INC Total		\$561,909	2	0.2%	73.2%
DAVENPORT TRANSPORTATION INC	Competitive	\$343,833	2		
	Competitive - Simplified Purchase	\$215,866	2		
DAVENPORT TRANSPORTATION INC Total		\$559,698	4	0.2%	73.4%
PORTER USPS CONTRACTING LLC	Competitive	\$556,584	3		
PORTER USPS CONTRACTING LLC Total		\$556,584	3	0.2%	73.7%
POSTAL CARRIER CORP	Competitive	\$554,676	1		
POSTAL CARRIER CORP Total		\$554,676	1	0.2%	73.9%
THOMAS W JACKSON	Competitive - Simplified Purchase	\$553,236	1		
THOMAS W JACKSON Total		\$553,236	1	0.2%	74.1%
R D EAGLE TRANSPORTS	Competitive	\$547,336	1		
R D EAGLE TRANSPORTS Total		\$547,336	1	0.2%	74.3%
EDWARD ZENGEL & SON	Competitive	\$546,278	2		
EDWARD ZENGEL & SON Total		\$546,278	2	0.2%	74.6%
KENT HORTON	Competitive	\$504,285	1		
KENT HORTON Total		\$504,285	1	0.2%	74.8%
SALUDA MOTOR LINES INC	Competitive	\$501,335	1		
SALUDA MOTOR LINES INC Total		\$501,335	1	0.2%	75.0%
S & T TRUCKING LLC	Competitive	\$500,354	1		
S & T TRUCKING LLC Total		\$500,354	1	0.2%	75.2%

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
ROBERT L FOY JR	Competitive	\$496,864	1		
ROBERT L FOY JR Total		\$496,864	1	0.2%	75.4%
DONKEY BOY, LLC	Competitive	\$496,284	1		
DONKEY BOY, LLC Total		\$496,284	1	0.2%	75.6%
MESSER TRUCKING	Competitive - Simplified Purchase	\$492,437	1		
MESSER TRUCKING Total		\$492,437	1	0.2%	75.8%
WG TRANSPORTATION	Competitive	\$368,767	1		
	Competitive - Simplified Purchase	\$118,168	1		
WG TRANSPORTATION Total		\$486,934	2	0.2%	76.0%
EDWARD W LAROCCA	Competitive	\$471,509	1		
EDWARD W LAROCCA Total		\$471,509	1	0.2%	76.2%
PAULA B JOHNSON	Competitive	\$457,534	1		
PAULA B JOHNSON Total		\$457,534	1	0.2%	76.4%
ANGELA PUGLIESE	Competitive	\$455,214	1		
ANGELA PUGLIESE Total		\$455,214	1	0.2%	76.6%
LUIS TRUCKING LLC	Competitive	\$455,175	2		
LUIS TRUCKING LLC Total		\$455,175	2	0.2%	76.7%
CORY O DUGAN	Competitive	\$454,623	1		
CORY O DUGAN Total		\$454,623	1	0.2%	76.9%
E F THOMPSON INC	Competitive	\$451,862	2		
E F THOMPSON INC Total		\$451,862	2	0.2%	77.1%
CLARA M BROER	Competitive	\$451,695	1		
CLARA M BROER Total		\$451,695	1	0.2%	77.3%
KLIZOTTE CONTRACTORS	Competitive	\$449,490	1		
KLIZOTTE CONTRACTORS Total		\$449,490	1	0.2%	77.5%
MARY JEAN BROWN	Competitive	\$445,734	2		
MARY JEAN BROWN Total		\$445,734	2	0.2%	77.7%
RHONDA LEINEN	Competitive - Simplified Purchase	\$229,078	1		
	Competitive	\$212,242	1		
RHONDA LEINEN Total		\$441,320	2	0.2%	77.9%
KATHLEEN M LEHMAN	Competitive	\$436,116	1		
KATHLEEN M LEHMAN Total		\$436,116	1	0.2%	78.0%
VELTRI INC	Competitive - Simplified Purchase	\$435,106	1		
VELTRI INC Total		\$435,106	1	0.2%	78.2%
SHANNON HANSON	Competitive	\$431,007	1		
SHANNON HANSON Total		\$431,007	1	0.2%	78.4%
LARRY C BIRD	Competitive	\$428,853	1		
LARRY C BIRD Total		\$428,853	1	0.2%	78.6%
ELIJAH BARNES	Competitive	\$425,788	1		
ELIJAH BARNES Total		\$425,788	1	0.2%	78.7%
URSA MAJOR CORPORATION	Competitive	\$424,199	2		
URSA MAJOR CORPORATION Total		\$424,199	2	0.2%	78.9%
JAMES E ELLISON	Competitive	\$419,644	1		
JAMES E ELLISON Total		\$419,644	1	0.2%	79.1%
BRENDA L KANIAUPIO	Competitive - Simplified Purchase	\$417,418	2		
BRENDA L KANIAUPIO Total		\$417,418	2	0.2%	79.3%
DRAKE OF CONKLIN, LLC	Competitive	\$413,207	2		
DRAKE OF CONKLIN, LLC Total		\$413,207	2	0.2%	79.4%
RATCLIFF ENTERPRISES INC	Competitive	\$411,678	1		
RATCLIFF ENTERPRISES INC Total		\$411,678	1	0.2%	79.6%

