

Issue 11

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Postal Service Honors Suppliers for Outstanding Performance
Nine Companies Recognized for Delivering Optimum Solutions



Back row (left to right): Susan M. Brownell, vice president, Supply Management, U.S. Postal Service; Randy Davies, president & chief operating officer, Wheeler Bros., Supplier Performance Award; Timothy Pals, president & CEO, Eagle Express Lines, Supplier Performance Award; Susan Rapp, director, EMCOR Customer Solutions Center, Supplier Excellence Award; Michael Jones, president, Carolina Cabinet Company, Supplier Sustainability Excellence Award; Ron Stroman, Deputy Postmaster General, U.S. Postal Service; Front row (left to right): Barry Scribner, managing director, Public Institutions, Jones Lang LaSalle, Supplier Innovation Award; Oded Barlev, vice president, National Operations, ABM Security Services, Supplier Performance Award; Rob Hale, president & CEO, Granite, Supplier Excellence Award; Mary Ann Hopkins, executive vice president, for Global Business Development, Parsons Corporation, Supplier Diversity Award; Scott Figiel, sales manager and Luke Bawel, general manager, Jasper Innovative Solutions, Supplier Excellence Award.

The U.S. Postal Service has honored nine companies for superior supply chain performance and delivering optimum solutions that reduce costs, enhance performance, maintain high levels of service and provide innovative and sustainable solutions.

At a recent ceremony at Postal Service headquarters in Washington, the 2011 winning companies received awards in five categories: Supplier Performance, Supplier Excellence, Supplier Innovation, Supplier Diversity and Supplier Sustainability Excellence.

“From thousands of Postal Service suppliers, only nine companies are being recognized for outstanding performance,” said Deputy Postmaster General Ronald A. Stroman. “Your continued innovative ideas will help the Postal Service grow the business, improve the customer experience and help make us leaner, faster, smarter and greener. Your partnership has enabled us to accomplish good things and I appreciate that you’ve given your best to the Postal Service and to the American people.”

Susan Brownell, vice president, Supply Management, hosted the ceremony. “This event highlights the power of collaboration,” said Brownell. “Working together with our suppliers, we have expanded and strengthened our capabilities across the value chain. You are the cream of the crop and serve as role models to thousands of suppliers. You help us deliver excellent service to our customers each day.”

The 2011 winners are:

ABM Security Services, New York, NY
Supplier Performance Award

ABM provides unarmed security personnel at Postal Service facilities nationwide.

Chris Hansen, president

“ABM is extremely pleased and honored to receive the USPS Supplier Performance Award for the outstanding work provided by ABM security officers nationwide. This award highlights ABM’s positive ongoing relationship with USPS and underscores the traditional values we share with our valued customers, and the mutual benefits of visionary thinking leading to innovative solutions. ABM and all of our employees are proud to support USPS in its critical mission to constantly improve the process of mail delivery to homes and businesses. We are grateful for this recognition.”

Eagle Express Lines, South Holland, IL
Supplier Performance Award

Eagle Express provides highway mail transportation services.

Timothy R. Pals, president and CEO

“On behalf of the associates of Eagle Express Lines, we would like to thank the United States Postal Service for recognizing our commitment to service with this 2011 Supplier Performance Award. Our first highway delivery contract was awarded to us in 1976 and over the last 36 years we have worked diligently to become the Postal Service’s most dependable and cost effective logistics partner. Through attention to detail we have accomplished this objective by not only fulfilling the obligation of our contracts but also offering innovative and cost effective solutions to the most complex logistics situations in North America. We remain committed to the continued success of United States Postal Service and look forward to a long and mutually beneficial business partnership.”

Wheeler Bros., Somerset, PA
Supplier Performance Award

Wheeler Bros. supplies vehicle parts and inventory management solutions to USPS Vehicle Maintenance Facilities nationwide.

