

BPA NUMBER QPN BQV 02

GENERAL SERVICES ADMINISTRATION
BLANKET PURCHASE AGREEMENT

Pursuant to the General Services Administration's (GSA's) Schedule Contract No. GS-23F-0282L and Federal Acquisition Regulation (FAR) 8.405-3, Blanket Purchase Agreements (BPA), United Parcel Service (UPS) agrees to the following terms of a single award BPA with the GSA under this Federal Strategic Sourcing Initiative (FSSI):

- (1) GSA's RFQ (Attachment A) (as amended), UPS' technical proposal in response to the Request For Quote (RFQ) dated June 3, 2009 (Attachment B) and pricing proposal dated June 3, 2009, as revised July 17, 2009 (Attachment C) in response to negotiations are hereby incorporated into the BPA. UPS' Service Guide is also incorporated into this BPA. In the event of a conflict between UPS' service guide and the terms and conditions of the GSA Schedule contract and this BPA, the GSA Schedule contract shall take precedence.
- (2) Frequency of Ordering: As stipulated in the RFQ, GSA will submit orders and modifications by the 15th of each month.
- (3) Invoicing: The requirements of a proper invoice are as specified in the Federal Supply Schedule contract. Invoices will be submitted to the address specified by authorized users of this BPA through the account set and hierarchies established
- (4) Discounts: Price reductions for any profile are encouraged at any time; however, discounts offered must be extended to all DDS2 participants in the profile where price reductions are offered.
- (5) Requirements: GSA forwarded the requirement for DDS2 base profile and 5 unique shipping profile agencies under FSSI in the RFQ (see RFQ pages 31-35) that resulted in this single award BPA. No further competition is required.
- (6) Delivery locations and times will be as specified by authorized users of this BPA through the account set up and hierarchies established.
- (7) Authorized users are as stipulated in Attachment D.
- (8) The Government estimates, but does not guarantee, that the volume of purchases through the DDS2 BPA will be \$100 million.
- (9) Ordering: The ordering procedures are as specified on Attachment E. Orders will be placed by GSA on behalf of agencies via Electronic Data Interchange (EDI), fax, email or paper.
- (10) This BPA does not obligate any funds.
- (11) This BPA expires on September 30, 2010 or at the end of the contract period, whichever is earlier. An annual review will be conducted. Four (4) one-year options may be exercised unilaterally at the government's discretion.
- (12) The following office administers the BPA:
General Services Administration
Office of Travel, Motor Vehicles & Card Services
2200 Crystal Drive, Suite 300
Arlington, Virginia 22202


United Parcel Services (UPS)

8/26/09
Date


GSA Contracting Officer

8/26/09
Date

**FSSI –Domestic Delivery Services
Generation 2 (DDS2)
Statement of Objectives**

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I. Introduction

A. The Federal Strategic Sourcing Initiative (FSSI)

The Federal Strategic Sourcing Initiative (FSSI) is a cross-agency initiative tasked with improving the value of the goods and services procured by the Federal Government. FSSI is chartered under the purview of the Chief Acquisition Officers Council and the Strategic Sourcing Working Group monitored by the Office of Federal Procurement Policy. The FSSI is co-chaired by Mary Davie, General Services Administration and Tom Sharpe, Department of the Treasury.

The primary objectives of FSSI are to:

- Minimize the Total Cost of Ownership of procured goods and services
- Utilize business intelligence to better support overall decision making and performance management
- Establish mechanisms to increase savings, value, and socio-economic participation
- Share best practices and build the strategic sourcing community of practice
- Learn lessons applicable to future strategic sourcing efforts at Federal or agency levels
- Avoid unnecessary duplication of effort in pursuing the OMB Strategic Sourcing Initiative

As part of FSSI, the General Services Administration (GSA) is facilitating a multi-agency team to establish a Government-wide Express and Ground Domestic Delivery Services program. This Statement of Objectives (SOO) is intended to provide interested offerors the necessary background and detailed objectives as they relate to these services.

B. The First Generation Domestic Delivery Services (DDS1) Program

In 2006, FSSI implemented a Blanket Purchase Agreement (BPA) with FedEx for Express and Ground Domestic Delivery Service (“DDS1”). This award enabled the Federal Government to realize significant cost savings and provided robust reporting capabilities to enable agencies to better manage shipments. In FY2008, approximately 60 agencies utilized the DDS1 program, resulting in approximately \$100M in spend. The DDS1 BPA will expire on September 30, 2009, and as such, GSA and the FSSI program are currently engaged in the process of developing a second generation contract (“DDS2”).

C. Second Generation Domestic Delivery Services (DDS2) Opportunity

The DDS2 solution is being developed by a cross-agency project team, made up of 14 agencies. It is estimated that the agencies that are active members of the DDS2 team comprise over \$162 million of the approximately \$372 million in FY08 Government delivery services spend. The Government has also gone through efforts to understand the shipping needs of agencies not on the DDS2 team for the purpose of developing a solution that is applicable and valuable to the largest number of agencies possible. As such, the objectives specified within this document are intended to address the shipping requirements of all Government agencies.

The following agencies are represented on the DDS2 project team:

Agency	DDS1 Participant?	Est. In Scope Shipping Spend
VA	Y	\$25M
VA CMOPs	Y	\$23M
Treasury	Y	\$21M
DHS	Y	\$18M
HHS	Y	\$15M
USDA	N	\$14M
GSA Depots	N	\$10M
DOC	Y	\$7M
DOE	Y	\$8M
DOI	Y	\$8M
DOL	Y	\$4M
DOT	Y	\$4M
GSA	Y	\$4M
OPM	Y	\$1M
NTSB	Y	\$0.04M
Total		\$162M

Details of the shipping patterns for all DDS1 participants can be found in the data set referenced in the “General Shipping Profile” section of this document.

The roles of the participating DDS2 project team include: attending team meetings, sharing DDS2-related best practices, collaborating on the gathering of service requirements and the creation of the acquisition strategy and documentation. Please note that although participation on the DDS2 project team includes the ability to utilize any resulting procurement vehicles, guarantees regarding participating agencies’ usage of these vehicles are neither intended nor implied. All team member agencies retain the flexibility to determine the approach that will best meet their needs for DDS2 services, either within or external to this acquisition process.

The objectives specified within this document are intended to address the specific requirements of those agencies participating on the DDS2 project team. However, the resulting contract vehicles will be open for use by all agencies creating a strong possibility that additional agencies from across the government will also choose to utilize the resulting agreements during the contract period of performance.

II. DDS2 Scope & Background

A. Geographic Scope

This SOO covers nationwide (domestic) deliveries including deliveries to all addresses in the Continental United States, Alaska, Hawaii, and the Commonwealth of Puerto Rico. Contractors wishing to compete for this award shall provide delivery services to at least 95% of all domestic zip codes. Delivery to Army Post Office (APO) or Fleet Post Office (FPO) addresses shall be considered in scope only if the Contractor provides service to those addresses commercially.

B. Services in Scope

The services in scope of this SOO are defined as domestic time- and day-definite delivery services for both air and ground shipments of extremely Urgent Letters, Small Packages, and Heavyweight items, including available Accessorial services. Note that while express delivery of Heavyweight items are included in this solicitation, freight services (including Truckload and Less than Truckload shipments) are out of scope. Shipments covered under this SOO include packages originating at agency locations and packages shipped with agency authorization for Government business (including so called "Inbound" shipments).

Federal Government agencies ship a wide-ranging mix of parcels via Express and Ground delivery services. Types of parcels that may be shipped include, but are not limited to, the following:

- Extremely Urgent Letters
- Small Packages
- Heavyweight Items

This SOO describes the delivery services requirements for these shipment types across the following delivery service categories:

Express Package Delivery

Extremely Urgent Letters and Small Package shipments with Next Day, Two Day, or Three Day Express delivery requirements. The shipper selects the required type of delivery service based on the day the shipment will be delivered.

- For Express Small Package Delivery, any one unpalletized package or shipment piece contained in the consignment shall NOT exceed 150 pounds, 108 inches in length, or 165 inches in length plus girth (Girth = $2W + 2H$). If a Contractor's commercial definition of Small Package differs from this definition, such difference must be explicitly stated in the Contractor's response. An inability to provide services for all weight ranges will not disqualify a Contractor from consideration for a multiple-award.
- For Hundredweight Delivery, multiple packages shall be traveling to the same destination on the same day with a total combined weight in excess of 100 pounds, if offered commercially.
 - The lower total shipment rate between hundredweight or individual packages shall automatically apply, if offered commercially.

Express Heavyweight Delivery

Single and multi-package shipments with at least one piece weighing greater than 150 pounds with Next Day, Two Day, or Three Day Express delivery requirements. The shipper selects the required type of delivery service based on the day of delivery the shipment will be delivered. Express Heavyweight shipments may or may not be palletized.

Ground Delivery

Small Package shipments receiving delivery commitment based upon origin/destination ZIP Code distances or zones.

- For Ground Small Package Delivery, any one unpalletized package or shipment piece contained in the consignment shall NOT exceed 150 pounds, 108 inches in length, or 165 inches in length plus girth (Girth = $2W + 2H$). If a Contractor's commercial definition of Small Package differs from this definition, such difference must be explicitly stated in the Contractor's response. An inability to provide services for all weight ranges will not disqualify a Contractor from consideration for a multiple-award.
- For Hundredweight Delivery, multiple packages shall be traveling to the same destination on the same day with a total combined weight in excess of 200 pounds
 - The lower total shipment rate between hundredweight or individual packages shall automatically apply.

The specific services associated with these delivery categories are described within Section III, Objectives.

C. Delivery Services Categories

The main service categories described under this SOO include, but are not limited to, the following:

Table II-C1

Service Category	Description
Express Next Day	All next business day delivery services by a specific time
Express Second Day	Delivery within two business days
Express Third Day	Delivery within three business days
Ground	Routine day-definite delivery with delivery commitments based upon origin /destination ZIP Code distances or zones
Other Delivery	Contractors to provide service name, description, days in transit and delivery time

III. Objectives

A. Delivery Services Objectives

The desired delivery objectives are divided into four categories: core, optional, enabling and Accessorial services.

1. **Core delivery services** are those delivery services required of Contractors in order to meet the Government's requirements.
2. **Optional delivery services** include those additional delivery services outside of the Core Delivery Services which Contractors may choose to offer as part of their solution
3. **Enabling services** are those services that are integral to the way that Shippers utilize core delivery services and are considered to be mandatory services that are expected to be included in base pricing.
4. **Accessorial delivery services** are included as a secondary list of services that should be made available, although agency needs and usage of these services vary. These services may be offered for a fee or without a fee.

The specific requirements associated with each of the four delivery services categories are described in detail below:

1. Core Delivery Services

The Government reserves the right to award the DDS2 contract as either a single award or multiple awards.

- All Contractors to be considered for a single award shall provide at minimum **all** delivery services as described in Table III-A1 while meeting the quality requirements set forth in Section III-C, Performance Management Objectives. Additional services beyond those included in

Table III-A1 may also be offered as long as they are covered under the Contractor's multiple award schedule contract.

- All Contractors to be considered for a multiple award shall provide **at minimum one** of the delivery services described in Table III-A1 while meeting the quality requirements set forth in Section III-C, Performance Management Objectives. Additional services beyond those included in Table III-A1 may also be offered as long as they are covered under the Contractor's multiple award schedule contract.

