



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF GENERAL SERVICES

STATEMENT OF WORK

**PRESORT MAIL PROCESSING SERVICES**

INVITATION FOR BID (IFB) NO. 6100063178

## I. GENERAL REQUIREMENTS

- A. Contract Overview.** The Department of General Services (DGS), Bureau of Procurement (BOP) is issuing an Invitation for Bid (IFB) for Presort Mail Processing Services for Commonwealth Agencies **located within the Capitol Complex and surrounding area.** The services to be performed under this Contract include the processing of Commonwealth agencies' First-Class Letter, First-Class Post Card, First-Class Flat and Standard Presort Mail Services. Each Agency will be responsible for managing their own requests for these services under the Contract. The awarded Contractor will be required to process the mail for delivery to the United States Postal Service (USPS).
- B. Method of Award.** The Contract will be awarded to the responsive and responsible bidder offering the lowest cumulative bid price. Bidders are required to bid on all line items.
- C. Purchase Orders.** The Commonwealth using agencies will issue purchase orders to the Contractor for their specific needs.

## II. BIDDING REQUIREMENTS

- A. Pricing.** Bidders must enter their bid prices on the **Exhibit A, Cost Sheet.** There are five (5) line items, describing each mail type, and a bid price is required for each line item. Bidders shall provide a per piece processing fee for each mail type (i.e., First Class Letter With Transportation, First Class Flat Without Transportation, etc.) on Exhibit A. These bid prices represent the fees the awarded Contractor will charge the Commonwealth to process each piece of mail. Bidders shall not include postage costs in their bid price.
- 1.** Price Adjustments. Throughout the Contract term, the USPS postage rates identified in the Contract will be adjusted in accordance with all published USPS postage rate changes. USPS Postage Rates will be identified using the [USPS.COM Official website](https://usps.com). A Contract Change notice will be issued for each USPS rate change.
  - 2.** Commonwealth Mail Volume. Exhibit A, Cost Sheet provides total estimated mail volumes, by piece, for each type of mail processed. These estimated mail volumes are inclusive of all Commonwealth Agencies for calendar year 2023. Any figures presented in this Statement of Work are based on historical usage, unless otherwise noted and may fluctuate based on future needs. Volumes are not guaranteed.
- B. Definitions.** For the purposes of this solicitation and resulting Contract the following definitions apply to services to be performed.
- 1.** With Transportation. Contractor picks up the mail at the Agency designated location(s) and takes it to their facility for processing, after the mail has been processed, delivers the mail to the USPS.
  - 2.** Next Day Service is defined as mail that is picked up by the Contractor, processed, and delivered to the USPS no more than 24 hours later. Mail in this category that is picked up on a Friday or the day before a Holiday, must be processed and delivered to the USPS the next business day, by the designated time.
  - 3.** Same Day Service is defined as mail that is picked up by the Contractor, processed, and delivered to the USPS the same day.

- C. Lobbying Certification Form.** All bidders must complete and return the Lobbying Certification Form.. The completed and signed Lobbying Certification Form shall be submitted with the bid response.
- D. Iran Free Procurement Certification & Disclosure.** All bidders must complete and return the Iran Free Procurement Certification and Disclosure.. The completed and signed Iran Free Procurement Certification and Disclosure form shall be submitted with the bid response.
- E. Worker Protection and Investment Certification.** Pursuant to Executive Order 2021-06, Worker Protection and Investment (October 21, 2021), the Commonwealth is responsible for ensuring that every Pennsylvania worker has a safe and healthy work environment, and the protections afforded them through labor laws. To that end, contractors and grantees of the Commonwealth must certify that they are in compliance with all applicable Pennsylvania state labor and workforce safety laws. Such certification shall be made through Exhibit C, Worker Protection and Investment Certification Form (BOP-2201). The completed and signed Worker Protection Certification Form shall be submitted with the bid response.
- F. Required Documents.** See **Exhibit D** for a list of the various documents referenced throughout this Statement of Work which are required to be completed and returned, or otherwise submitted with your bid in the PA Supplier Portal. Bids may be rejected for failure to return these required documents.