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
PAK-AM TRANSIT	Competitive	\$410,342	1		
PAK-AM TRANSIT Total		\$410,342	1	0.2%	79.8%
BETTENCOURT TRANSPORT	Competitive	\$409,159	1		
BETTENCOURT TRANSPORT Total		\$409,159	1	0.2%	79.9%
GARY V FREYHOLTZ	Competitive	\$407,015	2		
GARY V FREYHOLTZ Total		\$407,015	2	0.2%	80.1%

## Appendix E.

## Contract Commitments and Competitive Classifications for eFMS - 80 Percent of Total Commitment Dollars

From October 1, 2011, to September 30, 2012, there were a total of 1,010 contract actions equal to or above the competitive threshold (\$10K) executed in eFMS with commitments totaling \$213.4M. There were 138 contract actions above the competitive threshold before March that were not coded with commitments totaling \$30.3M; these contract actions are not included in the table below. The actions included commitments and de-commitments. The following table highlights the top 80 percent of supplier commitments based on commitment totals.

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
SG CONST SERVICES INC	COMPETITIVE	\$19,504,056	136		
SG CONST SERVICES INC Total		\$19,504,056	136	10.6%	10.6%
ST LOUIS DESIGN & CONSTRUCTION INC	COMPETITIVE	\$16,465,473	157		
ST LOUIS DESIGN & CONSTRUCTION INC Total		\$16,465,473	157	9.0%	19.6%
JACOBS PROJECT MANAGEMENT CO	COMPETITIVE	\$14,873,675	47		
JACOBS PROJECT MANAGEMENT CO Total		\$14,873,675	47	8.1%	27.8%
J E NOVACK CONSTRUCTION CO	COMPETITIVE	\$11,468,877	101		
J E NOVACK CONSTRUCTION CO Total		\$11,468,877	101	6.3%	34.0%
BAUER & RAETHER BUILDERS INC	COMPETITIVE	\$8,319,571	70		
BAUER & RAETHER BUILDERS INC Total		\$8,319,571	70	4.5%	38.6%
L D DOCSA ASSOCIATES INC	COMPETITIVE	\$7,352,542	33		
L D DOCSA ASSOCIATES INC Total		\$7,352,542	33	4.0%	42.6%
THE WHITING-TURNER CONTR CO	COMPETITIVE	\$5,747,553	1		
THE WHITING-TURNER CONTR CO Total		\$5,747,553	1	3.1%	45.7%
AECOM SERVICES INC	COMPETITIVE	\$4,814,871	36		
AECOM SERVICES INC Total		\$4,814,871	36	2.6%	48.3%
MILL CITY CONSTRUCTION	COMPETITIVE	\$4,499,425	5		
MILL CITY CONSTRUCTION Total		\$4,499,425	5	2.5%	50.8%
LIGHTON INDUSTRIES INC	COMPETITIVE	\$4,153,187	2		
LIGHTON INDUSTRIES INC Total		\$4,153,187	2	2.3%	53.1%
SCALISE INDUSTRIES	COMPETITIVE	\$4,111,978	1		
SCALISE INDUSTRIES Total		\$4,111,978	1	2.2%	55.3%
CME BUILDERS &	COMPETITIVE	\$3,274,314	5		
	COMPETITIVE - SIMPLIFIED PURCHASE	\$406,000	1		
CME BUILDERS & Total		\$3,680,314	6	2.0%	57.3%
AGENCY CONSTRUCTION CORP	COMPETITIVE	\$3,626,957	2		
AGENCY CONSTRUCTION CORP Total		\$3,626,957	2	2.0%	59.3%
LUSK MECHANICAL CONTR INC	COMPETITIVE	\$3,516,702	46		
LUSK MECHANICAL CONTR INC Total		\$3,516,702	46	1.9%	61.2%
BASIC IDIQ INC	COMPETITIVE	\$2,254,039	6		
	COMPETITIVE - SIMPLIFIED PURCHASE	\$980,473	2		
BASIC IDIQ INC Total		\$3,234,512	8	1.8%	63.0%
HILGER CONSTRUCTION INC	COMPETITIVE	\$3,010,350	1		
	COMPETITIVE - SIMPLIFIED PURCHASE	\$159,400	1		
HILGER CONSTRUCTION INC Total		\$3,169,750	2	1.7%	64.7%
PEACHTREE MECHANICAL INC	COMPETITIVE	\$2,996,804	1		
PEACHTREE MECHANICAL INC Total		\$2,996,804	1	1.6%	66.4%
KELLEY BROTHERS ROOFING INC	COMPETITIVE	\$2,910,000	1		
KELLEY BROTHERS ROOFING INC Total		\$2,910,000	1	1.6%	67.9%
NORTH HILLS CONSTRUCTORS INC	COMPETITIVE	\$2,893,935	16		
NORTH HILLS CONSTRUCTORS INC Total		\$2,893,935	16	1.6%	69.5%