The Government encourages contractors to participate in teaming arrangements in accordance to FAR 9.6. If Contractors opt for this type of arrangement as a total solution then all Contractor Teaming Arrangements(s) (CTA) must specifically identify as such in its proposal, and the CTA document shall be submitted to the Government as part of the quotation in response to the RFQ. Generally, the CTA should designate all team members, their corresponding GSA Schedule contract numbers, and describe the tasks to be performed by each team member, along with the associated proposed prices (e.g., unit prices, labor categories, and hourly rates). If applicable, the team lead should also be identified, as should the individual team members responsible for delivery, warranty, and other issues. The ordering activity should then be able to verify that any proposed unit prices or hourly rates do not exceed the prices awarded under each team member's GSA Schedule contract and thus avoid any misunderstandings regarding each team member's responsibilities and prices.

Table III-A1 – Mandatory Services for Single Award Consideration

Ref ID	Shipment Type	Service Category	Description
DS1	Express <ul style="list-style-type: none"> • Extremely Urgent Letter / Small Package / Hundredweight 	Next Day: First AM	Next day delivery between 8am and 10am for most locations
DS2	Express <ul style="list-style-type: none"> • Extremely Urgent Letter / Small Package / Hundredweight • Heavyweight 	Next Day: Mid-Morning/Noon	Next day delivery by 10:30am for most business locations
DS3	Express <ul style="list-style-type: none"> • Extremely Urgent Letter / Small Package / Hundredweight • Heavyweight 	Next Day: Afternoon	Next day delivery by 3:00pm for most business locations

Ref ID	Shipment Type	Service Category	Description
DS4	Express <ul style="list-style-type: none"> Extremely Urgent Letter / Small Package / Hundredweight Heavyweight 	Second Business Day	Delivery by the end of the second business day to most locations
DS5	Express <ul style="list-style-type: none"> Extremely Urgent Letter / Small Package / Hundredweight Heavyweight 	Third Business Day	Delivery by the end of the third business day to most locations
DS6	Ground <ul style="list-style-type: none"> Small Package / Hundredweight 	Day-definite	Delivery commitment based on zip code / zone

2. Optional Delivery Services

In addition to those services described as Core Delivery Services, Contractors may also choose to provide other services as part of their solution. Examples of known Optional Delivery Services where the Government has existing requirements are described in Table III-A2

Table III-A2 – Optional Delivery Services for Single and Multiple Award Consideration

Ref ID	Shipment Type	Service Category	Description
ODS1	Customized Home Delivery	Day-definite	Delivery to a residence outside of normal delivery hours, or by appointment
ODS2	Return Package Service	Day-definite	Return delivery from a destination location back to the original sender location
ODS3	Express Same Day Delivery	Day-definite	Express Small Package or Heavyweight delivery service with delivery on the same day as pickup

Ref ID	Shipment Type	Service Category	Description
ODS4	2-3 Day Unguaranteed Delivery	nonguaranteed	nonguaranteed delivery to most locations in 2 to 3 business days
ODS5	nonguaranteed Ground Delivery	Unguaranteed	nonguaranteed delivery to most locations within 10 business days
OSDx	<i>Contractor Defined</i>		

3. Enabling Services

- a) Contractors shall provide the requirements described in Table III-A3, Ref BD1-BD7 as part of the standard set of core delivery services. These requirements shall be included in the base delivery pricing bid by the Contractor for the core delivery services.
- b) Contractors may also provide additional value-add enabling services as part of the standard set of delivery services. These services may be included at the discretion of the Contractor as a means to increase the attractiveness of their proposal. These additional value-add enabling services may include those listed as Accessorial Delivery Service (Table III-A4), or may be other services.

Table III-A3

Ref ID	Description
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BD1	<p><u>Pickup and delivery service</u></p> <p>Provide desktop or suite delivery to Government facilities and commercial addresses where such services are currently provided, except at those locations where security or administrative restrictions may prohibit it, and provide suite or door delivery in residential locations. For extremely Urgent Letters using Express delivery, the Contractor shall provide next day delivery in accordance with the Private Express Statutes and 39 CFR, Chapter 1, Parts 310 and 320. If the delivery requirement provisions of 39 CFR 320.6(b) do not apply to the shipment, the Contractor shall deliver extremely Urgent Letters in accordance with the service requested.</p> <ul style="list-style-type: none">• In locations with a mailroom or other specific receiving location where the contractor is not currently providing desktop / suite delivery, or in locations where the contractor is not allowed within the building, the pickup and delivery requirements of packages will commence/end upon pickup/delivery to the mailroom or other receiving location.• Other Government facilities will require pickup/delivery to a specific suite or to the desktop, if requested and if the Contractor already provides such a service at that facility.• Agencies should be contacted for delivery instructions when threat-level security measures prevent desktop and/or suite access at locations without a servicing mailroom.• Local arrangements for timing of daily pickup/delivery at locations is highly encouraged. Any deliveries attempted after the close of business at a given location shall not be left in an unattended area unless other arrangements have been made for that specific shipment. <p>Pickup fees will not be assessed for Government facilities utilizing a drop box or Contractor facility for tender of packages. Non Governmental facilities shipping packages using an established Government account number will only be charged a pickup fee for the week where packages are tendered using that Government account number if pickup fees are assessed for pickup at the originating facility.</p>
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BD2	<p><u>Basic liability coverage</u></p> <ul style="list-style-type: none"> • For Extremely Urgent Letters, Express Small & Large Package and Ground shipments, liability coverage of \$100 per package, unless higher liability coverage is declared on the, airbill, Commercial Bill of Lading (“CBL”) or electronic Commercial Forms & Procedures (“CF&P”) at the time the shipment is tendered, or as is standard commercial practice • For Express Heavyweight shipments, liability coverage of \$75.50 per shipment or \$0.50 per pound per shipment, whichever is higher, unless higher liability coverage is declared on the airbill, CBL or electronic CF&P at the time the shipment is tendered, or as is standard commercial practice
BD3	<p><u>Shipment tracking and tracing</u></p> <p>Provide the shipper and the receiver of the shipment the ability to track/trace all shipments from the date and time of pickup at origin to the date and time of delivery at destination. The Contractor’s tracking/tracing system shall be able to trace all shipments by the Contractor’s unique identifying CBL number and shall be updated with a frequency in line with industry best practices.</p>
BD4	<p><u>Hold for pickup</u></p> <p>When requested at the time of shipment, the Contractor will hold a shipment for pickup at the Contractor’s destination facility for a period of 5 business days, or the number of days offered commercially. Perishable items, hazardous/ dangerous goods, and dry ice shipments cannot be held for pickup at the Contractor’s destination facility.</p> <p>If the consignee fails to pickup the shipment within the set number of business days, the shipment is to be returned to the consignor.</p>
BD5	<p><u>Address Adjustment</u></p> <p>The Contractor shall attempt to correct any obvious destination address errors which would not cause late delivery of the shipment and deliver the shipment within the time requirements specified herein at no additional cost.</p> <p>The Contractor is expected to define as part of their proposal what instances will be included as no-fee Address Adjustments versus for-fee Address Corrections, as defined as an Accessorial Delivery Service, Table III-A-4, Ref AD3. It is the Government’s expectation that adjustment charges will only be incurred if the shipment has to be returned to the Contractor’s facility in order to research the correction.</p> <p>Additionally, reconciliation between unique USPS ZIP codes and Contractor ZIP codes will be performed as a no-fee Address Adjustment (if Contractor ZIP codes differ from USPS ZIP codes).</p>

BD6	<u>Tracking/tracing by transportation control number (TCN) (17 alpha-numeric positions)</u> Tracking of shipments using the Department of Defense TCN (only applies to shipments made by DoD consignors or to DoD consignees), when shipper supplies TCN in shipping documents.
BD7	<u>Delivery Adjustments</u> Based on heightened security requirements, the contractor shall provide the capability to re-route large volumes of Domestic deliveries to alternate locations within the same delivery zone. The contractor shall provide this service without causing unreasonable delivery delays or charging an additional fee unless expressly agreed to by GSA.

4. Accessorial Delivery Services

- a) Contractors shall provide additional delivery services that meet the minimum service objectives for the service categories described in Table III-A4, Ref AD1-AD10, while meeting the quality requirements set forth in Section III-C, Performance Management Objectives.
- b) Contractors may also offer additional value-add services that are within the capabilities of the Contractor and may meet additional needs of agencies not described in Table III-A4.

Note: Contractors retain the right to offer a selection of these service categories as part of the Core Delivery Services without additional charges above the standard shipping rates. All delivery services provided without additional charges shall be fully itemized by the Contractor.

Table III-A4

Ref ID	Description
AD1	<u>Saturday pickup and delivery</u> Pickup and/or delivery of a shipment at a Government facility or a commercial or residential address on a Saturday, as provided commercially.

AD2	<p><u>Increased liability coverage</u></p> <p>Liability coverage over and above the basic liability coverage. Coverage should be available in increments of \$100, or as is standard commercial practice. The consignor will indicate the amount of additional coverage on the airbill, CBL or electronic CF&P. The Contractor shall indicate the maximum dollar amount of increased liability coverage that is available. Each agency that utilizes the DDS2 program shall have the option of disabling or otherwise eliminating users' ability to utilize this Accessorial service if this ability is offered commercially.</p>
AD3	<p><u>Address correction</u></p> <p>Incorrect destination addresses, which have errors that are not obviously correctable and do not fall under the instances listed as Address Adjustments, Table III-A3, Ref BD5, shall be researched, and the proper address used to deliver the shipment. If the correct address cannot be determined after research and the consignee cannot be reached, the Contractor shall either contact the consignor for address clarification or disposition instructions, or return the package to shipper / consignor.</p>
AD4	<p><u>Pickup, special handling, and delivery of hazardous material and dangerous goods</u></p> <p>The Contractor shall provide special handling and delivery of materials that require a Shipper's Certification or Shipper's Declaration for Dangerous Goods. All shipments containing hazardous material or dangerous goods shall be handled and shipped in accordance with the requirements as outlined in the applicable governing regulations, including, but not limited to, Title 49 of the Code of Federal Regulations (49 CFR) and all applicable state and local regulations for the interstate and intrastate surface movement of shipments containing hazardous material or dangerous goods under this service. Ammunition is to be considered a hazardous material and shall not be shipped in the same shipment with firearms.</p>
AD5	<p><u>Pickup, special handling, and delivery of firearms</u></p> <p>Firearm shipments are to be made in plain packaging (no Government or commercial markings).</p>
AD6	<p><u>Pickup, special handling, and delivery of controlled shipments</u></p> <p>Specific protocols are to be established directly with each agency requiring special handling of controlled items.</p>

AD7	<p><u>Return of Undeliverable/Refused Shipments</u></p> <p>When the Contractor is unable to successfully deliver a package and is unable to secure a corrected address from the shipper or consignee, the Contractor shall return the package to the shipper of record. The Contractor shall deliver the return shipment using the delivery service that the Contractor uses commercially to return shipments. Return shipments will be billed at the current contract rate(s).</p>
AD8	<p><u>Return Label Generation</u></p> <p>Services associated with preparing and processing a shipment for return. Return Service Labels shall be allowed to be generated for customers to return packages and letters. No additional pickup charge will be assessed for pickup of return service packages so long as the return service package does not require an unscheduled pickup.</p>
AD9	<p><u>Customized Urgent Delivery Services</u></p> <p>Unique express delivery of an urgent shipment that requires a more custom solution than the primary services described above. Specifically, the Contractor shall work directly with agencies to provide customized delivery service times for locations shipping biologicals or other time sensitive materials</p>
AD10a-x	<p><u>Other Accessorial Delivery Services</u></p> <p>Specify any additional services that are within the capabilities of the Contractor and may meet any additional needs of agencies not described above.</p>

B. Business Process Requirements

In addition to core delivery services, the Government requires Contractors to provide services to enable the Government to improve its business processes, as described below. It is the Government's intent to minimize or eliminate use of paper invoicing, and to minimize or eliminate use of hand-written airbills by participating agencies. These requirements should be included in the base delivery pricing bid by the Contractor for the core delivery services.