**III. SERVICE REQUIREMENTS:** The awarded Contractor will be required to perform centralized automated mail processing and related services. All services must be performed in accordance with the Commonwealth standards of service and expectations identified in these requirements. **The awarded Contractor is expected to incorporate and co-mingle Commonwealth mail with the mail of its other customers to maximize discounts.** Failure to meet the standards of expectation regarding timeliness, quality, quantity, discounts, or other may deem you non-responsible and could lead to cancellation of your Contract.

**A. Mail Types and Processing Requirements.**

- 1.** Letters and Post Cards. These types of mail must be processed at a 5-digit postage rate **and must meet the 90% 5-digit rate for the monthly Commonwealth mail volume as further defined in the Exhibit B, Service Level Agreements.**
- 2.** Flats. This type of mail must be processed at a 3-digit postage rate **and must meet the 75% 3-digit rate for the monthly Commonwealth mail volume as further defined in the Exhibit B, Service Level Agreements.**
- 3.** Metered Mail. **The Commonwealth agencies will apply the appropriate 3- and 5-digit postage rates to their metered mail. The Contractor is required to apply any additional postage to mail they process which does not meet the specified 3- or 5-digit postage rates. The Contractor will not be reimbursed for these additional postage costs.**
- 4. Barcoded Metered Mail.**
  - a.** The Commonwealth agency will affix the applicable barcode to each piece of mail.
  - b.** During the presort process if the Contractor identifies a more accurate or correct address through the 'Address Change Service', the Contractor must apply a new barcode.

- c. During the presort process if the Contractor identifies a missing or unreadable barcode the Contractor must apply a new barcode.
  - d. The Contractor must incorporate the agency's key bar code data elements (mail class, service type ID, agency mailer ID, agency serial number) as part of any new barcode they add to Commonwealth mail.
  - e. Example – 00 (Mailing First-Class) 335 (Service Type ID) 900006037 (DOR MailerID) 123456 (DOR Serial Number) 19067647559 (ZIP+4+2)
5. Permitted Mail. The Contractor will be required to reimburse the Commonwealth agencies for additional postage costs incurred for mail which is not processed in accordance with the designated 3- and 5-digit postage rates as further defined in the Exhibit B, Service Level Agreements.
  6. Standard Mail. Standard Mail is included in the Contract but the volumes of this type of mail are unknown and processing of this type of mail is infrequent. Bidders are not required to provide pricing for processing Standard Mail as part of their bid. Pricing for Standard Mail processing will be in accordance with the USPS postage rates as further described in Section II.A.1 The Contractor's per piece processing fee will be negotiated between the Contractor and the requesting agency at time of need and will be based on the size and complexity of the mail job to be processed.
  7. Any mail processed that does not meet the required 3- or 5-digit postage rates as noted above, must be processed by the Contractor at the same Per Piece Processing Fees identified on Exhibit A, no additional fees can be added. In addition, the Contractor will not be reimbursed their processing fee for any mail processed not qualifying for any discounts.
- B. Mail Pickup.** The Contractor must pick up Commonwealth mail at the locations identified, and in the manner described herein.
1. Loading. The Contractor must be able to provide drivers and driver assistants (if required) who are physically capable of properly loading the mail onto the Contractor's truck(s) at each of the Commonwealth mail locations. The Contractor **will not** be required to provide the necessary equipment, such as dollies, pallet jacks, etc. for loading purposes.
  2. Packaging. All mail will be placed into mail flats and the mail flats placed into metal transport cages by Commonwealth personnel. The awarded Contractor is responsible for acquiring and providing to Commonwealth agencies mail transport equipment to be used by Commonwealth agencies, i.e., MM trays and sleeves, EMM trays and sleeves, flat tubs, postal pallets, APCs (carts), etc.
  3. Mail Pickup Locations and Schedules. Listed below are the four (4) primary agencies and their pickup locations and schedules. Mail volumes are not known and will vary for each designated mail pick up day/time. Other agencies requiring these services within the Capitol Complex and surrounding area will identify their specific locations and pickup schedules and coordinate their needs with the Contractor.

