



Let's



Do



Business

Supplier Diversity

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1 Letter to Suppliers

The United States Postal Service® (USPS) seeks to provide excellent service to its customers by partnering with suppliers that can provide innovative and agile supply chain solutions, deliver high-quality, cost-effective products and services, and demonstrate continuous improvement. We are committed to creating and fostering relationships with a diverse community of suppliers to deliver world-class service to our customers. We believe that by diversifying our supply chain we are better able to meet customers' needs. Our suppliers include small, minority and women-owned businesses (SMWOBs).

Supply Management's mission is to deliver timely, lean, and sustainable supply chain solutions with our business partners to provide best value in support of the mission of the Postal Service.

We achieve this by:

- Forging strong, trusted business partner relationships, collaborating to meet their needs, and leveraging our collective capabilities to provide value-added solutions.
- Engaging the right resources, with the right capabilities, at the right time, and at the right price, while ensuring quality performance and managing risk.
- Adopting advanced supply chain management analytics, technology and techniques to drive down life-cycle costs.
- Following applicable laws, regulations, policies and procedures to ensure proper controls and best value results.
- Employing a lean approach to improve supply chain processes.
- Fostering a competitive, sustainable, and diverse supply base.

USPS continually forges new relationships with SMWOB to help us achieve our vision of delivering supply chain excellence.

So let us know what you can offer and let's do business!

Supplier Diversity

2 We Are USPS®

USPS is one of the largest service organizations in the world. We deliver mail to both domestic and international markets. We spend approximately \$14 billion annually to deliver over 203 billion pieces of mail to homes, businesses, and post offices. We strive to provide the best value to our customers at the lowest possible cost. A diverse supplier community is important to achieve the USPS mission to provide the nation with affordable, reliable, secure and universal postal services.

USPS awards contracts to thousands of suppliers to procure a wide range of products and services. Purchases range from asphalt to snow removal, carrier satchels to communications satellites, and real estate to robotics and all forms of transportation services. The Postal Service depends on suppliers like you to provide top-quality equipment, facilities, services, and supplies to meet our needs.

Our vision is to have a world-class supplier base that reflects the diversity of the American business community and is marked by broad, inclusive supplier participation in all USPS purchasing activities. We look for opportunities to connect our purchasing teams with suppliers who offer cost-effective business solutions, quality products and services, and strive for performance excellence. We will continue to ensure that no qualified supplier is excluded from opportunities or given preference to compete.

3 Supplier Diversity at USPS

3.1 Purpose

The purpose of the USPS Supplier Diversity Program is to maximize participation of small, minority and women-owned businesses (SMWOBs) in purchasing activities. This purpose aligns with USPS's overall diversity policy that includes a commitment to "ensure that all suppliers have the opportunity to compete for our contracts, and that our local purchasing policies support the local business community and encourage economic development."

3.2 Vision

The vision of the Supplier Diversity Program is to develop a world-class supplier base that reflects the diversity of the communities and customers that we serve in a manner that will assist USPS in meeting its procurement goals and objectives.

3.3 Guiding Principles

3.3.1 General Philosophy

To maintain and improve our universal mail service at cost-effective and competitive prices, it is essential that we use both large and diverse suppliers. By providing opportunities for all suppliers, we will continue to ensure that no supplier is excluded or given preference to compete on the basis of race, color, religion, sex, age, or national origin.

3.3.2 Responsibility

Providing opportunities to suppliers who are able to meet USPS needs is the responsibility of all USPS employees who participate in procurement activities.

3.3.3 Source Identification

We will aggressively identify and include all classes of small businesses in our sourcing plans, whenever practical. We will work closely with trade and industry associations, government agencies and purchasing organizations as resources to expand purchasing opportunities for SMWOBs. We will partner with organizations that promote supplier diversity and will inform buyers and market analysts of suppliers who have had success in obtaining business opportunities with USPS.

3.3.4 Performance Reviews

Our immediate objectives are to identify and do business with suppliers who can provide the best value to USPS. Our community of diverse suppliers is required to be innovative, provide quality products and services, and be able to compete effectively. We expect our supplier base to be integral in achieving our business objectives.

USPS key suppliers can severely impact our business if they do not meet the high service and performance standards we require. To ensure that our organization and our suppliers meet our performance goals, our contracting officers and internal business partners meet frequently to discuss any performance deficiencies identified during the review period and develop a plan to eliminate those deficiencies.