1. Account Management & Billing

A primary objective of this acquisition is to drive down the internal costs associated with the billing and payment of delivery services. To accomplish this goal, we seek to establish clear, efficient processes for receiving, processing and paying invoices.

General Billing & Account Management Services

Provide a billing solution that incorporates industry best practices, leverages technology and fits within the existing frameworks currently in place within user agencies. At a minimum, this solution should include the ability to:

- Conduct all necessary account set-up activities within 15 days of notification that a Federal agency has elected to join the DDS2 program.
- Develop a multi-level hierarchy of accounts, with a standardized process for assigning and managing account numbers within each agency, as appropriate to facilitate the ability to easily roll-up and aggregate accounts. Agencies will have the ability to add textual names to Contractor account numbers.
- Completely close Government accounts upon request. These accounts should not be reopened, nor should they be able to be used to create an electronic airbill, without the consent of the account holder or the designated agency point of contact.
- Receive invoices and remit payments for multiple accounts
- Handle a very large amount of invoices
- Electronically submit invoices to agencies through EDI, if desired
- Allow electronic remittance of invoices by agencies through EDI, if desired. This includes allowing payment by electronic proprietary and shipment systems (e.g., Powertrack, TMSS, agency financial systems, and other commercial systems). Specific requirements may vary by agency and may not yet be defined.
- Allow the generation and printing of airbills by a to-be-defined electronic proprietary shipment system (e.g., Kewill, Logicor, GSA TMSS, etc).
- Allow payment by electronic means other than proprietary shipment systems as well as through standard paper invoicing
- Handle decentralized billing to numerous locations within the same agency
- Consolidate billing for multiple account numbers for the same agency, if desired

The Government shall have 15 days from the delivery date of a package to file a service refund claim with the Contractor if the Contractor fails to meet the delivery commitment for the service. If the Contractor offers greater than 15 days to file a service refund claim to commercial customers, the Government shall have the time period offered commercially to file a service refund claim. If the package is not delivered, the Government shall have 90 days from the pickup date to file a service refund claim with the Contractor.

Accessorial Billing Services

The resulting contract vehicle shall also allow for other billing services which are used sporadically by various agencies, generally only on an as-needed basis. These services are therefore considered Accessorial services and additional charges may or may not apply for each use.

The Contractor should provide additional billing services that meet the minimum service requirements for the service categories described in Table III-B1, Ref AB1-AB5.

Table III-B1

Ref ID	Description
AB1	<p><u>Invalid or missing account number</u></p> <p>On airbills, CBLs or electronic CF&Ps that have no agency account number or have an invalid, incomplete, or inaccurate account number, the Contractor may, with support of the Agency if necessary, try to determine the correct account number from their records and bill the shipping agency, the consignee, or the third party, depending upon the payment method selected by the consignor.</p>
AB2	<p><u>Credit Card Decline Fee</u></p> <p>A credit card decline fee may apply to any valid and undisputed transaction billed to a Government Purchase Card that has been accepted by the Contractor from which the Contractor is unable to obtain payment.</p>
AB3	<p><u>Rebilling</u></p> <p>The Contractor shall change the billing (bill shipping agency, bill consignee, and bill third party), selected on the airbill, CBL or electronic CF&P, if requested by the shipping agency. The rebilling shall apply only to unpaid shipments.</p>
AB4	<p><u>Collect on Delivery (COD) Service</u></p> <p>Acceptance of payment for the goods from the consignee in the form accepted commercially (e.g. charge card, convenience check, money order) issued by or on behalf of the consignee and made payable to the consignor.</p>
AB5a-x	<p><u>Other Accessorial billing services</u></p> <p>Specify any additional value-add services that are within the capabilities of the Contractor and may meet any additional needs of agencies not described above.</p>

2. Data & Business Intelligence

As one of its primary objectives, the Government expects to utilize business intelligence to improve business processes related to DDS2. Business intelligence includes the collection of comprehensive transaction level data as well as the analysis required to support managerial and operational decisions.

Detail related to business intelligence, including types of reports to be provided, is detailed below. GSA, as the procuring body, shall be provided access to all transactional and summarized agency data and reports as part of the mandatory reporting requirements. All delivered data and reports shall be the property of the Government.

The Contractor shall provide Data and Business Intelligence services that meet the minimum service requirements described in Table III-B2. Contractors are also encouraged to propose additional solutions that will allow the Government to meet its business intelligence objectives and to partner with the Government to achieve greater efficiencies and taxpayer savings. A list of optional reports which can be offered as an optional value-added service is listed in Table III-D2

Table III-B2

Ref ID	Description
SR1	All data provided to the Government shall be cleaned and validated by the Contractor according to commercial best practices, and shall contain a level of integrity and consistency to ensure the ability to compare datasets and reports delivered over the life of the contract.
SR2	All reports and datasets provided as part of the DDS2 program shall include all shipments made by Federal agencies. Contractors shall provide a flag or an account number mapping file along with all datasets and reports to allow the Government to identify those shipments which were sent through the DDS2 program.
SR3	Provide a monthly report or file which includes all detailed Level III data for Government shipments. The reports would be due by the 15 th calendar day after the end of each report period (i.e. January data is due February 15th), or on a day of the month in accordance with standard commercial practices. The list of fields required in this report is provided in Appendix C.
SR4	Provide access to an online reporting tool which allows the creation of queries of usage history on an as-needed basis by authorized users at the office, agency and GSA contract management level.

SR5	Provide access to an electronic tool which allows shippers to view and generate reports on inbound shipments, as commercially available.
SR6	Provide access to all reports and data in an electronic format easily readable utilizing Microsoft Excel or Microsoft Access software (includes file types such as Comma Separated Values, or CSV, files).
SR7	The Contractor shall work with GSA technical personnel or authorized GSA contractors to develop the exact format and mechanism to be used to transmit data (i.e. secure file transfer protocol) and reports in a way that complies with Government security requirements
SR8a-x	Specify any additional reporting services that are within the capabilities of the Contractor and may meet any additional needs of agencies not described above.

3. Customer Service

As a very large user of Express and Ground Delivery Services, the Federal Government expects customer service levels comparable to the largest customers in the private sector.

- Contractors should provide a Customer Service solution that enables complete and uniform access to the Express and Ground Delivery Services as described in each set of objectives to all agencies within the Federal Government that desire its use.

At a minimum, this solution should include:

- Onsite Pickup at each shipper location as mutually agreed upon by the Contractor and individual shipper locations through the following methods:
 - Daily pickup – for those locations meeting the average daily package volume threshold, as defined per commercial practice
 - On-call pickup – for those locations not meeting the daily pickup threshold, where pickup service is specifically requested. Fees for on-call pickups to be determined in accordance with standard commercial practice for large strategic customers
 - Drop box pickup – drop box locations near Government locations to be in accordance with standard commercial practice

The Contractor's approach to potential pickup charges should be clearly explained in detail including any shipment volume

thresholds or other criteria for waiving this fee at certain or all locations.

- Contractor provided hardware and software for electronic shipping at Governmental office locations whose weekly shipping volume meets or exceeds the volume threshold used commercially to provide these materials. This includes scales, scanners (if necessary), computers, printers, and electronic labels. This threshold should be explicitly stated by the Contractor in their proposal.
 - Shipping Software capable of interfacing with agency systems for tracking of shipments, rate quotes, address correction, and label creation to be paid for by the Agency or Shipper.
 - Real-time Electronic Delivery Confirmation via email (if provided) or Contractor web site
 - Detailed delivery manifest shall be provided at time of delivery when Contractor delivers more than 25 packages a day to a Government location facility, or at a volume threshold used commercially.
 - Toll-free telephone customer support number staffed with customer service personnel familiar with the terms and conditions of the contract and with resolution authority for express and ground services
 - Access to services at physical walk-in locations, where applicable
2. Provide National Account Representation to ensure proper handling of all phases of implementation and problem resolution including, but not limited to, lost or damaged packages, billing resolution issues, and requests for information. Each agency shall be assigned a single Account Representative who may or may not be responsible for more than one agency.

Account Representatives are also accountable for developing and proposing a cost reduction program which identifies opportunities for process improvement/ cost reductions specific to each agency and to the GSA Contracting Officer or designee for the overall DDS2 FSSI initiative on a quarterly basis. Account Representatives shall also provide quarterly status updates to the GSA Contracting officer or designee regarding any program level issues identified or initiatives underway.

3. Seven (7) calendar days prior to the effective start date of awarded BPA the contractor(s) shall provide all necessary set-up activities

including, but not limited to, creation of accounts and account hierarchies, installation of drop-boxes at permissible locations, distribution of shipping materials, training for establishing individual shipper accounts and all other necessary activities to ensure Government agencies have the means necessary to utilize the DDS2 solution upon commencement of the period of performance. The unit prices for the base contract period are deemed to include sufficient factoring to cover all set-up expenses.

C. Performance Management Objectives

Table III-CI

Ref ID	Service Level Requirements	Minimum Performance
PM1	<p>On-Time Delivery</p> <ul style="list-style-type: none"> To be calculated as: Delivery effectiveness as a percentage of all packages shipped 	<ul style="list-style-type: none"> Overnight: 97% Second Business Day: 97% Third Business Day: 97% Ground: 97% Same Day: 97% All Other: 97%
PM2	Electronic proof of delivery	<ul style="list-style-type: none"> 1 day after request
PM3	Invoice Accuracy	<ul style="list-style-type: none"> Invoices shall be complete and free of errors
PM4	Data Reporting	<ul style="list-style-type: none"> All reports shall be delivered complete and on-time per the established reporting frequency Reports shall accurately specify the shipments which utilize the DDS2 program
PM5	Customer Service	<ul style="list-style-type: none"> All issues raised by GSA or agencies addressed within 5 business days

D. Optional Services

The Government welcomes inclusion of Value-Added Services (services offered to the Government that are not included in this solicitation as mandatory requirements) and Optional Reporting Services as part of Contractor proposals.

A list of identified Value-Added Services is included in Table III-D1 and a list of Optional Reporting Services is included in Table III-D2, but the Contractor is free to offer other services in addition to those listed herein. The offering of Value-Added Services IS NOT a contract requirement. Individual Value-Added Services and Optional Reporting Services may be offered by the Contractor at either no-charge or for an additional fee, if necessary. Any services proposed to the Government at no-charge shall be considered as part of the overall total value assessment of the proposal.