Location Name	Location Address	Pickup Schedule
DGS Bureau of Publications	1650 Bobali Drive, Harrisburg, PA 17104	Twice Daily 8:30 AM & 4:00 PM
PA Department of Labor & Industry	651 Boas Street, Harrisburg PA 17121	Once Daily 2:30 PM

PA Department of Transportation	1101 South Front Street Harrisburg, PA 17104	Twice Daily 11:00 AM & 3:00 PM
PA Department of Revenue	1854 Brookwood Street Harrisburg, PA 17104	Once Daily Between 2:30 PM & 3:00 PM

4. Emergency Pickup Location. In the case of an emergency in which the Commonwealth is unable to store and process mail at their pickup locations, the Commonwealth will identify an emergency pickup location and inform the Contractor. The Contractor will be required to pick up mail at the designated emergency site.
- C. Chain of Custody.** The Contractor must have an ability to maintain chain of custody for all COPA mail which is picked up and processed. Current Commonwealth Chain of custody process is described herein as:
1. Central Agency (DGS) accepts mail from mail owner, then DGS hands the mail off to the Contractor for processing.
  2. Direct Agency Mail: Agency hands the mail off directly to the Contractor for processing.
  3. At each pickup (DGS or Agency Direct), there are cards/tickets identifying the types and volumes of mail to be processed which are generated by the requesting agency. **The Contractor may make recommendations for the format of these cards/tickets allowing for mutual agreement on final format.** These tickets are given to the Contractor, and the Contractor must acknowledge receipt of the mail at this time. Once the mail is transported to the Contractor's facility and sorted, the Contractor must confirm in writing to the requesting agency the 'actual' volumes of mail sorted. Typically, the 'actual' volume of mail processed will be close, but may not be exact, to the volumes identified on the order card/ticket. The general over or under tolerance for mail volumes is 3%. NOTE: This over/under tolerance will be reviewed and confirmed.

**D. Transport and Transfer of Commonwealth Mail.**

1. The Contractor must transport Commonwealth mail from the designated Mail Pickup Locations to the Contractor's facility for processing.
2. Commonwealth mail must be securely transported in vehicles owned or controlled by the Contractor. All vehicles must be properly insured, registered, and in working mechanical order to ensure compliance with all U.S. and Pennsylvania Department of Transportation requirements and laws.
3. The Contractor shall be responsible for the Commonwealth mail during all phases of transport by the Contractor and/or subcontractors.
4. The Contractor must have a facility with a loading dock which is protected from the elements of weather and have the ability, including staff, to unload the trucks and properly receive the mail.
5. Upon completion of mail processing, the Contractor will be required to load, transport, and deliver the processed mail to the United States Postal Service (USPS), the Harrisburg, PA branch of the US Post Office, located at 1425 Crooked Hill Road, Harrisburg, PA 17107. **The Contractor may be required to drop ship mail to other Postal locations if an agency requires this to happen. The agency will notify the Contractor of any alternate drop shipment locations prior to service being required. Drop shipments could be for any type of mail and may vary across agencies. This**

type of service is needed very infrequently. The Contractor is responsible for obtaining authorization from the USPS for any drop shipments and maintaining a record of this authorization. The Contractor shall present copies of authorization upon request to the using agency.

**E. Mail Processing.** All Commonwealth mail must be presorted by the Contractor at the appropriate automated rates based on mail type.

1. The Contractor must have knowledge and experience in mail piece design, address hygiene, mail readability, and zip+ conversion in order to maximize USPS automation discounts.
2. Mail that is processed by the Contractor which is deemed undeliverable and can't be delivered to the USPS for mailing shall be returned to the using agency.

**F. Deliveries.** All deliveries must meet the Same Day or Next Day service schedule, as required by the using agency and as defined in Section II.B.