Supplier Name	Competitive Classification	Sum of Committed \$	Contract Actions	% of Total	Cumulative %
MARK SCOTT CONSTRUCTION INC	COMPETITIVE	\$2,775,522	1		
MARK SCOTT CONSTRUCTION INC Total		\$2,775,522	1	1.5%	71.0%
CHARTER CONSTRUCTION COMPANY	COMPETITIVE	\$2,735,725	7		
CHARTER CONSTRUCTION COMPANY Total		\$2,735,725	7	1.5%	72.5%
PAUL J ROGAN CO INC	COMPETITIVE	\$2,532,545	5		
PAUL J ROGAN CO INC Total		\$2,532,545	5	1.4%	73.9%
VOLMAR CONSTRUCTION INC	COMPETITIVE	\$2,435,000	2		
VOLMAR CONSTRUCTION INC Total		\$2,435,000	2	1.3%	75.2%
CS3 INC	COMPETITIVE	\$2,315,000	1		
CS3 INC Total		\$2,315,000	1	1.3%	76.5%
J J MORLEY ENTERPRISES INC	COMPETITIVE	\$2,294,928	3		
J J MORLEY ENTERPRISES INC Total		\$2,294,928	3	1.3%	77.8%
OKLAND CONSTRUCTION	COMPETITIVE	\$2,180,000	1		
OKLAND CONSTRUCTION Total		\$2,180,000	1	1.2%	79.0%
D A EDWARDS & CO	COMPETITIVE	\$1,809,364	9		
	COMPETITIVE - SIMPLIFIED PURCHASE	\$172,815	1		
D A EDWARDS & CO Total		\$1,982,179	10	1.1%	80.0%

## Appendix F.

## Contract Commitments and Competitive Classifications from FPDS-NG Competition Advocate Report

The Federal Procurement Data System (FPDS-NG) captures and reports summary level contract actions and commitment information for agencies using appropriated funds as specified in FAR 4.6. The Competition Advocate report within FPDS-NG from October 1, 2011, to September 30, 2012, contains contract actions for 66 departments totaling \$515.7B in contractual commitments. The following table provides the total actions, commitments, competed actions, % competed actions, competed commitments, and % competed commitments for the departments listed in the report.

Department	Total Actions	Total Dollars	Competed Actions	% Competed of Actions	Competed Dollars	% Competed Dollars
LIBRARY OF CONGRESS ( 0300 )	7	\$0	7	100.0%	\$0	0.0000%
GENERAL ACCOUNTING OFFICE ( 0500 )	377	\$120,289,951	283	75.1%	\$114,975,718	95.6%
EXECUTIVE OFFICE OF THE PRESIDENT ( 1100 )	916	\$52,231,143	521	56.9%	\$30,521,605	58.4%
PEACE CORPS ( 1145 )	398	\$104,881,267	289	72.6%	\$98,457,203	93.9%
UNITED STATES TRADE AND DEVELOPMENT AGENCY ( 1153 )	10	\$147,119	5	50.0%	\$126,431	85.9%
AGRICULTURE, DEPARTMENT OF ( 1200 )	70,938	\$5,142,516,873	51,515	72.6%	\$4,380,593,338	85.2%
COMMERCE, DEPARTMENT OF ( 1300 )	24,659	\$2,349,814,827	15,927	64.6%	\$1,689,071,188	71.9%
INTERIOR, DEPARTMENT OF THE ( 1400 )	84,350	\$4,154,080,296	57,139	67.7%	\$3,156,559,714	76.0%
JUSTICE, DEPARTMENT OF ( 1500 )	201,876	\$6,443,293,416	103,930	51.5%	\$4,476,752,950	69.5%
LABOR, DEPARTMENT OF ( 1600 )	9,328	\$2,009,426,723	5,435	58.3%	\$1,570,205,125	78.1%
PENSION BENEFIT GUARANTY CORPORATION ( 1665 )	1,356	\$285,582,681	925	68.2%	\$252,793,820	88.5%
STATE, DEPARTMENT OF ( 1900 )	83,734	\$8,159,913,884	60,434	72.2%	\$6,291,994,395	77.1%
INTERNATIONAL BOUNDARY AND WATER COMMISSION: U.S.-MEXICO ( 19BM )	725	\$25,876,506	557	76.8%	\$17,346,742	67.0%
TREASURY, DEPARTMENT OF THE ( 2000 )	32,793	\$5,869,544,492	17,410	53.1%	\$4,923,164,98	83.9%
OFFICE OF PERSONNEL MANAGEMENT ( 2400 )	6,700	\$1,539,126,276	5,307	79.2%	\$1,392,637,809	90.5%
FEDERAL COMMUNICATIONS COMMISSION ( 2700 )	547	\$98,964,674	385	70.4%	\$63,363,987	64.0%
SOCIAL SECURITY ADMINISTRATION ( 2800 )	13,984	\$1,294,437,428	4,329	31.0%	\$649,595,866	50.2%
FEDERAL TRADE COMMISSION ( 2900 )	944	\$57,528,879	288	30.5%	\$37,831,719	65.8%
NUCLEAR REGULATORY COMMISSION ( 3100 )	2,819	\$198,365,766	1,619	57.4%	\$128,140,244	64.6%
SMITHSONIAN INSTITUTION ( 3300 )	3,673	\$347,681,748	1,360	37.0%	\$268,810,091	77.3%
J. F. KENNEDY CENTER FOR THE PERFORMING ARTS ( 3352 )	153	\$25,594,817	94	61.4%	\$17,798,451	69.5%
NATIONAL GALLERY OF ART ( 3355 )	344	\$30,438,380	253	73.5%	\$26,633,675	87.5%
INTERNATIONAL TRADE COMMISSION ( 3400 )	237	\$10,185,293	115	48.5%	\$5,299,420	52.0%
VETERANS AFFAIRS, DEPARTMENT OF ( 3600 )	1,900,997	\$17,135,594,551	1,764,459	92.8%	\$13,248,289,266	77.3%
MERIT SYSTEMS PROTECTION BOARD ( 4100 )	462	\$6,771,112	384	83.1%	\$5,983,762	88.4%
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION ( 4500 )	2,202	\$51,293,799	937	42.6%	\$16,187,319	31.6%
GENERAL SERVICES ADMINISTRATION ( 4700 )	618,011	\$9,507,742,242	469,407	76.0%	\$6,990,678,865	73.5%
NATIONAL SCIENCE FOUNDATION ( 4900 )	1,024	\$420,920,796	630	61.5%	\$374,260,800	88.9%
SECURITIES AND EXCHANGE COMMISSION ( 5000 )	2,921	\$302,466,538	1,405	48.1%	\$249,104,795	82.4%
FEDERAL LABOR RELATIONS AUTHORITY ( 5400 )	27	\$836,743	3	11.1%	\$228,646	27.3%
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ( 5900 )	42	\$1,124,722	23	54.8%	\$942,435	83.8%
NATIONAL ENDOWMENT FOR THE ARTS ( 5920 )	55	\$1,266,199	43	78.2%	\$1,085,945	85.8%
NATIONAL ENDOWMENT FOR THE HUMANITIES ( 5940 )	114	\$5,912,407	38	33.3%	\$755,528	12.8%
RAILROAD RETIREMENT BOARD ( 6000 )	319	\$13,889,341	147	46.1%	\$8,886,061	64.0%
CONSUMER PRODUCT SAFETY COMMISSION ( 6100 )	993	\$27,931,055	254	25.6%	\$16,029,445	57.4%
NATIONAL LABOR RELATIONS BOARD ( 6300 )	537	\$18,571,516	434	80.8%	\$15,626,091	84.1%
FEDERAL MARITIME COMMISSION ( 6500 )	72	\$462,365	37	51.4%	\$268,185	58.0%

