





# SUPPLIER DIVERSITY CORPORATE PLAN



## SUPPLIER RELATIONS

The Postal Service Supply Chain Management (SCM) activities operate under eight Supplying Principles that represent the strategic elements that guide Postal Service buying and material management activities. Each principle is central to obtaining the financial, operational, and public policy goals outlined in the Postal Service's strategic plans.

The Postal Service's Supplier Relations Principle aims to establish and maintain a strong, competitive supplier base that reflects the diversity of the supplier community [Postal Supplying Principles are contained in the *Postal Service's Supplying Principles and Practices* (SPs and Ps)]. Postal Service supplying professionals seek out methods to optimize the postal supplier base in line with the specific characteristics of the market, the good or service being supplied, and the goals of the Postal Service.

## SUPPLIER DIVERSITY

Supplier diversity is the proactive business process that seeks to provide suppliers with access to purchasing and business opportunities. Supplier diversity is defined by:

- Enterprise and Supply Management (SM) policies and objectives
- The purchasing process
- Continuous improvement and monitoring

Supplier diversity objectives include:

- Continuous improvement of supplier diversity and relationships with small, minority-owned and women-owned businesses (SMWOBs)
- Continued broad market research analysis of the supplier community to identify and select the best suppliers
- Process improvements that promote opportunities for all suppliers to provide value-added products and services

- Awareness and information making all Postal Service personnel responsible for supplier diversity

The supplier diversity objectives are aligned with Postal Service and Supply Management objectives, which is a top-down approach. Laws, regulations, contract clauses, and contract provisions also contribute to shaping supplier diversity objectives.

The Supplier Diversity Corporate Plan is developed to ensure a continued focus on improving our supplier relationships with SMWOBs. The Plan, which is comprised of nine elements, outlines a variety of activities that align with processes and procedures identified in the Postal Service's SPs and Ps.

# 9

## *Plan Elements*

**MANAGEMENT INVOLVEMENT**  
**COMMUNICATION/OUTREACH**  
**SOURCING CONSIDERATIONS**  
**INNOVATION/SUSTAINABILITY**  
**SUBCONTRACT MANAGEMENT**  
**TRAINING AND DEVELOPMENT**  
**TRACKING PROGRESS**  
**PERFORMANCE INDICATORS**  
**RECOGNITION**





## MANAGEMENT INVOLVEMENT

To ensure a continuous focus, officers and executives representing broad functional areas are responsible for ensuring a strong, competitive supply base.

The Supply Management vice president and senior managers meet quarterly to review supply chain strategies to ensure the Postal Service is taking full advantage of the capabilities, competitive pricing, new processes and products, and innovations offered by SMWOBs.

The Supplier Diversity team in Supply Management carries out continual assessments of supplier diversity business process applications and provides related updates and briefings on leading practices. The team also serves as liaison to the SMWOB community.

## COMMUNICATION/OUTREACH

The Postal Service works closely with trade and industry associations, government agencies, and business development and purchasing organizations to exchange information on methods, initiatives, and processes to identify sources of supply. This enables supplying professionals, purchase card users, and other Postal Service personnel to effectively identify potential suppliers to meet Postal Service needs.

When appropriate, the Postal Service:

- Conducts supplier forums to share information on Postal Service corporate business objectives.
- Conducts and participates in surveys and benchmarking studies for continuous improvement of Supplier Diversity processes.
- Maintains intranet and internet sites with Supplier Diversity policy, procedures, points of contact, and other resource information for various sourcing teams, buyers, clients, and suppliers.
- Attends and participate in business opportunity and trade fairs promoting SMWOBs.
- Continues to foster the development of mutually beneficial busi-

ness relationships between internal business partners and the supplier community.

- Publicizes purchasing and business opportunities in print or electronic media when publicizing such opportunities will ensure that the Postal Service will obtain the best value.
- Provides internal and external stakeholders with timely updates on the positive contributions of Supplier Diversity processes.
- Makes available a formal registration process for potential suppliers.

## SOURCING CONSIDERATIONS

The Postal Service uses a series of sourcing processes to capture supply data and knowledge to build a dynamic supplier base, thereby ensuring continuous improvement of the entire supply chain.

Strategies are developed by a thorough understanding of the external supplier environment and internal business partner requirements. Purchase/SCM teams apply supply chain management business practices to both strategic sourcing and individual purchases and examine demand trends, the marketplace, and the supplier community to determine how to achieve best value.