Our Needs What We Buy



Facilities



Mail and Operational Equipment

3.3.5 Goals and Measurement

Our goal is to be recognized as a world-class leader of supplier diversity. We strive for continuous improvement by establishing effort-based indicators and monitoring progress by tracking suppliers' number of transactions, dollars awarded, opportunities offered, and other factors. We benchmark ourselves against "best practices" and track performance overtime.

3.3.6 Key Terms

The following terms describe the four categories of business that are central to our mission:

- **Small Business.** A business, including an affiliate, that is independently owned and operated, is not dominant in producing or performing the supplies or services being purchased, and has no more than 500 employees, unless a different size standard has been established by the Small Business Administration. See Title 13, *Code of Federal Regulations*, Part 121 (13 CFR 121), particularly for different size standards for airline, railroad and construction companies. For subcontracts of \$50,000 or less, a subcontractor having no more than 500 employees qualifies as a small business without regard to other factors.
- **Minority Business.** A business that is at least 51 percent owned by, and whose management and daily business operations are controlled by, one or more members of a socially and economically disadvantaged minority group — namely, U.S. citizens who are Black Americans, Hispanic Americans, Native Americans, or Asian Americans. Native Americans are American Indians, Eskimos, Aleuts, and Native Hawaiians. Asian Americans are U.S. citizens whose origins are Japanese, Chinese, Filipino, Vietnamese, Korean, Samoan, Laotian, Kampuchean (Cambodian), Taiwanese, in the U.S. Trust Territories of the Pacific Islands, or in the Indian subcontinent.
- **Woman-Owned Business.** A business that is at least 51 percent owned by a woman (or women) who is a U.S. citizen, controls the firm by exercising the power to make policy decisions, and operates the business by being actively involved in day-to-day management.
- **Educational or Other Nonprofit Organization.** Any corporation, foundation, trust or other institution operated for scientific or educational purposes, not organized for profit,

and no part of the net earnings inures to the profits of any private shareholder or individual.

4 Our Needs: What We Buy

To move the mail, we buy a large variety of goods and services. USPS groups purchases into the following five portfolios to ensure that the Postal Service obtains products and services required for operational needs in a timely manner and at the best value:

- **Facilities Portfolio.** Facilities manages all business aspects of purchasing and supply management processes for all facility needs, including construction, repair and alteration, facility services and equipment, and utilities.
- **Mail and Operational Equipment Portfolio.** Mail and Operational Equipment Portfolio (MOE) provides for the acquisition of best value solutions to its internal business partners in the areas of letter, flat, and package mail processing platforms, material handling systems, delivery and operational equipment, and maintenance, repair, and operation (MRO) supplies. Additionally, MOE sources USPS's mail transport equipment, new vehicle acquisitions and research and development programs, vehicle services, and all related vehicle and mail processing equipment spare parts.
- **Commercial Products and Services Portfolio.** Commercial Products and Services manages all business aspects of purchasing and supply management processes for the purchase of commercial products and services, such as financial, employee/human resource, professional, customer products, and fulfillment.
- **Technology Infrastructure Portfolio.** Technology Infrastructure manages the purchase of technology-related products and services, such as retail systems, telecommunications, information technology hardware and software.
- **Transportation Portfolio.** Transportation manages the purchase of all transportation needs (domestic and international), including air, surface, fuel management, ancillary transportation services, equipment, and tax recoupment.



Commercial Products and Services



Technology Infrastructure



Transportation

5 How We Buy

USPS determines the method of purchasing products and services based on the value and complexity of the purchase. This will also determine how we publish solicitations and award contracts. USPS's goal is to ensure that we receive the best value at the lowest possible cost.

5.1 We Are Different

USPS was established by the 1970 Postal Reorganization Act, Public Law 91-375 (codified at Title 39 of the United States Code), but it is an independent establishment of the U.S. government's executive branch. USPS is mandated by law to operate like a business and, therefore, is exempt from the Federal Acquisition Regulation (FAR) governance. Our contracting officials use our *Supplying Principles and Practices* (SPs&Ps) for procurement guidance. We are also exempt from the Small Business Act, but the Supplier Diversity Program ensures that small businesses are given the opportunity to compete for USPS business.