Department	Total Actions	Total Dollars	Completed Actions	% Completed of Actions	Completed Dollars	% Completed Dollars
ENVIRONMENTAL PROTECTION AGENCY ( 6800 )	22,718	\$1,500,621,431	14,688	64.7%	\$1,181,523,880	78.7%
TRANSPORTATION, DEPARTMENT OF ( 6900 )	22,194	\$6,283,582,315	15,801	71.2%	\$5,251,276,768	83.6%
HOMELAND SECURITY, DEPARTMENT OF ( 7000 )	88,247	\$12,393,905,136	59,764	67.7%	\$9,049,627,010	73.0%
OVERSEAS PRIVATE INVESTMENT CORPORATION ( 7100 )	177	\$16,963,971	118	66.7%	\$12,295,038	72.5%
AGENCY FOR INTERNATIONAL DEVELOPMENT ( 7200 )	9,161	\$4,954,534,830	6,758	73.8%	\$3,236,689,317	65.3%
SMALL BUSINESS ADMINISTRATION ( 7300 )	1,051	\$122,293,072	633	60.2%	\$72,139,972	59.0%
HEALTH AND HUMAN SERVICES, DEPARTMENT OF ( 7500 )	86,746	\$19,133,031,640	53,101	61.2%	\$15,049,167,663	78.7%
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ( 8000 )	34,802	\$15,369,053,214	23,279	66.9%	\$9,330,780,245	60.7%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF ( 8600 )	3,485	\$1,449,067,298	1,747	50.1%	\$1,313,858,450	90.7%
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION ( 8800 )	1,545	\$166,633,684	1,052	68.1%	\$133,767,568	80.3%
ENERGY, DEPARTMENT OF ( 8900 )	13,676	\$25,122,375,361	8,745	63.9%	\$22,601,855,826	90.0%
FEDERAL ENERGY REGULATORY COMMISSION ( 8961 )	669	\$55,571,861	390	58.3%	\$43,592,297	78.4%
SELECTIVE SERVICE SYSTEM ( 9000 )	92	\$3,223,499	1	1.1%	\$230,662	7.2%
EDUCATION, DEPARTMENT OF ( 9100 )	3,227	\$2,051,318,151	2,108	65.3%	\$1,745,251,201	85.1%
FEDERAL MEDIATION AND CONCILIATION SERVICE ( 9300 )	101	\$1,921,349	68	67.3%	\$1,110,387	57.8%
NATIONAL CAPITAL PLANNING COMMISSION ( 9502 )	11	\$359,460	10	90.9%	\$353,945	98.5%
FEDERAL ELECTION COMMISSION ( 9506 )	270	\$11,240,215	182	67.4%	\$7,715,636	68.6%
COMMODITY FUTURES TRADING COMMISSION ( 9507 )	492	\$53,878,865	303	61.6%	\$48,793,312	90.6%
NATIONAL TRANSPORTATION SAFETY BOARD ( 9508 )	414	\$15,141,944	261	63.0%	\$12,504,070	82.6%
DEFENSE NUCLEAR FACILITIES SAFETY BOARD ( 9516 )	95	\$4,523,553	33	34.7%	\$2,576,355	57.0%
NATIONAL MEDIATION BOARD ( 9524 )	80	\$1,040,751	80	100.0%	\$1,040,751	100.0%
FEDERAL HOUSING FINANCE AGENCY ( 9542 )	1	\$414,056	1	100.0%	\$414,056	100.0%
MILLENNIUM CHALLENGE CORPORATION ( 9543 )	669	\$77,939,332	533	79.7%	\$71,771,981	92.1%
CONSUMER FINANCIAL PROTECTION BUREAU ( 955F )	179	\$31,586,982	144	80.4%	\$28,808,525	91.2%
CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD ( 9565 )	52	\$446,202	26	50.0%	\$199,359	44.7%
BROADCASTING BOARD OF GOVERNORS ( 9568 )	8,908	\$140,555,476	6,996	78.5%	\$79,960,917	56.9%
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE ( 9577 )	683	\$58,134,732	566	82.9%	\$47,698,769	82.0%
COURT SERVICES AND OFFENDER SUPERVISION AGENCY ( 9594 )	544	\$17,465,108	330	60.7%	\$9,643,806	55.2%
DEPT OF DEFENSE ( 9700 )	14,255,800	\$360,832,834,911	12,131,165	85.1%	\$205,869,947,341	57.1%
<b>Total</b>	<b>17,624,733</b>	<b>\$515,684,364,222</b>	<b>14,895,211</b>	<b>84.5%</b>	<b>\$325,725,596,720</b>	<b>63.2%</b>
<b>Excluding DoD</b>	<b>3,368,933</b>	<b>\$154,851,529,311</b>	<b>2,764,046</b>	<b>82.0%</b>	<b>\$119,855,649,380</b>	<b>77.4%</b>