Table III-D1

Ref ID	Service Category
VA1	<p><u>Sunday and holiday pickup and delivery</u></p> <p>Pickup and/or delivery of a shipment at a Government facility or a commercial or residential address on a Sunday or a Federal holiday as listed in the Appendix, Section B, as provided commercially.</p>
VA2	<p><u>Inside pickup and inside delivery for Express Heavyweight shipments</u></p> <p>When requested by the consignor, the Contractor shall provide inside pickup and delivery from positions beyond the receiving/loading dock, main entrance location, adjacent loading area, or front door of the residence, based upon information provided by the consignor prior to pickup so long as the security requirements of the location allow such services.</p> <p>The Contractor's employees shall be equipped with material handling tools appropriate for the pickup based upon information provided by the consignor. Additional services (e.g., packing, skidding, assembly, crating, storage, unpacking, de-skidding, disassembly, uncrating, breakdown and removal and disposal of packing material debris) may also be provided as an Accessorial service for an additional charge to the consignor, consignee or designated third party.</p>
VA3	<p><u>Online Tool for best value service comparisons</u></p> <p>An online tool that would enable proactive management of shipping costs through best-value service comparisons and expected total costs. For example, the team is interested in a tool that would recommend the most cost effective service for a given zip-to-zip, required delivery time, and package weight set of variables.</p>
VA4	<p><u>Automatic Service Refunds for Late Deliveries</u></p> <p>The automatic generation of service refunds or credits for deliveries that do not meet the contractors service delivery commitments.</p>

At its discretion, the Contractor may offer any number of the Optional Reporting Services as described below. The costs, if any, for providing these reporting services should not be included in base shipping rates. Instead a cost for each Optional Reporting service should be specified as a separate line-item as described in the Instructions for Response document.

Table III-D2

Ref ID	Service Category
OR1	<p><u>Performance Reports</u></p> <p>Provide and submit standard monthly and annual summary on-time performance reports to all Government agencies for their shipments, and to GSA for all Government shipments. The fields in this report should include, but are not limited to</p> <ul style="list-style-type: none"> • DDS2 Program Flag • Agency • Account Number • Account Hierarchy / Grouping • Invoice Date • Service Type • Total Invoice Amount (\$) • Total Packages Shipped • Total Packages Delivered on-time • Total Packages Delivered Late by: <ul style="list-style-type: none"> ○ Right day, late ○ Wrong day ○ Other (to be proposed by Contractor)
OR2	<p><u>Usage Reports</u></p> <p>Provide and submit standard monthly and annual summary usage reports to all Government agencies for their shipments, and to GSA for all Government shipments. The fields in this report should include, but are not limited to</p> <ul style="list-style-type: none"> • DDS2 Program Flag • Agency • Account Number • Account Hierarchy / Grouping • Service Type • Package Type • Pieces • Shipments • Billed Weight • Average Weight • Total Invoice Amount (\$)

	<ul style="list-style-type: none">• Shipment cost (exclusive of Accessorials, rebates, etc)• Surcharge costs• Duties & Taxes• Discounts• Average Cost / lb
--	--

OR3	<p><u>Summary Cost Report</u></p> <p>Provide and submit to the GSA Contracting Officer a monthly report that details each ordering agency's Express and Ground delivery expenditures for the given report period, and provide cumulative totals across all agencies serviced, by type of service and Accessorial ordered.</p>
OR4	<p><u>Inbound Reports</u></p> <p>Provide and submit standard monthly and annual summary inbound reports to all Government agencies for shipments to their locations, and to GSA for shipments to all Government locations. The fields in this report should include, but are not limited to</p> <ul style="list-style-type: none"> • Agency • Shipper Company • Shipper Address • Shipper City • Shipper State • Shipper Zip • Receiver Address • Receiver City • Receiver State • Receiver Zip • Shipment Zone • Service Type • Package Type • Pieces • Shipments • Billed Weight • Average Weight • Total Invoice Amount (\$)
OR5	<p><u>Performance Improvement Recommendation Reports</u></p> <p>Continuously identify and recommend available standard reports that can enhance a user's ability to manage its transportation program.</p>
OR6	<p><u>Ad-hoc Reports</u></p> <p>For specialized reporting needs that are not satisfied through the tools/reports included within the mandatory business intelligence requirements or the specified optional reports as described above, the Government may request ad-hoc reports of existing data.</p>
OR7a-x	<p><u>Other Contractor Defined Reports</u></p>

E. Other Objectives

The additional objectives outlined below include specific requirements that Contractors are expected to meet as part of doing business with the Federal Government under this contract vehicle.

- GSA Program Funding Fee

All prices quoted shall include a GSA Program Funding Fee. The GSA Program Funding Fee reimburses GSA for the costs of procuring and administering the DDS2 program. **The Contractor shall remit a GSA Program Funding Fee of 2.0% (.02). This program funding fee is comprised of the GSA Industrial Funding Fee set at 0.75% (.0075) PLUS an additional 1.25% (.0125%) administrative service fee for this contract, and is subject to revision.**

Remittance of the Industrial Funding Fee portion (.0075) of the Program Funding Fee shall be done in accordance with the underlying GSA Schedule contract. Remittance instructions for the Administrative Service Fee portion (.0125) of the Program Funding Fee will be provided to the Contractor within 60 days of award by the Contracting Officer or designee. The Government reserves the unilateral right to change such instructions from time to time at no additional costs, following notification to the Contractor.

- Ordering Procedures

Pursuant to Federal Acquisition Regulation 8.405-3(b)(2), contractors shall consider this Statement of Objectives as the forwarded requirement identified by this subpart. Authorized users, prior to using the services under the FSSI Blanket Purchase Agreement(s), shall perform a comparison among all awarded BPAs and place the order with the contractor who represents best value. No other ordering competition will occur.

- Distribution of Commercial Bill of Lading (CBL)

The Contractor shall provide Commercial Bills of Lading to each account established with agencies. The Contractor shall provide instructions on the proper procedure for filling out the Commercial Bill of Lading.

- Commercial Forms and Procedures (CF&P)

The Contractor shall provide all commercial forms (electronically and/or in hardcopy form) necessary for the successful pickup, transportation, and delivery of all items under the contract to all participating agency locations. Both the CBL and electronic CF&P shall have space for the consignor to select service(s) awarded to the Contractor under this contract.

- Packaging Requirements

The Contractor shall provide to the Government, at no additional cost, all the sizes and types of packaging and supplies that are provided commercially.

- Green Initiatives

The Contractor shall provide to the Government a description of the programs in place to improve the Contractor's environmental performance.

- Specific Agency Arrangements

When the Contractor and agency agree, the Contractor shall change the pickup and/or delivery locations, establish regular pickups, consolidate delivery points, install lock/drop boxes, or establish other similar operational procedures to more efficiently and effectively service agency accounts.

- Default Service

If the shipper does not indicate on the CBL or electronic CF&P for Express Same Day, Next Day, Two Day, or Three Day delivery of extremely urgent letters, small packages, and Express Heavyweight shipments, the delivery service required, the Contractor shall provide the default service level as offered commercially. The customer shall be charged the contract rate for the service provided. Default service must comply with 39 CFR 320.6(b). Ground shipments do not have a default service.

- Attempted Delivery

For Extremely Urgent Letter and Small Package shipments, the Contractor shall attempt delivery a set number of times (to be defined as part of any resulting contract). It is expected that the number of times set as part of a resulting contract would be the same as the Contractor's standard commercial practice. The Contractor shall leave a notice of attempted delivery on each delivery attempt and shall contact the consignor or consignee for disposition instructions if the delivery attempt is unsuccessful. The cost of any further disposition or additional deliveries requested by the consignor will then be the responsibility of the consignor. For Express Heavyweight shipments, when a delivery attempt is unsuccessful, no delivery re-attempt will be made except upon request of the consignee. For on-time tracking purposes, the delivery is accomplished on the date and time of the first attempted delivery to the address on the package.

- Adjustment of Shipment Weight

The Contractor may reweigh a shipment at any time prior to delivery and enter the correct weight and apply the correct charge to the shipment. The Contractor shall indicate on the billing documents submitted to the paying activity those shipments that have been adjusted for weight.

- Package Weight

For Express and Ground Small Packages, when the shipper does not indicate the weight of an individual package or the total weight of a multiple package

shipment, the Contractor may weigh the package(s) and indicate the weight on the appropriate shipping document.

- Loss or Damage

The Contractor shall provide customer service personnel familiar with the handling of claims for loss or damage of shipments made under the contract. The Government will submit notification of claims for loss or damage in accordance with processes specified in the Contractor's Commercial Service Guide or Terms and Conditions. The Contractor shall have the number of business days outlined in the Service Guide from the date of receipt of the agency notification of loss or damage, to provide the disposition of the claim.

- Security

The Contractor shall have in place a program which:

- Assures the Government that there are adequate safeguards to protect Government shipments from loss, damage, theft, or terrorism, and provides for the security of the EDI transmission of Government data
- Assures that there are adequate safeguards to secure the Government's credit card information, cardholder information, Government account and address information, or any other Government data pertinent to this contract
- Employs a method of obtaining background information about employees performing pickup and delivery, transportation, and package handling that will assure basic safeguards against loss, damage, or theft
- Employs a method to protect the integrity and proper functioning of all equipment and systems involved in the operation of the contract. Any equipment and information processing systems containing Government information shall have security measures to protect against unauthorized access; and
- Obtains the necessary building access clearances for those Contractor employees involved in picking up and delivering packages under this contract.

The Contractor should disclose all security protocols to the Government to ensure security precautions are aligned with Government requirements

- Delivery of Hazardous Items

Note that some agencies hold exemptions and approvals from the U.S. Department of Transportation (DOT) or have a rider on existing exemptions and expect to receive other exemptions or approvals as needed to transport hazardous material evidence. The Contractor shall provide pickup, special handling and timely delivery of exempted and approved hazardous material within the provisions of the stated exemption or approval.

- Assignment and Management of Account Number

Assignment of account numbers shall be the first step in the account set-up process. The Contractor shall, when requested by the agency, accept new accounts only when approved by the agency point of contact. The Contractor shall assign account numbers to participating agencies in a manner that achieves standardization of accounts that are secure, and enable accurate reporting. The Contractor shall be responsible for the assignment of correct rate structures to all new accounts. Account number assignments shall facilitate the aggregate roll-up and roll-down of business intelligence data, and shall be able to be created in a multi-level hierarchy

- Transition Plan

In the event the ordering agency selects a new service provider of Express or Ground Delivery services, the Contractor shall provide a transition or phase out plan. This plan shall result in all necessary data and account information being transferred to a new Contractor within 30 days of request. The unit prices for the base contract period are deemed to include sufficient factoring to cover all transition expenses.

- Quality Assurance

The Contractor shall maintain a quality assurance program that shall ensure the security of the shipments, equipment and data has adequate safeguards and satisfies contract requirements; and the information captured for reports is accurate, complete, and timely; and customer service assistance is available in handling customer complaints, resolving customer issues and paying of claims in accordance with the terms and conditions of this contract.

- Confidentiality

Duplication or disclosure of the data and other information to which the Contractor will have access as a result of this contract is prohibited. All information and reports generated as a result of this project are, and will remain, Government property.

- Designated Service not Available

When the delivery service requested is not available for Express Next Day, Two Day, or Three Day delivery of extremely Urgent Letters, Small Packages, and Express Heavyweight shipments, delivery shall default to next earliest available delivery time. The customer shall be charged the appropriate contract rate for the actual service provided. Ground shipments do not have a default delivery time.

- Professional Qualifications

The Contractor shall ensure that its firm and staff maintain any generally required professional certification, accreditation, license, bond, and proficiency relative to their area of expertise. The Contractor shall retain documentation of such records. The Government will not pay for expenses to meet this requirement.

The Government reserves the right to require a full-field background investigation of any Contractor employee assigned to this contract if deemed necessary by the Government. The cost for such background investigation will be assumed by the Government.