USPS acquires goods and services pursuant to the authority of Title 39, U.S. Code 410. Our purchasing regulations can be found within 39 CFR 601, and our SPs&Ps. These regulations provide advisory and illustrative approaches that may generally be used by USPS employees during the purchasing process, but are intended to provide for flexibility and discretion in their application to specific business situations. The goal of USPS's supplying activities is to further the business and competitive interests of the Postal Service through the use of supply chain management business practices and best value solutions.

5.2 Best of Public and Private

The SPs&Ps' focus is on using the purchasing process to further USPS's business and competitive objectives. We are aware of our socioeconomic responsibilities and understand a diverse supplier base is important from both a performance and business standpoint. Our purchasing regulations and guidance are intended to bring a combination of private-sector innovations and efficiencies and our traditional commitment to the fairness and accountability expected of a public agency. Our policies emphasize business practices, such as supplier prequalification and streamlined purchasing procedures, that reflect our business-like approach.

5.3 Business Ethics

We are committed to the highest standards of ethical conduct in all of our business dealings. USPS employees must adhere to Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR 2635), and the Supplemental Standards of Ethical Conduct for Employees of the United States Postal Service (5 CFR 7001). Employees are also guided by the Institute for Supply Management's (ISM®) Principles of Social Responsibility.

Government-wide regulations issued by the Office of Government Ethics prohibits the acceptance of gifts or gratuities from suppliers or other persons seeking business opportunities with USPS. Exceptions allow for the acceptance of items of nominal value, but we discourage the offer and acceptance of these items.

5.4 Our Purchasing Process

5.4.1 The Process

Our SPs&Ps establish a general purchasing process that contains elements common to our purchases regardless of the product or service being purchased. USPS's framework consists of identifying needs, evaluating sources, selecting suppliers, delivering and receiving requirements, managing and measuring the contract, and end of life. The framework is designed to ensure three important results:

- USPS obtains the best value.
- All parties are treated fairly.
- USPS and our suppliers establish mutually beneficial relationships.

5.4.2 Competition and Publicizing

A basic foundation of our purchasing policy is competition. We compete the majority of our contracts valued at more than \$10,000. Our policy is to secure "adequate" competition, which means that we seek a sufficient number of qualified suppliers to ensure that the required quality and quantity of goods and services are obtained when needed, and that the price is fair and reasonable. Competition is sought from a wide range of firms to ensure that we do business with the "best" performers.

Many of our contracting opportunities are publicized locally in various media (i.e. trade journals and local and national newspapers). We also publish announcements on Federal Business Opportunities (FedBizOpps), a government website



Supplier Diversity Program

How we help our partners.

The United States Postal Service® is committed to building strong relationships with small, minority- and women-owned businesses. Through continuous improvement, we work to ensure opportunities for our products and services we need to increase overall cost.

Areas of Responsibility To maintain effective partnerships, the USPS is responsible for:

- Providing technical advice, program and Supplier Diversity issues.
- Acting as a liaison with industry and agencies, and special emphasis groups.
- Communication and information systems.
- Women-owned business issues (e.g., updates).
- Participating in activities that promote

that contains thousands of federal business contracting opportunities. Our supplier registration e-Sourcing system allows suppliers to register with USPS to provide their most up-to-date business information.

5.4.3 Evaluation

Under our purchasing process, we evaluate supplier proposals to determine the best value. Awards are not based exclusively on lowest prices, although price can be a significant factor in the evaluation. To determine best value, we evaluate such factors as past performance, the capability of the supplier to perform the work, and other proposal-specific performance factors. We may invite suppliers to provide oral presentations regarding their proposals to allow the opportunity for meaningful two-way communication.

5.4.4 Local Buying

The local buying authority (i.e. postmasters) can purchase supplies and services necessary to meet day-to-day operational needs. These purchases are made at local offices throughout the country using an USPS-authorized purchase card and are not subject to the rules, regulations, and guidance contained in the CFR and SPs&Ps, with the exception of the Davis Bacon and Service Contract Acts. A single purchase cannot exceed \$10,000 or the limitations set within the Acts.

5.4.5 Prequalification

Prequalification is the process of up-front identification of top quality suppliers able to compete for specific types of contract opportunities. The benefits to us are twofold: (1) competition is enhanced and (2) quality performance is promoted. Benefits to suppliers include a more comprehensive opportunity to familiarize themselves with our requirements before solicitations are issued, which, in turn, yields lower proposal preparation costs.