Randy A. Davies, president and COO

“Wheeler Bros. is honored to win its sixth U.S. Postal Service Supplier Performance Award. This recognition is a result of our dedicated employees and the excellent partnership that the U.S. Postal Service and WBI have formed over the past 23 years. Our commitment to extending the life of the Postal Service’s vehicle fleet through quality products and supply chain services has truly been a cooperative effort resulting in a win-win for everyone involved.”

EMCOR Customer Solutions Center, Downers Grove, IL
Supplier Excellence Award

EMCOR provides facility repair and alteration diagnostic tools and solutions.

Michael P. Bordes, president, EMCOR Facilities Services

“EMCOR and its Customer Solutions Center is very honored and takes immense pride in being recognized with this Supplier Excellence Award by USPS. We are gratified for the confidence and satisfaction shown in our services, and committed to continuing and enhancing the quality of work we provide; I need to thank our many employees, whose dedication, skills and abilities made this recognition possible.”

Granite, Quincy, MA
Supplier Excellence Award

Granite provides voice and broadband telecommunications and account management services.

Robert Hale, president and CEO

“We would like to thank USPS for their continued effort to make this a long term partnership. Our relationship began back in 2003 when we managed one location and now our partnership has expanded to 17,000 sites serviced. We at Granite are motivated to continue servicing and adding value to USPS for years to come. We are also extremely honored to be associated with USPS and accept this award on behalf of the dedicated Granite employees who have committed to maintain this partnership with USPS each day.”

Jasper Innovative Solutions, Leavenworth, IN
Supplier Excellence Award

Jasper supplies vehicle parts and consignment services to USPS Vehicle Maintenance Facilities nationwide.

Luke Bawel, general manager

“Jasper Innovative Solutions is honored to receive this award for Service Excellence. Being a 100 percent associated owned company, this award is especially important to us. This shows our dedication to service excellence is recognized. It has been our pleasure to work with such a great team in USPS. As a supplier of vehicle parts we are dedicated to keeping the Postal Service’s fleet moving forward. We greatly look forward to our future, growing our relationship with USPS.”

Jones Lang LaSalle, Chicago, IL
Supplier Innovation Award

Jones Lang LaSalle provides integrated facility services management at four USPS sites.

Herman Bulls, CEO, Public Institutions

“Jones Lang LaSalle’s strategic partnerships with our clients like the Postal Service are the foundation of our integrated service platform. It is rewarding to be recognized for delivering innovative, results-driven supply chain management solutions like the Postal Service’s new service contracts that allow USPS to reapply annual cost savings back into its core business, as well as the energy savings achievements, which also help the Postal Service to deliver against its mission to provide improved mail service to the American public. We’re honored to be recognized by our client for generating industry-leading results that are a hallmark of Jones Lang LaSalle’s sourcing and service program.”

Parsons Corporation, Pasadena, CA
Supplier Diversity Award

Parsons provides design/design-build, program, and construction management services.

Todd Wager, president, Government Services

“We are honored to be recognized as a recipient of the Supplier Diversity Award as part of the 2011 USPS Supplier Performance Awards Program. Diversity is one of our six core values, and receiving this distinction validates our commitment to pursuing diversity in our workforce composition, the markets we serve, and the services we provide to customers like USPS, whom we respect as a leader and an innovator in the implementation of diversity and inclusion practices.”

Carolina Cabinet Co., Wilson, NC
Supplier Sustainability Excellence Award

Carolina Cabinet designs, manufactures, and delivers casework for post office retail lobbies.

Michael Jones, president

“Carolina Cabinet Company is honored to be recognized by the United States Postal Service for the Supplier Sustainability Excellence Award. Our Green Initiative is a direction we chose to embrace years ago. We value our partnership with USPS and plan to continue this journey together for many years to come.”