The Government reserves the right to refuse, or require the Contractor to terminate, the services and access of any Contractor or Subcontractor employee who is or may be an offender, or whose personal habits, criminal history or inclinations are in conflict with Government employee guidelines or who otherwise may be a security risk. Suitability standards regarding Contractor personnel may be established or modified at any time, and without notice, by the Government.

- Extension of services

(a) The Government may extend the term of this contract by written notice to the Contractor within 60 days; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this extension shall not exceed 6 months.

IV. Government Shipping Profiles

Based on analysis of current Government contracts and commercial market practices, the DDS2 team has concluded that the most effective way for respondents to develop proposals for the Government is to segment Government spend into differing shipping profiles. These profiles are based on analysis of shipping patterns, and presumed differences in Contractors' cost to serve each profile. The Contractor will therefore be allowed to submit different pricing structures for each of the identified profiles as described in the Instructions for Response document. If the Contractor believes that there is a more effective way to develop proposals for the varying shipping needs that will result in increased value for the Government (i.e. combining certain shipping profiles/ locations together or splitting out additional profiles), alternative proposal structures can be submitted in addition to the structure that is defined within this section and the accompanying pricing tables.

In order to allow respondents to be as informed as possible when creating their proposals, the following sections are intended to provide an overview of the

DDS2 opportunity. They illustrate past Federal Government domestic delivery services spend and shipment volumes for various shipment profiles. The information provided herein is based on historical shipment data. Detailed shipping data (with personally identifying information removed) is available to respondents as part of this solicitation. Government suggests Contractors conduct their own analysis of the provided detailed shipping data to ensure they fully understand the profiles described below.

This analysis and the supporting detailed data is provided as is; all volumes should be considered as estimates of past volumes and are non-binding as part of any potential contract, unless explicitly arranged as part of the negotiation process. These figures are included to provide potential Contractors with an understanding of past usage patterns for the purposes of preparing their proposals and may not be indicative of exact future volumes.

The DDS2 contract will be structured as such: A base umbrella BPA will be awarded to a contractor (in a single award scenario), or to multiple contractors (in a multiple award scenario). The services provided under this BPA will be available to all Federal agencies. There may also be a series of Task Orders issued under the BPA that correspond to the below identified shipping profiles. These profiles have unique Ground shipping patterns, and due to the expected differences in the Contractor's cost-to-serve of each profile, the Government expects the pricing for each profile to differ, but in no case exceed the GSA Schedule price.

The winner(s) of the DDS2 award will also have the option to develop additional task orders under the DDS2 BPA for other Government shipping profiles which have not as yet been identified. Any resultant task order under this BPA shall not exceed the awarded pricing established under the BPA. Contractors who receive solicitations from Federal agencies should direct said agencies to fulfill their requirements through the creation of a task order under the DDS2 BPA, and should actively market the DDS2 program to all agencies listed in GSA Directive ADM 4800.2E "Eligibility to use GSA Sources of Supply and Services" where the Contractor currently provides services outside of the DDS2 program.

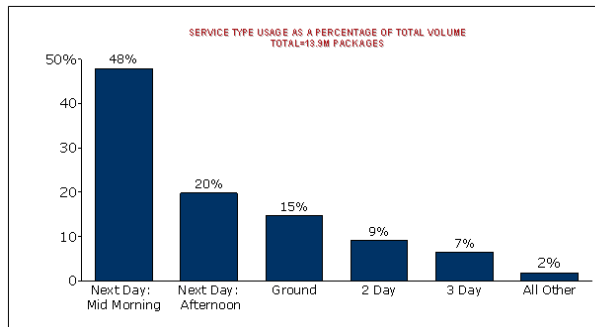
A. Base Umbrella BPA: General Government Shipping Profile

Approximate FY08 Total Spend: \$319M

Description:

This profile describes the "base" Government shipping profile. While the business needs that drive delivery services are diverse, as this profile includes

shipments from dozens of agencies, overnight services account for approximately 68% of package shipments.



There are two files that describe this profile:

- FY08FSSI.txt contains data for all shipments through the current generation DDS1 contract in FY08. This file contains an additional field specifying the agency to which the shipment belongs.
- USDA.txt contains data for shipments made by USDA for FY08. USDA is not a current participant in the DDS1 program
- IRS_Admin.txt contains data for shipments made by IRS administrative offices for FY08. IRS is not a current participant in the DDS1 program.

Note that while the total spend for this profile is approximately \$319M, these files only contain data for approximately \$123M of this spend. Shipping data is not available for the remaining spend.

B. Unique Shipping Profiles

1. Profile 1: Ground Shipments from GSA Depots

Approximate FY08 Total Spend: \$10M

Description:

The GSA depots are large warehouse facilities which ship goods, such as office supplies, to GSA's various Government customers. There are two GSA Depots:

- French Camp, CA
- Burlington, NJ

The depots shipped approximately 1.5M packages in FY08 via Ground service, approximately 902K of which originated in Burlington with the remainder originating in French Camp.

The top 10 destination zip codes account for approximately 10% of total FY08 shipping volume.

Each row in the dataset represents one package.

The dataset name is: GSA_Depot_Ground.txt

2. Profile 2: FAA Ground Shipments

Approximate FY08 Total Spend: \$1.7M

Description:

The FAA shipped over approximately 266K ground packages in FY08, of which over 92% originated from five locations and 49% from two locations. The largest business driver of FAA shipping volume is the shipping of aeronautical charts from printing facilities. There is also a FAA Logistics Center located in Oklahoma City, OK. This facility is the second largest origin location by volume, and the largest destination location by volume, and generally ships and receives repair and replacement parts for the National Airspace System.

The dataset name is: FAA_Ground.txt

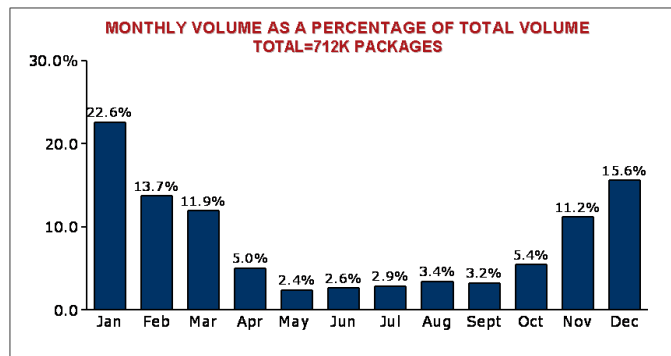
3. Profile 3: IRS Warehouse Shipments

Approximate FY08 Total Spend: \$3.3M

Description:

The IRS warehouse, located in Bloomington, IL, ships forms and other low-value paper products which do not contain sensitive information to residences, businesses, US Post Offices, libraries and other locations. The warehouse shipped approximately 712K packages in FY08. Approximately 80% of the volume shipped is Ground, with a further 18% shipped Ground hundredweight.

The shipment pattern is seasonal, with 75% of the shipments occurring between November and March.



The dataset name is: IRS_Warehouse.txt

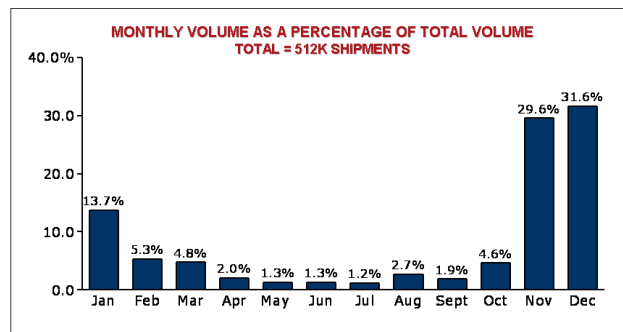
4. Profile 4: IRS Print Locations Shipments

Approximate FY08 Total Spend: \$2.9M

Description:

The IRS contracts with Contractors to print tax forms and publications. These Contractors ship to IRS warehouses and directly to IRS offices and to locations such as US Post Offices and libraries. These locations made approximately 521K shipments in FY08, 63% of which were via Ground service, with an additional 36% utilizing Ground Hundredweight.

The shipment pattern is seasonal, with over 75% of the volume occurring between November and January, with almost 90% between October and March.



The dataset name is: IRS_Print.txt

5. Profile 5: VA CMOP Locations

Approximate FY08 Total Spend: \$23M

Description:

VA CMOPs ship pharmaceutical products to veterans' residences. Prescriptions are filled on 30, 60, or 90 day cycles with most shipments occurring on Mondays, Tuesdays or Wednesdays. Ten CMOP locations are included in the data set and five of these locations account for almost 80% of volume.

The top five CMOP locations are:

- North Charleston, SC
- Bern, KS
- Lancaster, TX
- Hines, IL
- Memphis, TN

Destination locations are diverse and are typically made to residences. As such, 22% of the volume of this profile currently utilizes FedEx's Home Delivery service.

There are two datasets for this shipping profile:

- The dataset named VA_CMOP_JanuaryUSPS.txt describes the shipping data for the month of January 2009 for packages sent via USPS. CMOP shipping data is not seasonal, and January data is indicative of the shipping pattern for the year.
- The dataset named VA_CMOP_HomeDelivery.txt describes the shipping data sent via FedEx's "Custom Home Delivery" service for approximately one month of shipments. CMOP shipping data is not seasonal, and this data is indicative of the shipping pattern for the year.

Appendix

A. Fiscal Year

The Federal Government fiscal year calendar shall be used for all reporting and billing purposes.

October 1 through September 30

B. Holidays

The Contractor shall be required to include as a holiday any day designated as a holiday by Federal Statute or Executive Order

New Year's Day	Labor Day
Martin Luther King's Birthday	Columbus Day
President's Day	Veterans Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Commonwealth of Puerto Rico Holidays: These holidays apply to shipments to and from the Commonwealth of Puerto Rico

Three Kings Day:	(January 6)
Good Friday:	(changes each year)
Puerto Rico's Constitution Day:	(July 25)

C. Report Definition

As described in Table III-B2, SR3, the following shipment-level report will be provided to the GSA Contracting office on a monthly basis:

Category	Field	Notes
Agency Information	Agency	
	Account Number	
		May be one or multiple fields

Account Hierarchy /

	Grouping information	depending on the methodology the Contractor utilizes to create account number hierarchies
	Contractor Shipper Customer Number	
	Vender Payer Customer Number	
Invoice Information	DDS2 Program Flag	A flag indicating if the line-tem was shipped through the DDS2 program
	Invoice Date	
	Invoice Number	
	Shipment Unique Identifier	The unique identifier used for this shipment.
	Delivery Service	
	Package Type	i.e., Pak, Tube, Contractor Box, Customer Packages, etc
	Payment Type	i.e., Credit Card, bill shipper account, etc
	Currency	All amounts should be in USD
Shipment Characteristics	Ship Date	
	Delivery Date	
	Delivery Time	
	Tracking Number	
	Package Quantity in shipment	
	Entered Weight	Weight as entered by shipper
	Bill Weight	Weight as charged by Contractor
	Zone	Contractor zone for the shipment
	Service Level Commitment	i.e., Mon - Fri 8:30am
Shipper Information	Shipper Name	
	Shipper Company	
	Shipper Address 1	
	Shipper Address 2	
	Shipper Address 3	
	Shipper City	
	Shipper State	
	Shipper Zip / Postal Code	
Cost Information	Shipper Country	
	Total Invoice Amount	
	Shipment Cost	The shipment cost exclusive of Accessorials, rebates, etc.