Appendix G.

## **Noncompetitive Purchases – Management Instruction (SP S2-2011-1)**

In addition to the SPs and Ps, the noncompetitive purchase management instruction (MI) outlines the noncompetitive process. The MI is available internally on the Postal Service Intranet site: <http://blue.usps.gov/cpim/ftp/manage/sps2111.pdf>.

The MI is attached for external readers who do not have access to the Postal Service intranet site.



# Management Instruction

## Noncompetitive Purchases

This management instruction (MI) provides guidance to individuals involved in the purchase process, including the contracting officer and the requesting organization [purchase/supply chain management (SCM) team] on whether to purchase goods or services competitively or noncompetitively. This MI also establishes procedures for developing and evaluating a Noncompetitive Purchase Request (NPR) and for securing recommendations, endorsements, and approvals of such requests.

## Scope

The following procedures apply to all noncompetitive purchases of supplies, services, and equipment; design, construction, and related services; and mail transportation and related services, except for purchases valued at less than \$10,000; such purchases may be made without following the processes contained in this MI. Information about noncompetitive purchases of real estate and related services is provided in Handbook RE-1, *Postal Service Facilities Guide to Real Property Acquisitions and Related Services*. See *Orders Against Ordering Agreements and Indefinite Delivery/Quantity Contracts* below for information on those subjects.

## Purchase Method

As early as possible, the requesting organization should contact the relevant purchasing organization to discuss upcoming requirements and how they should be met. Topics to be addressed include market conditions, potential sourcing strategies, and purchase methods. In most cases, the competitive purchase method is best suited to meet the business objectives of the Postal Service™. Competition brings market forces to bear and allows comparisons of the relative value of competing proposals and prices. However, there are business situations in which the noncompetitive purchase method better suits the Postal Service's business objectives. Determining the appropriate purchase method is part of purchase planning and is discussed in 2-1, *Develop Purchase Plan*, and 2-10, *Determine Extent of Competition*, of the *Postal Service's Supplying Principles and Practices* (SPs and Ps). Whether the noncompetitive purchase method is the most effective business practice will depend on the particular purchase. As discussed in the SPs and Ps, four general business scenarios represent instances in which the noncompetitive method may best suit Postal Service

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 Obsoletes SP S2-2010-1  
 Unit Supply Management

Susan M. Brownell  
 Vice President  
 Supply Management

## CONTENTS

<b>Scope</b> .....	1
<b>Purchase Method</b> .....	1
<b>Preliminary Purchase Method Recommendation</b> .....	2
<b>Noncompetitive Purchase Request</b> .....	2
Competition Advocate Review and Advice .....	3
Contracting Officer Evaluation ....	3
Collaboration .....	4
Purchase Method Approval Authorities .....	4
Purchase Plans .....	4
Orders Against Ordering Agreements and Indefinite Delivery/Quantity Contracts .....	5
Modifications .....	5
Documentation .....	5
Emergencies .....	5
<b>Attachment</b> .....	5
Noncompetitive Purchase Request .....	5
<b>ATTACHMENT</b>	
<b>Noncompetitive Purchase Request (Required)</b> .....	6

business objectives and therefore prove the most effective. The four scenarios are described below.