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New Strategy to Preserve the Nation’s Smallest Post Offices *Modifying Retail Window Hours Could Keep Offices Open*

The U.S. Postal Service announced a new strategy on May 9 that could keep the nation’s smallest Post Offices open for business, while providing a framework to achieve significant cost savings as part of the plan to return the organization to financial stability.

The plan would keep the existing Post Office in place, but with modified retail window hours to match customer use. Access to the retail lobby and to PO Boxes would remain unchanged, and the town’s ZIP Code and community identity would be retained.

“Meeting the needs of postal customers is, and will always be, a top priority. We continue to balance that by better aligning service options with customer demand and reducing the cost to serve,” said Postmaster General and CEO Patrick R. Donahoe. “With that said, we’ve listened to our customers in rural America and we’ve heard them loud and clear – they want to keep their Post Office open. We believe this announcement will serve our customers’ needs and allow us to achieve real savings to help the Postal Service return to long-term financial stability.”

The new strategy would be implemented over a two-year, multi-phased approach and would not be completed until September 2014. Once implementation is completed, the Postal Service estimates savings of a half billion dollars annually.

“The Postal Service is committed to serving America’s communities and providing a responsible and fair approach for our employees and customers,” said Megan Brennan, Postal Service Chief Operating Officer. “The Post Offices in rural America will remain open

unless a community has a strong preference for one of the other options. We will not close any of these rural Post Offices without having provided a viable solution.”

The Postal Service will provide an opportunity for the Postal Regulatory Commission (PRC) to review this plan prior to making any changes. The Postal Service intends to file a request for an advisory opinion on the plan with the PRC by the end of May. Community meetings would then be conducted to review options in greater detail. Communities will be notified by mail of the date, time and location of these meetings.

This new option complements existing alternatives, which include:

1. Providing mail delivery service to residents and businesses in the affected community by either rural carrier or highway contract route;
2. Contracting with a local business to create a Village Post Office; and
3. Offering service from a nearby Post Office.

A voluntary early retirement incentive for the nation’s more than 21,000 non-executive postmasters was also announced.

Survey research conducted by the respected Opinion Research Corporation (ORC) in February showed 54 percent of rural customers would prefer the new solution to maintain a local Post Office. Forty-six percent prefer one of the previously announced solutions (20% prefer Village Post Office, 15% prefer providing services at a nearby Post Office, 11% prefer expanded rural delivery). This strategy would enable a town to possibly have a Post Office with modified hours, as well as a Village Post Office.

The Postal Service had implemented a voluntary moratorium on all postal facility closings through May 15, 2012. No closings or changes to Post Office operations will occur until after that time.

In addition to maintaining a retail network of more than 31,000 Post Offices, the Postal Service also provides online access to postal products and services through usps.com and more than 70,000 alternate access locations. Nearly 40-percent of postal retail revenue comes from purchases on www.usps.com and through approved postal providers such as Wal-Mart, Staples, Office Depot, Walgreens, Sam’s Club, Costco, and many others.

A list of Post Offices affected by this announcement and additional details is available at <http://about.usps.com/news/electronic-press-kits/our-future-network/welcome.htm>.

More information about the U.S. Postal Service is available from the USPS Newsroom at <http://about.usps.com/news/welcome.htm>.

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**Postal Service Moves Ahead with Modified Network Consolidation Plan
9-Month Implementation; \$1.2 Billion in Cost Reductions**

The U.S. Postal Service announced plans on May 17 to move ahead with a modified plan to consolidate its network of 461 mail processing locations in phases. The first phase of activities will result in up to 140 consolidations through February of 2013. Unless the circumstances of the Postal Service change in the interim, a second and final phase of 89 consolidations is currently scheduled to begin in February of 2014.

“We revised our network consolidation timeline to provide a longer planning schedule for our customers, employees and other stakeholders, and to enable a more methodical and measured implementation,” said Patrick Donahoe, Postmaster General and Chief Executive Officer of the Postal Service.