	Discount Amount	
	Rebate Amount	
	Duties & Taxes Amount	
	Accessorial / Surcharge Amount	
Receiver Information	POD Recipient	The person receiving / signing for the shipment
	Receiver Name	
	Receiver Company	
	Receiver Address 1	
	Receiver Address 2	
	Receiver Address 3	
	Receiver City	
	Receiver State	
	Receiver Zip / Postal Code	
Other Information	Receiver Country	
	Reference Notes	
	Electronic Airbill?	Yes / no flag indicating if the shipment airbill was created electronically
	Package Dim Length	
	Package Dim Width	
	Package Dim Height	
	Other Package Dim information	Other dimensional information captured by the Contractor
Proof of Failure Cause		
Accessorial	Proof of Failure Category	
	Accessorial Description	<p>Accessorial information can be provided as a separate relational table, or as multiple fields located at the end of the core data table.</p> <p>If information is provided as a separate table, the table shall include a unique identifier to allow the Government to “tie” Accessorial information to shipment information</p>
	Accessorial Amount	The total Accessorial amounts shall sum the “Accessorial / Surcharge Amount” in the Cost Information category

D. Environmental Considerations

The Government strongly encourages transportation Contractors to belong to the Environmental Protection Agency (EPA) SmartWay Transport Partnership, a voluntary partnership between the Federal Government and the trucking industry, to improve the environmental performance of freight transport by adopting fuel- and emission-reducing strategies.

E. Definitions:

Accessorial Services: Other services in addition to the basic cost to transport the shipment.

Adjacent Loading Area: A pickup or delivery location that is directly accessible from the curb and is no more than 50 feet inside the outermost door.

Business Days: Monday through Friday, except Federal holidays for CONUS (see definition below), Alaska and Hawaii. For the Commonwealth of Puerto Rico business days are Monday through Friday, except Federal holidays and Commonwealth of Puerto Rico holidays (see definition of Commonwealth of Puerto Rico holidays below).

Commercial Bill Of Lading (CBL): A uniquely numbered document used and furnished by the Contractor in its standard practice and used to identify consignor, consignee, origin, destination, commodity description of the shipment, and as the underlying document for billing purposes.

Commercial Forms and Procedures (CF&P): A reference to commercial service bills, invoices and rules used by industry, as opposed to Government forms, such as the Government Bill of Lading (GBL).

Commercial Service Guide: A publication issued by a Contractor applicable to the general public that describes the Contractor's commercial practices such as levels and conditions of service, pickup and delivery commitments, liability provisions, etc.

Consignee: The person or organization receiving the shipment.

Consignor: The person or organization originating the shipment.

CONUS: All ZIP Codes within the contiguous United States (excluding Alaska and Hawaii), including the District of Columbia (DC).

Door to Door: Pickup of an Express or Ground Small Package shipment from the consignor and delivery to the consignee.

Envelope: A container used by the Contractor to ship documents. Not used for Ground service.

Express Delivery: Small Package or Heavyweight shipments with Express Next Day, Two Day, or Three Day delivery service.

Express Heavyweight Shipments: Single and multi package shipments weighing over 150 pounds with Next Day, Two Day, or Three Day Express delivery requirements. The shipper selects the day of delivery the shipment will be delivered. For Express delivery of Heavyweight shipments, the total weight of a multiple package shipment must be greater than 150 pounds, and at least one individual package within the shipment will exceed 150 pounds.

Express Next Day Delivery: Express Small Package or Express Heavyweight delivery service with delivery the next business day after the day of pickup.

Express Small Package Shipments: Extremely Urgent Letter and Small Package shipments with Next Day, Two Day, or Three Day Express delivery requirements. The shipper selects the day of delivery the shipment will be delivered. For Express delivery of Small Packages, the total weight of a multiple package shipment may exceed 150 pounds, as long as no single package weighs over 150 pounds.

Express Three Day Delivery: Express Small Package or Express Heavyweight delivery service with delivery the third business day after the day of pickup.

Express Two Day Delivery: Express Small Package or Express Heavyweight delivery service with delivery the second business day after the day of pickup.

Extremely Urgent Letters: A letter is defined by the U.S. Postal Service regulations as a message recorded in or on a tangible object and directed to a specific person or address (39 CFR 310.1 (a) (1) – (7)). A letter will be considered to be “extremely urgent”, without regard to the nature of its contents, and may be transported for others by means other than the U.S. Postal Service if either (1) or (2) are met: (1) the amount charged by a private Contractor for delivery is at least \$3.00 or twice the applicable First Class postal rate, whichever is greater, or (2) the letter’s value or usefulness will be lost or greatly diminished if the letter is not delivered within a specified delivery time depending upon the distance traveled (39 CFR 320.6 (a) – (f)).

Fiscal Year: October 1 through September 30.

Girth: The circumference of a package measured at the widest point of the package.

Government Cost-Reimbursable Contractor: A Contractor who has been awarded a cost-reimbursement type contract by the Government that provides for payment of allowable incurred costs (to the extent prescribed in the contract) by the agency that awarded the contract.

Ground Delivery: Routine day-definite delivery based upon origin/destination ZIP Code distances. Delivery is within 1 to 7 business days depending upon the ZIP Code distance. Remote locations may require longer delivery time than 7 business days. Throughout this Statement of Objectives, Ground Delivery may be referred to as "Ground".

Heavyweight Items: Single and multi-package shipments with at least one piece weighing greater than 150 pounds.

Hundredweight Pricing: The total weight of a multiple package Express Small Package or Ground shipment multiplied by the applicable hundredweight shipment per pound rate. The hundredweight minimum pricing may vary by the delivery service requested and is normally applicable from express weights of 100 pounds and above or ground weights of 200 pounds and above.

Hundredweight/Rates Per-Pound: This applies to a single or multiple piece shipment pricing at a price per pound for a weight grouping (e.g. 100 – 499 pounds, 500 – 999 pounds), rather than a price for an individual pound. The actual shipment weight is multiplied by the price for the shipment grouping shown on a Contractor's rate chart that the weight falls into. (e.g. A shipment weighs 250 pounds with a Hundredweight 100 - 499 pounds grouping price of \$1.75. The price would be calculated by: 250 pounds shipment weight x \$1.75 price = \$437.50 the price of the shipment.)

Implementation Period: The period of time between the contract award date and the date the Contractor starts providing service.

Inside Delivery (Express Heavyweight Shipments): Delivery of Express Heavyweight shipments to the receiving/loading dock, the main entrance location, or adjacent loading area within the building, when specifically requested and indicated on the CBL or electronic CF&P by the Government agency.

Inside Pickup (Express Heavyweight Shipments): Pickup of Express Heavyweight shipments from the receiving/loading dock, the main entrance location, or adjacent loading area within the building, when specifically requested and indicated on the CBL or electronic CF&P by the Government agency.

Length: The longest side of a package.

Length And Girth Combined: The measurement of a package obtained by adding the length of the package to the girth of the package.

Letter Pack: A container, same as an envelope, used by the Contractor to ship documents. Not used for Ground service.

Level 1 Data: Standard commercial transaction data which includes the total purchase amount, the date of purchase, the merchant's name, city/state, debit/credit indicator, date charge/credit was processed by the contractor; contractor processing/transaction reference number for each charge/credit

Level 2 Data: Adds additional data to Level 1 data about each purchase which includes merchant category code, sales tax amount, accounting code, merchant TIN, minority/women owned business codes, 1099 status and merchant zip code

Level 3 Data: Full line-item detail in addition to the data in Level 2 which includes unit cost, quantities, unit of measure, product codes, product descriptions, ship to/from zip codes, freight amount, duty amount, order date, discount amount, and order number

Location: A single physical address, independent of the number of accounts serviced.

Manifest: Listing of packages being shipped.

Next Business Day: The business day following the day of pickup.

Pack/Pak/Pouch: A container used by the Contractor for smaller flat, unbreakable items, such as large reports, promotional material, legal or bulky documents. Charges are based upon the weight of the container. Not used for Ground service.

Point of Contact (POC): A person designated by the customer agency to handle contract administration at the task/delivery order level.

Residential Area: A home or a place of dwelling that includes those businesses operated out of a home. Packages delivered to private residences shall be left in a safe area protected from weather or delivered to an alternate address (e.g. with a neighbor), if that is authorized.

Second Business Day: The second business day following the day of pickup.

Shipment: A single piece or multiple pieces, tendered to a Contractor by one consignor at one place at one time, for delivery to one consignee at one place on one bill of lading or commercial form.

Shipper: The originator of a shipment, also known as the consignor.

Skid: A platform used to elevate and transport single or multiple packages.

Small Package: For Express Small Package delivery services, Letter/Envelope, Pack, Pak, Pouch, and small packages weighing from one pound up to 150 pounds. For Ground service, small packages weighing from 1 pound up to 150 pounds. Shipments can be priced based upon Dimensional weights.

Third Business Day: The third business day following the day of pickup.

Transit Time: The number of business days, after the day of pickup, used to deliver a Ground shipment. The number of business days can be from 1 to 7 business days (or more for remote locations), depending upon the origin/destination ZIP Code.

Transportation Control Number (TCN): A 17-digit alpha-numeric designator used by the DoD that is applied to each package or shipment to identify a shipment.

Value Added Services: Services offered to the Government by the Contractor in addition to the core services. These contract services are offered at the option of the Contractor.

Value Added Network (VAN): A telecommunications network used as an interface between an agency and the Contractor which electronically exchanges information through Electronic Data Interchange (EDI) network services and network-related services.

Weight Break: A list of weights or weight ranges which are used to calculate the cost to transport a shipment at that weight or weight range.

I. COVER PAGE CLAUSES



Domestic Delivery Services (DDS2)

QPN-BQV-005

**SIN 451-1, Express Small/Heavyweight Package Domestic Delivery Services,
NAICS Code 481112, 484110, & 484122**
**SIN 451-2, Ground Small Package Delivery Services, NAICS Code 484110 & 484122
Small Business Size Standard - \$23.5 Million**
SIN 451-99, New Services, NAICS Code 481112, 484110, & 484122

CONTRACT PERIOD: Date of award through 1 year (base period) with provisions to earn an additional four 1-year option periods

Offers should be forwarded to the following email address:

Electronic copy to go to onthego@gsa.gov, subject: **DDS2 Services**

CD-ROM + Original Hardcopy to go to:
GSA

Office of Acquisition Operations (QMAC)
ATTN: Marquita Washington
2200 Crystal Drive, Suite 300
Arlington, VA 22202

Offerors are required to submit electronic copies.

Express and Ground Domestic Delivery Services Generation 2 (DDS2)

Instructions for Response

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II. Submission Instructions

In response to this RFQ placed under Schedule 48, Transportation, Delivery and Relocation Solutions (TDRS), Special Item Numbers 451-1 (Express Small Package and Express Heavyweight Delivery Services), 451-2 (Ground Small Package Delivery Services), and 451-99 (New Services), offerors shall prepare and deliver technical and pricing proposals that will be evaluated in determining the “Best Value” solution. Offerors are encouraged to be creative in their proposals in order to outline and recommend solutions that will best fulfill the objectives outlined within the SOO. To this end, the Technical and Pricing sections both contain a high degree of flexibility in how they can be proposed in addition to the mandatory components listed herein. Where offerors do wish to propose solutions that differ from the structure presented in the statement of objectives, offerors should first provide responses to the objectives as requested and then provide additional variations separately. Offerors shall have all solicited services under the GSA Schedule prior to the award of this RFQ.