1. **Sole Source.** Only one supplier exists who is capable of satisfying a requirement.
2. **Industry Structure or Practice.** The industry producing or supplying the required goods or services is structured in a manner that renders competition ineffective; for example, when purchasing goods or services that are regulated, such as some utilities, or when purchasing from nonprofit or educational institutions that do not compete in the marketplace.
3. **Compelling Business Interests.** There is a business interest that is so compelling that purchasing noncompetitively outweighs the benefits of competition. These situations can include, but are not limited to, the urgency of the requirement, a supplier innovation that furthers Postal Service business objectives, or undue cost or delay would result from a contract award to a new supplier.
4. **Superior Performance.** A supplier's superior performance and its contributions to the Postal Service's business and competitive objectives merit award of a particular purchase. For example, extending the term or expanding the scope of a contract for substantially the same or similar goods or services when a supplier has performed at such a high level that the extension or expansion is well-deserved, or when a supplier's superior performance has made such performance beneficial to Postal Service operations.

## Preliminary Purchase Method Recommendation

The purchase/SCM team must make a preliminary purchase method recommendation as to whether the purchase should be made competitively or noncompetitively. This should occur in the purchase planning phase, or if applicable, prior to the completion of the Justification of Expenditure or the Decision Analysis Report. The relevant purchasing organization will assist in conducting market research and provide any other needed expertise. If a recommendation is made to obtain goods or services noncompetitively, the requesting organization must develop a NPR, providing accurate and complete data in support of its request.

## Noncompetitive Purchase Request

The requesting organization must submit the NPR to the contracting officer. If the estimated value of the purchase is \$1 million or more, then the contracting officer will forward a copy of the NPR to the Postal Service's Competition Advocate (CA) for that individual's review. The NPR must include the business scenario and rationale for the noncompetitive purchase. While the extent and detail of the request will depend on the particular purchase, its complexity, and its potential

dollar value, the following must be addressed in all cases (see the attachment to this MI for more detail):

1. Purpose — Purpose of the purchase.
2. Background — Past purchases, summary of contract for modifications, etc.
3. Scenarios/basis (Include only those that apply):
  - a. Sole source.
  - b. Industry structure or practice.
  - c. Compelling business interests.
  - d. Superior performance.
4. Market research — Other firms or products/services evaluated.
5. Company identity and history — Type of organization, prior customers, etc.
6. Estimated cost — Estimated cost.
7. Future Purchases — Plans for future competition.
8. Conflicts of interest or appearance of the loss of impartiality in the performance of official duties certification and nondisclosure statement:
  - A certification that the requestor(s) does not have a financial interest in any entity or party interested in the purchase that would give rise to a criminal financial conflict of interest (see 18 USC § 208) or a personal or business relationship that could lead a reasonable person with the relevant facts to question the requestor's ability to remain impartial in the selection process (see 5 CFR 2635.502 of the Standards of Ethical Conduct for Employees of the Executive Branch) and
  - A statement that the requestor(s) will not disclose any sensitive information during the purchasing process.
9. Required signatures of the requesting organization — The Noncompetitive Purchase Request must be signed by:
  - a. Its originator/preparer.
  - b. All responsible manager(s) in the requesting office's management chain.
  - c. Vice president of the requesting office if the estimated value of the noncompetitive purchase is expected to exceed \$250,000.

### **Competition Advocate Review and Advice**

The CA is responsible for completing an independent review of the NPR for purchases valued at \$1 million or more. The CA provides independent advice for the contracting officer to consider in his or her evaluation and recommendation on the NPR. See SPs and Ps 2-10.3.4, Competition Advocate, for more information on the CA's responsibilities.

### **Contracting Officer Evaluation**

The contracting officer must review the NPR and perform a written evaluation of the proposed supplier's past performance and supplier

capability and any other matter he or she believes will lead to a more informed and effective purchase decision. In addition, the contracting officer must consider the advice provided by the CA, if applicable. The contracting officer must document his or her approval or disapproval if within his or her delegated authority, or forward his or her recommendation through the management chain to the appropriate approval authority. The contracting officer's approval of the NPR does not constitute approval of contract award. The contracting officer is required to negotiate reasonable pricing and terms and conditions prior to contract award, including review of relevant competitive pricing, when applicable, and a determination that the contract price is fair and reasonable.

### **Collaboration**

If the parties disagree as to purchase method, they should collaborate in order for the final purchase method determination or recommendation to be made. This collaboration will provide the requesting organization with the opportunity to bring forth any new or changed information which may affect the opinions of the contracting officer and approval authority (if applicable). The CA may assist in these deliberations.