**G. Systems and Software.**

1. The Contractor must use software that meets the USPS standards when applying any required address updates to Commonwealth mail.
2. The Contractor agrees to use a billing system which meets all USPS requirements. This system must be able to accurately bill the agencies for each job individually for the mail which is processed.
3. The Contractor must have the equipment and the ability to administer the Intelligent Mail Barcode (IMB) to Commonwealth mail in order to adhere to USPS standards. This would include any other systems in use or implemented during the term of the contract.

**H. Security.** The Contractor must ensure mail security. Procedures must be in place to maintain the highest level of security within the Contractor's mail processing facilities, any subcontractors' mail processing facilities, and vehicles that transport Commonwealth mail.

1. The Contractor must maintain control mechanisms to monitor and provide security for mail such as checks, medical data, retirement data, and more.
2. The Contractor must maintain the highest level of security within the Contractor's (and any subcontractor's) mail processing facilities and vehicles that transport Commonwealth mail to ensure mail is held in a secure environment until it is delivered to the USPS.
3. The Contractor must have detailed specific safeguards and checks which will be instituted to address relevant personnel, operational procedures, bonding requirements, etc. The Contractor must have a level of security that guarantees that mail handled is held in a secure environment until it is delivered to the USPS.

**I. Emergency Services.** When service is needed outside of the standard schedule of service each agency will notify the Contractor by phone or email and provide details and authorization to perform the required services. POs may be issued after-the-fact for emergency services, if requirements are not known prior to the emergency service need being identified.

#### IV. CONTRACT REQUIREMENTS

- A. Service Levels.** The Contractor must meet the Service Level Agreements as described in **Exhibit B, Service Level Agreements**. These SLAs are in place to ensure that the best service is provided to the Commonwealth. Reports detailing compliance with SLAs must be provided to the Commonwealth quarterly by the Contractor. The report shall include the specific data requested to demonstrate compliance with the SLAs, and any service level agreement violations. The quarterly report shall include all data and documentation necessary to establish compliance or evidence of noncompliance.
- B. Emergency/Disaster Recovery.** The awarded Contractor must have a plan in place to support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services. A copy of this plan must be submitted with your bid. This plan should detail the following:
- How would you ensure continued operations?
  - What type of employee training is done for these emergencies?
  - Who would the key employees be that should be contacted?
  - How is staffing handled when a key number of employees are incapacitated due to illness?
  - How will employees in your organization carry out the essential functions if contagion control measures prevent them from coming to the primary workplace?
  - How will your organization communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail?
  - How and when will your emergency plan be tested, and will the plan be tested by a third party?
- C. Blanket Purchase Orders.** Each using agency will issue a Blanket Purchase Order (PO) to the Contractor identifying their annual estimated mail volumes (annual estimated per piece quantities) for each required mail type. All services must be performed at contract rates or less. Agencies are responsible for estimating quantities and ensuring billable quantities are available.
- D. Payment and Invoicing.** Payment and invoicing information can be accessed through the <https://www.budget.pa.gov/Pages/default.aspx> website.
- E. Quarterly Reports.** The Contractor must provide quarterly reports by the 15<sup>th</sup> day of the month proceeding the end of the quarter to each requesting agency. Reports must include agency name, date of service, mail type (first class next day, same day, standard etc.), quantity of mail pieces, and presort cost. This report should be provided to all using agencies. The reports must be provided in Microsoft ® Office Excel® or comparable format.
- F. Award Administration.** The Contractor's performance shall be monitored and evaluated in accordance with the requirements outlined in the Contract. At a minimum, the awarded Contractor's performance shall be evaluated on an annual basis. Contractor may be required to attend Contract Performance Review meetings. These meetings will be for the purpose of providing Contractor performance reviews, discussion of issues either party may have regarding the Contract or to evaluate the overall progress of the Contract. The meetings will be held quarterly, semi-annually, or annually at the discretion of the using agencies.

- G. Inquiries.** All inquiries regarding this solicitation or the resulting Contract should be referred to the DGS Contracting Officer. Inquiries regarding purchase orders placed against the Contract shall be directed to the issuing agency.