A. General Proposal Submission Instructions

- Offerors shall submit a complete proposal to provide a basis for evaluation by the Government. The information provided shall be current, concise, factual and complete. Proposals that merely offer to conduct the work in accordance with the Government’s requirements, “as described in the Statement of Objectives”, or citing “generally accepted procedures” will be considered unacceptable and rejected. **Proposals that are not substantially complete will be returned.**
 - Commercial products and services are requested under this RFQ along with commercial selling practices to the extent practicable. For example, if as a commercial practice, you package various goods and/or services together to achieve economies of scale or efficiencies provided certain terms and conditions are met (for example, a definite quantity is purchased), the General Services Administration would be interested in reviewing such arrangements in order to provide its customers with the greatest array of choice and selection.
- 1) **Proposal Arrangement:** Each proposal shall consist of two physically separate bound volumes individually titled and numbered on the exterior of the top covers as stated below. The required number of each proposal volume is also shown below:

Table I-A1

Volume	Chapter	Page Limitation	Format	COPIES
I. Technical Proposal	1. Corporate Capabilities	10	DOC, PDF	electronic file (onthego@gsa.gov) + 1 Original & 1 CD ROM copy
	2. Past Experience/Past Performance	10	DOC, PDF	
	3. Technical Approach	30	DOC, PDF	
II. Price Proposal	N/A Service pricing	No page limitation but provided tables shall be used	XLS	electronic file (onthego@gsa.gov) + 1 Original + 1 CD ROM copy
	N/A Zone definition	No page limitation but provided in the format specified	TXT (delimited)	

NOTES:

- Pricing information is to be contained ONLY in the Price Proposal Volume
- **All materials submitted shall be in typeface Times New Roman 12 point.**
- Pages exceeding page limitations will not be considered part of the proposal.
- Do not exceed the above number of volumes. These volumes may not be broken down into separate booklets
- Pages should be double-sided, double spaced.

Envelope Identification: Each envelope must be clearly identified with:

- A label on each package with the name and business address of the firm, solicitation number, and the contents identified as either Volume I or Volume II.

1. Submission Dates and Instructions

- The due date for **proposals** is no later than **3:00 PM Eastern Time on 06/03/2009**. Any proposal delivered after the established closing date and time for receipt of offers may not be considered.
- Proposals should be sent electronically to onthego@gsa.gov, subject line: **DDS2 SERVICES**. The **CD-ROM + Original Hardcopy shall be submitted to:**

General Services Administration
 Office of Acquisition Operations (QMAC)
 ATTN: Marquita Washington
 2200 Crystal Drive, Suite 300
 Arlington, VA 22202

- Questions should also be sent to the same mailbox noted above. Any **clarification questions should be submitted by 2:00 P.M. Eastern Time on 05/11/2009**. Answers to clarifications will be shared among all potential offerors.

B. Technical Proposal

The technical proposal is the primary determining factor of an offeror's ability to perform. Offerors shall describe their solution to achieving the mandatory requirements in the respective Statement of Objectives (SOO). Materials submitted shall be accurate, concise, complete, and shall clearly demonstrate the offeror's solution will meet the Government's requirements. **PROPOSALS THAT MERELY RESTATE THE CONTENTS OF THE STATEMENT OF OBJECTIVES OF THIS SOLICITATION SHALL BE DEEMED UNACCEPTABLE. (Total Page limit - 50 pages)**

1. Corporate Capabilities

In its proposal, the offeror shall articulate familiarity with the types of services required and prove that it possesses a complete understanding as reflected in its ability to provide these services. The response shall include an overview of the company's overall capabilities as they relate to providing the types of services described in the SOO. This section should include mention of the technological and logistic infrastructure currently in place that shall be used to deliver the required services. At a minimum, the offeror shall provide the following information:

- Company Overview (Annual revenues, years in business, number of employees, business units, etc.)
- Description of Core Capabilities
- Service Limitations
- Plan to maximize opportunities to use small businesses

(Corporate Capabilities Page limit - 10 pages)

2. Past Experience/ Past Performance

The offeror shall demonstrate that his/her firm has provided delivery services similar in scope and complexity to those referenced within the SOO. The response shall include a description of the offeror's experience with three projects in offered services over the past three (3) years.

For each past performance reference, the offeror shall provide the following information:

- Contract Name
- Contract Description
- Dollar Amount of Contract
- Contract Duration
- Point of Contact, Telephone Number, and Current E-Mail

References shall each include a summary description of the overall delivery requirements of each referenced contract, a detailed description of the additional services provided as well as any performance challenges and corrective actions taken. Specifically, the Government is looking for demonstration of experience partnering with customers to help maximize efficient use of domestic delivery services; providing business intelligence and analysis; ensuring billing accuracy; resolving late deliveries; validating customer satisfaction, facilitating process improvements, etc.

NOTE: The Government reserves the right to contact customer references and to use any performance information discovered in the process of evaluating the offer. In order for the offeror to achieve an “acceptable” rating, the work described in the projects shall demonstrate the successful completion of tasks which were of a similar or greater complexity to the types of tasks described in the Statement of Objectives and proposed to be accomplished by the offeror.

(Past Performance Page limit - 10 pages)

3. *Technical Approach*

The technical approach shall describe how the Contractor proposes to meet the objectives described within the Statement of Objectives. The offeror is expected to outline a detailed solution for each of the key objective categories with the following considerations.

- a) Delivery Service Objectives
 - A list of offered Core Delivery Services describing all available day and time definite delivery services for express and ground delivery
 - A list and detailed descriptions of all Enabling Services being offered
 - A list and detailed descriptions of all proposed **Accessorial Delivery Services**, included as either no-charge or supplemental fee-based services, including the specific circumstances when accessorial / surcharges will be applied
 - A list and description of offered Optional Delivery Services
- b) Business Process Objectives
 - A detailed description of the proposed solution that, at a minimum, addresses the objectives listed under Account Management & Billing
 - A list and detailed descriptions of all additional **Accessorial Billing Services** being offered, including the specific circumstances when accessorial / surcharges will be applied
 - A detailed description of if and how the vendor will provide discounting incentives for the Government to adopt electronic airbill and electronic invoicing practices
 - A detailed description of the proposed business intelligence solution that, at a minimum, addresses the requirements listed under the Data & Business Intelligence section of the SOO. Include detailed descriptions of reporting processes and explicit confirmation that each required data field will be provided. Identify whether the reporting solution offered is in use today and for how long it has been in use
 - Samples of offered reports. If the vendor offers a proposal for any of the Optional Reporting Services, provide samples for all offered reports. Identify each data field and describe its meaning. If reports and / or data fields are provided which are not specifically requested in the Data & Business Intelligence requirements, provide a brief description of their meaning and how they will help meet the Government’s objectives.

- A list and detailed descriptions of all additional Business Intelligence Services being offered. Identify whether the services are in use today and what benefits they provide.
- c) Customer Service Objectives
- A detailed description of the proposed customer service solution that, at a minimum, addresses the objectives listed under Customer Service objectives
 - A list and detailed descriptions of all additional Customer Services being offered
- d) Profile Specific Services
- A detailed description of any supplemental value-added services the offeror will provide for any of the profiles described in Section IV of the SOO

C. Pricing Proposal

Offerors shall provide all pricing in the formats outlined in the Excel pricing tables included with this solicitation. In addition to the required pricing proposal, offerors may offer alternative pricing. If alternative pricing is offered that the offeror believes will best satisfy specific shipper needs, demonstrate how it is in the best interests of the Government to consider such alternative pricing structures.

Rates submitted shall be based on service to all domestic geographical areas. At no time should the offerors total cost of the proposed solution exceed the total costs from the offerors Transportation, Delivery and Relocation Solutions Schedule pricing.

- **General Pricing Proposal Instructions:**

The DDS2 contract will be structured as such:

- A base umbrella Blanket Purchase Agreement (BPA) will be awarded to a contractor (in a single award scenario), or to multiple contractors (in a multiple award scenario). The services provided under this BPA will be available to all Government agencies.
- Individualized Task Orders may be issued under the BPA that correspond to the unique shipping profiles within some Government agencies. These profiles have unique shipping patterns, and due to the expected differences in the Contractor's cost-to-serve of each profile, the Government expects the pricing for each profile to differ. A set of currently identified unique shipping profiles are described in Section IV of the SOO. It is the Government's expectation that additional unique profiles will be identified throughout the DDS2 period of performance. Individual requests for pricing will be sent to all BPA holders for each of these profiles with the intent of issuing additional task orders.

Offerors should develop a pricing proposal for the Base BPA, and may develop individualized proposals for each shipping profile. For shipping profiles where

the offeror does not provide a pricing proposal, the offeror's Base BPA pricing will be used by the Government for evaluation.

The Government reserves the right to award the DDS2 contract as either a single award or multiple awards. The Government recognizes that offerors may wish to provide different pricing for a single award scenario versus a multiple award scenario. Pricing for single award consideration should be provided in the Excel file titled "Single Award Pricing Table.xls", while pricing for multiple award consideration should be provided in the Excel file titled "Multiple Award Pricing Table.xls".

Offerors shall also provide their base commercial prices for each service being proposed in the Excel file titled "Commercial Pricing Table.xls". Commercial pricing will not be evaluated as part of the award, but will be used for post-award benchmarking.

Base Umbrella BPA: General Government Shipping Profile

Completely fill in each of the tabs in pricing Excel files for each service being proposed as described in the "Instructions" tab.

Unique Shipping Profiles

Provide a pricing structure for Ground shipments for each of the below unique shipping profiles as described in Section IV of the SOO:

- Ground Shipments from GSA Depots
- FAA Ground Shipments
- IRS Warehouse Ground Shipments
- IRS Print Locations Ground Shipments
- VA CMOP Home Delivery Locations

OPTIONAL: If the offeror would also like to propose pricing based on a different structure than is provided in these tables, including the definition of additional and/or different unique shipping profiles, they may do so using a separate spreadsheet

Note: For evaluation purposes, all alternative pricing structures shall include a methodology to cross-reference back to the format provided within the included pricing tables

1. Delivery Services & Accessorials

Express Delivery Services shall be priced by weight/ zone combination for each service as well as Hundredweight where applicable, for Extremely Urgent Letters, Small Package and Heavyweight shipments using the provided pricing tables. Offerors shall define the zones/ regions being used in a separate file as described in Section 3 "Zone Information" below.

Ground Delivery Services shall be priced by weight/ zone combination as well as Hundredweight where applicable, for Small Package shipments using the provided

pricing tables. As offerors may leverage economies of scale at locations with large Ground shipping volume, vendors shall provide separate pricing for locations with the following average usage patterns:

- ⊖ less than \$6,000 in weekly Ground spend,
- ⊖ \$6,000 – \$40,000 in weekly Ground spend,
- ⊖ and >\$40,000 in weekly Ground spend.

Offerors shall define the zones/ regions being used in a separate file as described in Section 3 “Zone Information” below.

Accessorial Delivery Services shall be priced individually on a per use basis using the provided pricing table. Any services listed within this category that are being proposed as no-fee value-added services to be included under the Core Delivery Services should be noted as NO CHARGE on the pricing table.

Accessorial Billing Services shall be priced individually on a per use basis using the provided pricing table. Any services listed within this category that are being proposed as no-fee value-added services to be included under the Core Delivery Services should be noted as NO CHARGE on the pricing table.