### **Purchase Method Approval Authorities**

The managers of the Facilities, Mail Equipment, Services, Supplies, and Transportation Portfolios within Supply Management may approve purchase method recommendations for noncompetitive purchase valued up to \$10 million, except for noncompetitive purchases of professional, technical, and consultant services valued at \$1 million or more. Purchase method recommendations for noncompetitive purchases of professional, technical, and consultant services valued at \$1 million or more and all other noncompetitive purchases valued at \$10 million or more must be reviewed and approved by the Vice President, Supply Management. Portfolio managers may delegate up to \$250,000 of their purchase method approval authority to subordinate Team Leaders or managers in the applicable purchasing organization. The appropriate authority's approval of the noncompetitive purchase method does not constitute approval of contract award. The contracting officer is required to negotiate reasonable pricing and terms and conditions prior to contract award, including a review of relevant competitive pricing, when applicable, and a determination that the contract price is fair and reasonable.

### **Purchase Plans**

Purchase plans are required for purchases (competitive and noncompetitive) valued at \$1 million or more. For noncompetitive purchases, the purchase plan must be drawn up by the contracting officer after the noncompetitive purchase method has been approved by the appropriate authority (see SPs and Ps 2-1, Develop Purchase Plan, for more information).

### **Orders Against Ordering Agreements and Indefinite Delivery/Quantity Contracts**

Orders against ordering agreements valued at \$10,000 or more must be competed or treated as a noncompetitive purchase subject to this MI and the SPs and Ps. Orders against competitively awarded indefinite delivery/quantity (IDIQ) contracts are considered competitive, but may be competed further among other IDIQ providers if in the best interests of the Postal Service. Orders against noncompetitively awarded IDIQs are considered noncompetitive, but only the original contract is subject to the noncompetitive procedures described in this MI and the SPs and Ps. See SPs and Ps 2-18, Select Contract Type, and 4-1, Ordering, for more information.

### **Modifications**

Certain contract modifications may be subject to the noncompetitive processes detailed in this MI. See SPs and Ps, 5-8.8, Change Orders, for more information.

### **Documentation**

The CO must ensure that all necessary documentation (NPR, CA advice, contracting officer evaluation and recommendation, price determinations, etc.) is included in the contract file. See SPs and Ps 2-40.3.2, Contract Files for Noncompetitive Contracts, for a complete list of necessary documentation.

### **Emergencies**

When emergency conditions directly affect the safety or well-being of Postal Service personnel or may stop or seriously impede Postal Service operations, a contracting officer may approve an oral request for a noncompetitive purchase within his or her delegated noncompetitive approval authority. The requesting organization must follow up by addressing the appropriate elements of the Noncompetitive Purchase Request and sending it to the contracting officer. The contracting officer must include the Noncompetitive Purchase Request in the contract file.

## **Attachment**

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### **Noncompetitive Purchase Request**

All requesting organizations must use the attachment to this MI, the Noncompetitive Purchase Request, to obtain approval for proposed noncompetitive purchases. If approval is granted, the contracting officer must include a copy of the request along with evidence of its approval in the contract file.

## ATTACHMENT

### Noncompetitive Purchase Request (Required)

Instructions. The noncompetitive purchase request should cover each area listed below. It is to be completed by the requesting organization. The relevant purchasing organization should be contacted for assistance as necessary. The depth of coverage depends upon the purchase's dollar value, importance, potential long-term impact, etc. Additional topics may be added if necessary to support the request.

**1. Purpose**

What is the purpose of the purchase? What Postal Service need will be met? What will be the benefit to the Postal Service? Is the item for test and evaluation or for functional or operational use? If for test and evaluation, what is the plan for purchase of additional quantities if the tests are successful?

**2. Background**

Describe past purchases of the same or similar products/services. If a contract modification is contemplated, provide a summary of the contract value, modifications, and period of performance.

**3. Basis (Include only those applicable to your situation)**

- a. *Sole Source.* A single supplier is capable of satisfying a requirement.
- b. *Industry Structure or Practice.* This is when the industry producing or supplying the required goods or services is structured in a manner that renders competition ineffective; for example, when purchasing goods or services that are regulated, such as some utilities, or when purchasing from nonprofit or educational institutions that do not compete in the marketplace.
- c. *Compelling Business Interests.* There is a business interest that is so compelling that purchasing noncompetitively outweighs the benefits of competition. These situations can include, but are not limited to, the urgency of the requirement, a supplier innovation that furthers Postal Service business objectives, or undue cost or delay would result from a contract award to a new supplier.
- d. *Superior Performance.* A supplier's superior performance and its contributions to the Postal Service's business and competitive objectives merit award of a particular purchase. For example, extending the term or expanding the scope of a contract for substantially the same or similar goods or services when a supplier has performed at such a high level that the extension is well deserved, or when a supplier's superior performance has made such performance beneficial to Postal Service operations.