**Market Surveillance** — We continuously assess the marketplace for drivers of market segments, industry trends, impact of new technology, competitive dynamics, supplier characteristics, and suppliers (national or regional) in a market.

When appropriate, the Postal Service:

- Uses the latest in print and electronic resources (industry reports, supply periodicals, databases, etc.) to identify leading-edge suppliers in an industry.
- Uses supplier and industry resources, such as trade associations, to obtain data on the structure of the industry, supplier value-chain analysis, supplier economics, and total cost of ownership (TCO) of items and services.

- Analyzes the sourcing history of a product or service to determine the level of competition, prices, and performance results of existing suppliers to determine if a new supplier would better meet Postal Service needs.
- Attends and hosts industry briefings to identify potential suppliers to meet Postal Service needs.
- Evaluates products that appear to be the same across suppliers (beyond branding) to determine real differences in the product or services and identify suppliers with a competitive advantage.
- Obtains source lists of proven suppliers from trade and industry associations, government agencies, business development groups, and purchasing organizations.

Publicizing Opportunities — When it is determined that doing so will enhance competition, we will announce potential business opportunities in the most appropriate and effective media to identify new sources that will ensure that the Postal Service will obtain the best value.

When appropriate, the Postal Service:

- Issues Requests for Information (RFI) to obtain general information on the market, products, services, or suppliers.
- Issues presolicitation notices (also called “sources sought” notices) to identify suppliers based on the business and competitive needs of the Postal Service.
- Publicizes opportunities for suppliers to be prequalified for commercially available goods or services purchased routinely, whether for an individual purchase or for a series of purchases.
- Announces competitive or noncompetitive contract awards having significant subcontracting opportunities to promote competition in subcontracting.

Purchase Card Buys — Purchase card policies support the local business community and encourage economic development of all diverse groups. When operational needs cannot be satisfied through eBuy,



the Postal Service online tool for ordering goods and services or other electronic ordering systems, area contracts and ordering agreements, which generally represent our lowest total cost of acquiring equipment, supplies and services, the purchase card serves as the primary means of buying and paying. Cardholders are encouraged to seek out and use SMWOBs when making credit card buys to meet their day-to-day operational needs.

Cardholders must strive to obtain the best value for the Postal Service on each purchase. Best value is obtained by evaluating the price, quality, and other factors necessary to meet the need. Obtaining best value is the objective of every Postal Service supplying activity and the basis for award of Postal Service contracts.

## INNOVATION/SUSTAINABILITY

In today's Postal Service, innovation and sustainability are important in all aspects of the business. We seek to apply new ideas to our structure, processes, products, and services so that we become a leaner, faster and smarter organization. As technology and customer needs change, we continue to rely on the creativity and innovation of the entrepreneurial community to help us do this and keep the Postal Service on the path of long-term sustainability.

The Unsolicited Proposal Program (UPP) provides companies and entrepreneurs the opportunity to submit new technologies or ideas to improve postal operations. An unsolicited proposal is the offer to sell to the Postal Service the rights to ideas, concepts, products, processes or technology. It is considered unsolicited because it is not submitted in response to a solicitation, request for proposal (RFP), or any other Postal Service-initiated solicitation or program. The UPP guidelines are available for review in Publication 131 under 'Doing Business With Us' at: [www.usps.com](http://www.usps.com).

Along with price, quality, and delivery standards, the Postal Service will continue to explore innovations in sustainable supply chains that start with the requirements and specifications of what we buy to how we transport, warehouse, fulfill, consume, reuse, recycle and dispose. Suppliers who have a focus on innovation and sustainability have a competitive advantage in today's supply chains.

## **SUBCONTRACT MANAGEMENT**

We promote supplier development and diversity with prime suppliers through our subcontracting policy, which specifically addresses subcontracting with SMWOBs.

When appropriate, the Postal Service:

- Announces contract awards having significant subcontracting opportunities and provides technical assistance and referrals of SMWOBs to our prime suppliers.
- Negotiates contract-specific subcontracting plans based on market research results (data collected, analyzed, and documented) that support effective contract performance.
- Conducts quarterly reviews of reports and plans based on required subcontracting requirements.
- Convenes periodic meetings with prime suppliers to ensure adequate understanding of USPS policies and performance expectations in subcontracting.
- Periodically samples supplier reports to identify gaps and implement continuous improvement initiatives.