“We simply do not have the mail volumes to justify the size and capacity of our current mail processing network. To return to long-term profitability and financial stability while keeping mail affordable, we must match our network to the anticipated workload,” said Donahoe. “Our current plan meets our cost reduction goals, ensures seamless and excellent service performance throughout the implementation period, and provides adequate time for our customers to adapt to our network changes.”

The Postal Service will begin consolidating operations this summer — which mostly involve transferring mail processing operations from smaller to larger facilities. Due to the volume of high-priority mail predicted for the election and holiday mailing seasons, no consolidating activities will be conducted from September through December of 2012. Approximately 5,000 employees will begin receiving notifications next week related to consolidating and other efficiency-enhancing activities to be conducted this summer.

“We will be conducting consolidation activities this summer at only 48 locations,” said Megan Brennan, chief operating officer of the Postal Service. “As a result, nearly all consolidating activities in 2012 will occur in August and then will resume again the early part of next year.”

These consolidating activities will reduce the size of the Postal Service workforce by approximately 13,000 employees and, when fully implemented, will generate cost reductions of approximately \$1.2 billion annually.

“The Postal Service will be communicating with our customers and employees about these changes in great detail,” said Brennan. “We will work closely with our customers to ensure there are no surprises as we move forward.”

The Postal Service also announced it is working with its unions for an employee retirement incentive, although no final decision has been made. “The Postal Service has reduced the size of its workforce by 244,000 career employees since 2000 without resorting to layoffs,” said Brennan. “We are a responsible employer and we will work with our employees to ensure a smooth transition to a much leaner organization.”

The Postal Service also announced that it would soon issue a new regulation to modify its existing Service Standard for overnight delivery. The Postal Service said a Final Rule would soon be published in the Federal Register that would initially shrink the geographic reach of overnight service to local areas and enable consolidation activity in 2013. The new rule would further tighten the overnight delivery standard in 2014 and

enable further consolidation of the Postal Service mail processing network absent any change to the circumstances of the Postal Service.

“We are essentially preserving overnight delivery for First-Class Mail through the end of 2013, although we are collapsing the distance that we can provide overnight service to the distribution area served by a particular mail processing facility,” said Brennan. Approximately 80 percent of First-Class Mail will still be delivered overnight.

The Postal Service stated its expectation to pursue additional consolidation activities for an additional 89 mail processing locations beginning in 2014 unless its circumstances change. These consolidations would be based on long-term service standards that would significantly revise mail-entry times for customers seeking overnight delivery.

“Given that the Postal Service is currently projecting a \$14 billion net loss in FY2012, and continuing annual losses of this magnitude, we simply cannot justify maintaining our current mail processing footprint,” said Donahoe.

When fully implemented in late 2014, the Postal Service expects its network consolidations to generate approximately \$2.1 billion in annual cost reductions, and lead to a total workforce reduction of up to 28,000 employees.

The list of mail processing locations to be consolidated by February of 2013 is available at <http://about.usps.com/news/electronic-press-kits/our-future-network/welcome.htm>.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 151 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, *usps.com*, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 35th in the 2011 Fortune 500. In 2011, the U.S. Postal Service was ranked number one in overall service performance, out of the top 20 wealthiest nations in the world, Oxford Strategic Consulting. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency for six years and the sixth Most Trusted Business in the nation by the Ponemon Institute.

DID YOU KNOW?



**USPS receives
no federal
tax dollars
for its
operations.**

ARE YOU REGISTERED TO DO BUSINESS WITH THE U.S. POSTAL SERVICE?

More than 8,400 suppliers have registered since our launch of the Supplier Registration site in July 2009.

All suppliers interested in doing business with the U.S. Postal Service should register their company in the Postal Service Supplier Registration system.

For more information, please go to <http://about.usps.com/suppliers/becoming/registration.htm>.

CONTACT US!

We value your questions and feedback to this newsletter. Please feel free to reply to this message with your feedback or mail to:

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