We use prequalification for a single purchase or for a series of purchases (excluding local buys). Prequalification opportunities are publicized in the same manner as contract opportunities, and suppliers are evaluated using the same general process previously discussed.

5.4.6 Electronic Commerce (e-Commerce)

USPS has reduced transactional costs significantly using e-Commerce. Integrating electronic business solutions for all supply processes is the goal of USPS. We will automate as much of the supply chain as possible. We expect the suppliers that we do business with will have the capability to conduct procurement transactions electronically as well.

5.4.7 Payments

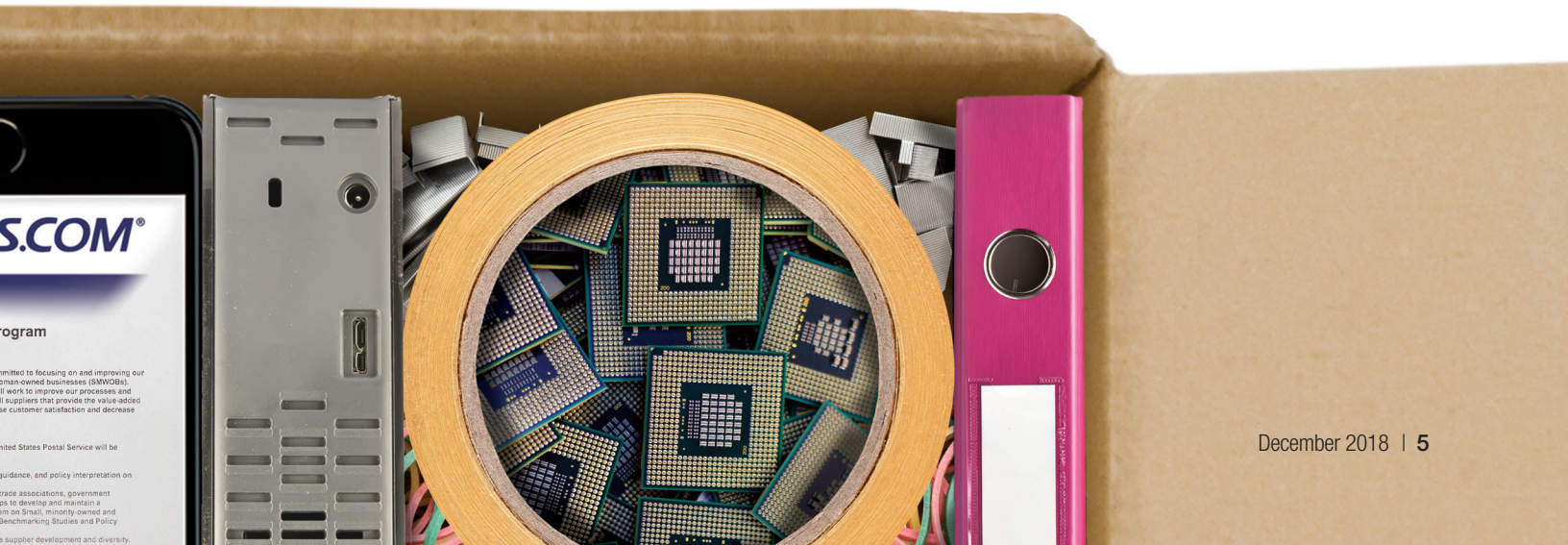
USPS is required to be in compliance with the Prompt Payment Act (PPA). The payment method and frequency of payments are determined by the contract terms, which are subject to the requirements of the PPA. Payment of local buys are often made without prior knowledge of the terms and condition of payment, but are often found on the invoice or receipt of goods and services. If payment terms are not agreed upon prior to the receipt of goods and services, USPS will follow the guidelines of the PPA and process payment within 30 days of receipt of invoice or receipt of goods or services, whichever occurs later. Payments can be made with the purchase card (local buys), electronic funds transfers or by check.