## **TRAINING AND DEVELOPMENT**

The Postal Service offers a learning continuum for all employees and suppliers to reinforce success and drive performance. All employees in supply management functions participate in training related to supplier diversity. Through various media and outreach, the Postal Service in collaboration with suppliers:

- Conducts roundtable discussions to share information on Postal Service corporate business objectives.
- Works together by providing feedback to develop better proposals.
- Conducts sessions aimed at innovation and improvement.

- Works to leverage benchmarking and best practices in the supply chain.

## TRACKING PROGRESS

The Postal Service strives for continuous improvement by performing quarterly monitoring of all effort-based indicators and year-end results. The Postal Service will periodically adjust supply strategies to adopt leading practices identified in the supply chain management process.

### Goals

The Supplier Diversity Corporate Plan expresses the Postal Service's commitment to the SMWOB community. Although statutorily exempt from the Small Business Act, the Postal Service establishes annual goals that represent the maximum practicable opportunity for SMWOBs to participate in the performance of contracts to further its business and competitive interests.

The goal for each SMWOB category is expressed as a percentage of the estimated total contract values for the fiscal year. The goal is assessed on the following factors:

- Historical achievements in each business category.
- Current Commodity Strategies.
- Estimated total dollar values of all prime contracts to be awarded in the fiscal year.

Note: Fiscal year goals are available under 'Doing Business With Us' at: [www.usps.com](http://www.usps.com).

### Data Collection and Reporting

All suppliers are classified to identify prime and subcontracting (second-tier) spend within each socioeconomic category. The Postal Service will continue to collect and report results through the tracking of:

- Total number of actions (contract awards and modifications).
- Total dollar amount of actions (contract awards and modifications).
- Number of actions with SMWOBs (contract awards and modifications).
- Prime Supplier SMWOBs spend.
- Subcontracting (second-tier) spend with SMWOBs.
- Total purchase card expenditures.
- Number and value of purchase card expenditures with SMWOBs.

## **PERFORMANCE INDICATORS**

The Postal Service strives for continuous improvement by establishing effort-based indicators in areas such as:

- Ensuring that SMWOBs are considered in the sourcing process, including consideration for prequalification and subcontracting opportunities.
- Attending and participating in business opportunity and trade fairs promoting SMWOBs.
- Holding advisory and debriefing sessions with SMWOBs.
- Participating in and sponsoring forums that provide suppliers an opportunity to obtain additional guidance on processes within a commodity area.
- Expanding the types and numbers of source files and related resources used to identify qualified suppliers.
- Developing, implementing, and maintaining purchasing plans and commodity strategies that include SMWOBs.
- Understanding the current diversity of each category supplier

base and taking specific steps to ensure the continued effectiveness of that base.

- Benchmarking results with other public and private-sector organizations.

Nothing in this Plan requires or permits employees that generate a requirement, approve a purchase, commit postal funds, identify or select suppliers, or manage a supplier relationship to grant preferential treatment to any person on the basis of race or gender.

## RECOGNITION

Recognition of supplier diversity efforts of both Postal Service personnel and suppliers will further promote the defined supplier diversity objectives.

### **The Postal Service will celebrate successes by:**

- Publishing supplier successes on a periodic basis.
- Recognizing and publicizing outstanding supply chain management performance and best practice successes by both clients and suppliers.
- Recognizing extraordinary individual performance.
- Recognizing annually substantive team or category performance using current Postal Service recognition processes.

The Postal Service is committed to supplier diversity as an important business imperative. The Supplier Diversity Corporate Plan positions the Postal Service to establish and maintain a strong competitive supply base.

### **Supplier Relations Principle**

“Suppliers are essential and valued business partners of the Postal Service, and the Postal Service is committed to treating its suppliers in an objective, fair and business-like manner. Relations between the Postal Service and its suppliers will be strong, mutually beneficial, and

based upon sound business practices, respect, and trust with both parties working toward a common goal.” (USPS *Supplying Principles and Practices*, Revision January 28, 2011).

The Postal Service will manage supplier relationships based on the potential impact the supplier’s performance will have on the Postal Service’s operational and financial position.

Note: For additional information on the U.S. Postal Service buying process see ‘Doing Business With Us’ at [www.usps.com](http://www.usps.com).

United States Postal Service  
Supply Management Supplier Diversity  
475 L’Enfant Plaza, SW  
Washington, DC 20260-6201  
[business@usps.gov](mailto:business@usps.gov)  
[www.usps.com](http://www.usps.com)