**4. Market Research**

List other firms or products/services evaluated. State why their approach or product does not satisfy the Postal Service's needs. What source/product list has been screened? Estimate number of companies/individuals with similar products/services. Is the recommended source a manufacturer or dealer? Is the product commercially available? How long has it been on the market? How did you learn about the product/service?

**5. Company Identity and History**

Briefly define the type of organization, prior customers and contracts, and whether it has previously contracted with the Postal Service.

**6. Estimated Cost**

What's the estimated cost of the items or service? Estimate ancillary costs, such as maintenance, as well as total contract cost. If computer software is to be purchased, estimate cost of maintenance, upgrading, etc. What type of licensing arrangement does the company require? Estimate savings to the Postal Service over useful life of the product or result of the service. If modification of the item is required, estimate the cost of modification. What is the impact upon the Postal Service if the request is not approved?

**7. Future Purchases**

Describe plans to develop competition for subsequent purchases. Is there a specification adequate for competition? If not, what is being done to develop one? Describe the plans and proposed timetable.

**8. Certifications of No Financial Conflict of Interest or Appearance of the Loss of Impartiality in the Performance of Official Duties**

I certify that I and those persons whose interests are imputed to me by law, do not have a financial interest in any entity or party interested in this purchase. This includes any party or entity involved in the award of the purchase and any of its competitors.

I understand that the financial interests of the following persons are imputed to me by law:

- a. My spouse.
- b. My minor children.
- c. My general partner in any non-Postal Service business.
- d. An organization or entity in which I serve as officer, director, trustee, general partner or employee and
- e. A person with whom I am negotiating for or have an arrangement concerning prospective employment.

I also certify that, to the best of my knowledge, this purchase is not likely to have a direct and predictable effect on the financial interests of a member of my household, and that I do not have a covered relationship with any party or entity interested in this purchase or with anyone that represents a party or entity interested in this purchase. I understand that I have a covered relationship with:

- a. A person, other than a prospective employer, with whom I have or seek a business, contractual or other financial relationship that involves other than a routine consumer transaction.
- b. A person who is a member of my household or a relative with whom I have a close personal relationship.
- c. A person for whom my spouse, my parent or dependent child is, to my knowledge, serving or seeking to serve as an officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee.
- d. A person for whom I have, within the last year, served as an officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee.
- e. An organization, other than a political party, in which I am an active participant.

I also certify that I am not aware of any other circumstances that I believe would cause a reasonable person with knowledge of the relevant facts to question my ability to remain impartial in this purchase.

I understand that if I have a financial conflict of interest related to this purchase, or my participation in this purchase that would lead a reasonable person with the relevant knowledge to question my ability to remain impartial, that I am disqualified from participating in this purchase. I also understand that I must immediately stop all work on this purchase and consult with ethics counsel to determine if I may continue to participate in this purchase.

**Nondisclosure**

I understand that I may not disclose any nonpublic information to any party interested in this purchase nor allow the use of nonpublic information by any party interested in this purchase. Nonpublic information is information that I have gained by reason of my Postal Service employment and that I know or reasonably should know has not been made available to the general public.

**9. Required Signatures of the Requesting Organization**

\_\_\_\_\_  
Originator/Preparer Date

\_\_\_\_\_  
Title

All responsible manager(s) in the requesting organization's management chain.

_____ Name	_____ Date	_____ Name	_____ Date
_____ Title		_____ Title	

\_\_\_\_\_  
Vice President\* Date

\*The vice president of the requiring organization must sign the request if the estimated cost of the purchase exceeds \$250,000.

## Appendix H.

# Contracting Data Definitions

For purposes of this report, the following contract-related data terms and definitions are provided as follows:

- **Contract Action:** a new contract, delivery order, task order, work order, modification to, or termination of a contract
- **Commitments:** funding that is added to a contract against which payments are made. Commitments may extend over multiple fiscal years and are equivalent to contract obligations as reported by other agencies in the Federal Procurement Data System (FPDS-NG). However, not all contracts have committed funds. Therefore, the total committed values of the contracts will be different than spend against contracts within a fiscal year. An example of a non-committed contract is an Indefinite Delivery/ Indefinite Quantity (IDIQ) contract that has a contractual minimum but orders are placed via the Postal Service on-catalog ordering system (eBuy2); the spend will occur against the contract but there will be no contractual commitments above the minimums of the contract. Commitments also include de-commitments that may occur during the life of a contract due to a reduction in scope or at the end of a contract during the contract close-out process to remove committed funds not spent.
- **Non-Personnel Operating Expenses:** expenses reported in the Postal Service 10-K and consists of transportation and other expenses. The majority of the non-personnel operating expenses are based on "spend" (defined below) but also include some financial adjustments based on 10-K reporting standards. Capital spend within the year is reflected via depreciation over multiple years.
- **Spend:** payments to suppliers within a fiscal year. Spend may be for expense or capital purchases throughout the year. Spend may also be offset by credits from suppliers. This CA report does not classify spend into competitive or noncompetitive because spend may be against contracts awarded in previous years that have not been updated to reflect the competitive/ noncompetitive classification. Spend may also be for local purchases (less than \$10K) and thus not against a contract but through credit cards or other local payment methods.