6 Our Supplier Performance Awards Program (SPA)

USPS has celebrated the efforts of suppliers who make outstanding contributions to the success of USPS. Through our Supplier Performance Awards (SPA) Program, we publicly recognize suppliers who consistently provide quality products or services to USPS, are involved in Supply Chain Management best practices, and whose successes made a difference in helping USPS achieve positive bottom-line savings, increase revenue or performance results, and enhance our social responsibility initiatives. They also have consistently exhibited a collaborative business relationship with USPS.

Supply Management annually recognizes both large businesses and SMWOBs for excellence in several categories, including performance, innovation, diversity, and sustainability achievements. The program seeks suppliers who are committed to continuously improving their products and services.

For additional information, visit the SPA website at <http://about.usps.com/suppliers/performance-awards.htm>.



7 Sustainability

USPS recognizes that improved environmental performance and responsibility are important to the long-term health and competitiveness of our business, and that sustainable purchasing has the potential to reduce both environmental and financial costs in our operations and network. We incorporate sustainable practices and improve environmental responsibility in our own operations.

We also encourage suppliers to improve their environmental and sustainability practices in the performance of their contracts with us by providing environmentally preferable products when practicable and cost-effective. When appropriate, USPS will collaborate with suppliers to identify opportunities that may improve the environmental and sustainability aspects of the goods those suppliers provide to us.

8 How to Market to Us

8.1 Supplier Registration

USPS encourages all suppliers interested in doing business with the Postal Service to register their organization in our supplier registration eSourcing system. The buying teams search the supplier registration tool for new suppliers. Suppliers can register by logging on the USPS Supplier Registration page at <http://about.usps.com/suppliers/becoming/registration.htm>.

8.2 Many Points of Entry

USPS uses many points of entry to publicize contracting awards. The Government-wide Point of Entry (GPE) is accessed through FedBizOpps, trade journals, newspapers, and magazines. Contracts valued over \$1 million must be publicized in the GPE. All USPS personnel with local buying authority are encouraged to seek out qualified SMWOBs in the local area.

8.3 Area and National

Purchases that exceed \$10,000, and are more complex in nature, or that meet requirements that are wider in scope are managed by area or Headquarters contracting officers. Your contacts for marketing area-wide or nationally are contracting officers and purchasing specialists at the portfolio and category management centers and area locations.

8.4 Unsolicited Proposals

USPS has an Unsolicited Proposal Program, which provides companies the opportunity to submit new technologies and ideas to improve postal operations. An unsolicited proposal is the offer to sell to USPS the rights to ideas, concepts, products, processes or technology to consider proposals outside the scope of those made in response to our solicitations. Such proposals include offers of concepts, products, processes, or technology to which a supplier has a patent, trademark, or other proprietary right. Marketing efforts for commercial products and offers relating to previous USPS contracts or proposals are not considered under the program. If you wish to submit an unsolicited proposal, please see USPS Publication 131, the *USPS Unsolicited Proposal Program* at <http://about.usps.com/suppliers/becoming/unsolicited-proposals.htm>.

8.5 Sales of USPS Items

USPS has access items that are available to the public to purchase. If you are interested in purchasing items such as antiques, used equipment and other surplus items, contact the manager of Asset Accountability via email at investmentrecovery@usps.gov.

9 Summary

For over 200 years, the foundation of the USPS mission has been to provide universal delivery service to bind the nation together as established in the Constitution. A diverse supplier base is integral to our goal of providing world-class products and services to our customers. We highly value the innovative ideas, cost-effective business solutions and excellent performance the small business community offers. We will continue to seek partnerships with diverse suppliers to support the community we serve and to improve the products and services we provide to our customers.

If you would like more information on the Supplier Diversity Program or would like to register your business with USPS, visit our website at <http://about.usps.com/doing-business/suppliers/welcome.htm>.

If you have questions, please write or call our Supplier Diversity office at:

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202-268-3300

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10 Resources

1. FedBizOpps
<https://www.fbo.gov/>
2. USPS ESourcing Supplier Registration
<https://about.usps.com/suppliers/becoming/registration.htm>
3. What We Buy
<https://about.usps.com/suppliers/buying.htm>
4. USPS Supplier Performance Awards
<http://about.usps.com/suppliers/performance-awards.htm>
5. Unsolicited Proposal Program
<http://about.usps.com/suppliers/becoming/unsolicited-proposals.htm>
6. USPS Supplier Diversity Program
<http://about.usps.com/doing-business/suppliers/welcome.htm>



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