Surcharges shall be priced using the provided pricing table. All surcharges which could be incurred by the Government must be listed along with pricing. In addition, the offeror shall provide a brief description of the circumstances under which each surcharge will be applied. Any surcharges that are being waived should be noted in the pricing table.

Electronic Practices Discounts shall be identified using the provided pricing table. Although not required, offerors are encouraged to provide dollar-based or percentage based discounts to the Government to encourage use of electronic air-bills and electronic invoice management practices. For evaluation purposes, if an alternative discount structure is proposed (for example, providing a monthly discount if an agency remits a certain percentage of their invoices electronically), the offeror shall include a methodology to cross-reference back to the format provided within the included pricing tables.

Optional Delivery Services (if offered) shall be priced by weight/ zone combination for each service using the provided pricing tables. Same Day Service (if offered) shall be priced by weight using the provided pricing tables. Offerors shall define the zones/ regions being used in a separate file as described in Section 3 “Zone Information” below.

2. Revenue Tier Discounts

The DDS2 team expects that as volume increases, proposed pricing discounts should also increase. To this end, pricing proposals should include a discount pricing structure that will trigger increasing discounts to proposed pricing for all services as annualized revenue levels cross pre-defined tiers.

Structure of the Revenue Tier Discounts:

- There are 6 revenue tiers defined for this contract:

- Base BPA pricing: \$0 - \$25M
 - Tier 1: \$25M – \$49,999,999
 - Tier 2: \$50M – \$99,999,999
 - Tier 3: \$100M – \$149,999,999
 - Tier 4: \$150M – \$199,999,999
 - Tier 5: \$200M – \$249,999,999
 - Tier 6: \$250M – \$349,999,999
 - Tier 7: \$350M +
- The revenue tier levels are based on total annual contract revenues across all agencies utilizing the BPA, including Profiles with unique pricing structures under individualized task orders
 - The initial discount tier (if any) is to be set at the beginning of the period of performance based on estimated annual agency commitments received at that time
 - Any revenues committed to the Contractor by an agency at any point in time during the BPA period of performance would apply towards the revenue threshold calculations on an annualized prorated basis; with pricing changes becoming effective within 15 days after a task order/modification is issued. GSA will submit task orders/modifications by the 15th of the month to include additional agencies that join DDS2 after the BPA award.
 - The effective start date for new agencies joining the BPA/Task Order will be the first of the month following the task order/modification. When mutually agreed between GSA and the contractor, exceptions will be made to add small agencies with minimal account numbers in less than 15 days (e.g., task order/modification for Agency X with 10 account numbers issued on April 24 for an effective start date of May 1)
 - Contract reviews will be conducted annually in the first contract year, then semi-annually thereafter to determine and make effective the applicable pricing discount level moving forward. Applicable discount levels may move either up or down after a contract review based on actual agency usage. The Contractor and GSA will evaluate pricing as outlined below, assuming an effective start date of the awarded BPA on Oct 1, 2009:
 - Initial Annual Review:
 1. The Contractor shall submit all reports and spend data to GSA for the first year period of performance by the 15th calendar day after the end of the initial review period, or on a day of the month in accordance with standard commercial practices (e.g., Oct 15, 2010) for the initial annual review.
 2. Actual first year spend shall be determined by the 15th day of the following month (e.g., Nov 15, 2010).
 3. The established price tier based upon actual first year spend will be determined by Nov 15, 2010 and any tier changes as a result will be effective Dec 1, 2010. (Example: Actual Oct 1, 2009 – Sep 30, 2010 spend = \$140 million. Tier 3 pricing will become effective on Dec 1, 2010.
 - First Semi-Annual Review:
 1. The Contractor shall submit all reports and spend data to GSA for the second review period (Oct 1, 2010 – Mar 31, 2011) by the 15th calendar day after the end of the second review period, or on a

- day of the month in accordance with standard commercial practices (e.g., Apr 15, 2011) for the initial semi-annual review.
2. Actual initial semi-annual review spend shall be determined by the 15th of the following month (e.g., May 15, 2011).
 3. The established price tier based upon the actual initial semi-annual spend multiplied by two (2) will be determined by May 15, 2011 and any tier changes as a result will be effective Jun 1, 2011. (Example: Actual Oct 1, 2010 – Mar 31, 2011 spend = \$80 million X 2 = \$160 million. Tier 4 pricing will become effective on Jun 1, 2011).
 4. Subsequent semi-annual reviews and price tier determinations moving forward will follow the same scenario as in the initial semi-annual review.
- Offerors should define their proposed discount structure where indicated on the pricing tables. Discounts should be listed as a percentage reduction off of base service pricing for each type of service at each discount tier level.

Example Revenue Tier Discount Calculation:

For example, if an offeror proposed a discount level of 10% on Express Next Day Delivery Services at the \$100 Million revenue tier, the Contractor's proposed pricing outlined within the Express Next Day Delivery Service pricing table would automatically be reduced by 10% for all future use of this service after \$100 Million in total contract commitments are reached by the Contractor.

3. Zone Information

To enable the Government to conduct pricing analysis based on unique Contractor zones, each contractor shall submit a delimited file detailing the origin / destination zip codes which define a zone for each Service being offered. Zip codes may be defined at either the 3-digit level or the 5-digit level. The file should contain all zip codes at either the 3-digit or 5-digit level and should not include ranges. That is, a zip code range such as "031 – 033" is not acceptable. The structure of the file should be:

- Service Name (Note: If Zone definition does not vary by Service, the offeror shall put "All" as the Service Name)
- Origin Zip
- Destination Zip
- Zone names

4. Value-Add Services (No-Charge and For-Fee Additional Services)

The Government welcomes the inclusion of Value-Added Services and Optional Reporting Services as part of Contractor proposals, which are services offered to the Government by the Contractor that are not included in this solicitation as mandatory requirements. The Contractor, at its discretion, may offer Value-Added Services and Optional Reporting Services in addition to the mandatory services listed above. A partial list of identified Value-Added Services is included in Table III-D1 and a list of identified Optional Reporting Services is included in Table III-D2, but the Contractor is free to offer other services in addition to those listed herein. Offering Value-Added

Services and Optional Reporting Services IS NOT a contract requirement. Individual Value-Added Services and Optional Reporting Services may be offered by the Contractor at either no-charge or for an additional fee, if necessary. The fee for Optional Reporting Services should be provided as an annual fee for the creation and delivery of each report at the frequency described in Table III-D2. The pricing for Ad-hoc reporting should be provided as a cost-per-hour. If offered, Value-Added Services and Optional Reporting Services must be on the GSA Schedule contract period to award of the BPA.

The team shall consider any services proposed to the Government at no-charge as part of the overall total value assessment of the proposal. The Government shall evaluate the value of these services through determining the cost avoidance or efficiency gained in association with use of the services.

5. Vendor Price Adjustments

Price adjustments will be made in accordance with the Economic Price Adjustment clauses established under the Multiple Award Schedule.

III. Evaluation Criteria

The specific evaluation factors that will be considered are described below. The team reserves the right to make an award based on initial offers and may use information other than that provided by the offeror in its evaluation with reference to past performance.

A. Technical Approach

The team will evaluate the offeror's Technical Approach with a focus on determining how well the overall objectives outlined within the SOO are fulfilled. Specifically, the team will be looking at the following key components within the contractor's response:

- Ability to satisfactorily meet or exceed required objectives
- Commitment to meeting or exceeding objectives
- Creativity/ innovation of approach to proposed solutions
- Quality of management and customer service processes
- Approach to supporting the Government's Strategic Sourcing initiative

B. Past Experience/ Past Performance

The team shall evaluate the contractor's experience in providing Domestic Delivery Services in the marketplace, to both commercial and Government customers. The team will specifically be looking for the contractor's experience in providing similar services to large customers with complex business needs. Specific criteria in this area include:

- Experience performing delivery services in the marketplace
- Past experience with Government agencies

- Customer references with demonstration of: experience partnering with customers to help maximize efficient use of domestic delivery services; providing business intelligence and analysis, billing accuracies, late deliveries, customer satisfaction survey results, etc.

C. Corporate Qualifications

The team shall evaluate the contractor's corporate capability by examining the:

- Size (revenues)
- Years performing domestic delivery services
- Scope of capabilities

D. Pricing

Pricing will be evaluated in a number of different ways to reflect the inherent complexity in the way that these services are being utilized. Offerors must utilize the included pricing tables to provide pricing in the format requested and are strongly encouraged to read the instructions provided in the first tab of the pricing tables workbook carefully before preparing their proposal. Additionally, the team encourages Contractors to propose other methods of pricing that may meet the needs of the Government as described in the statement of objectives; however, any deviations from the provided format shall include a methodology for cross-referencing back to this format in order to enable Government evaluation of the proposal. Failure to do so may result in the additional pricing proposals not being evaluated or considered in the assessment of the overall proposal. The team reserves the right to further refine the pricing approach that will best serve the needs of the Government.

The Government will conduct pricing evaluations through modeling the expected costs of ordering services under the potential agreement using Contractor proposed pricing against identified Government usage profiles, and estimates of non-identified Government usage. This analysis will take into consideration expected volumes across all delivery and accessorial services (including zones and weights) in order to arrive at an assessment of the total expected cost for each proposal. The shipping profiles that will be used are based on historical usage data as well as expected future DDS2 needs, allowing for some level of variability in agency participation and varying shipping characteristics.

The offeror's pricing will be evaluated for the BPA for its understanding of the requirements, reasonableness and demonstrated alignment to the tasks.

Pricing proposals will be evaluated according to the following criteria:

- Total cost for anticipated service volumes
 - a. Base pricing for primary services (pre-volume tiers)
 - b. Discounted pricing for volume tiers
- Quantification of included no-charge value-added services
- Value of proposed pricing to potential additional Federal agencies

IV. Method of Award

The Government may award this contract as a single award, or as a multiple award.

Proposals will be evaluated for best value to the Government based on both price and technical factors. The technical factors are more important than price; however, as the difference in the technical proposals becomes less significant or equal, price becomes more important for the award.

V. Administrative

A. Post Award Delivery Instructions

Deliverables shall be sent to the following address:

GSA/FAS/QMAC
2200 Crystal Drive, Suite 300
Arlington, VA 22202
Onthego@gsa.gov

And

marquita.washington@gsa.gov

B. Points of Contact and Responsibilities

GSA Contracting Officer or representative will perform management of this BPA for all Government and Contractor meetings, direction and product deliverables.

C. Period of Performances

The period of performance of this BPA will be a base period of one year from the date of award with four 1-year options to extend the term of the BPA.

D. Prevailing Terms and Conditions

This BPA will be subject to the terms and conditions of the TDRS Schedule contract. In the event of a conflict between the provisions of the BPA and the TDRS Schedule contract, the provisions of the TDRS Schedule contract will take precedence.

E. Unauthorized Commitment Client

Client representatives are not authorized to change any of the terms and conditions of the resultant BPA. Until a formal notice of award is issued, no communication by the

Government, whether written or oral, shall be interpreted as a promise that an award will be made. Changes, if any, shall be made by the Contracting Officer only.

F. FSS-12-A Period for Acceptance of Offers (Mar 1996)

Paragraph (c) of the provision 52.212-1, Instructions to Offerors-Commercial Items, is revised to read as follows: The offeror agrees to hold the prices in its offer firm for 120 calendar days from the date specified for receipt of offers within which offer may be accepted.