

LABOR RELATIONS

JAN - 2 2014



January 2, 2014

Mr. Mark Dimondstein
President
American Postal Workers
Union, AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

Certified Mail Tracking Number:
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Dear Mark:

This letter is in response to your November 22 request for information (RFI) sent to Vice President, Labor Relations Doug A. Tulino regarding the Postal Service's October 2 notification regarding the Partner Post at Staples locations pilot program. Your letter was forwarded to this office for response. A letter dated December 4, 2013 (enclosed) was sent to you acknowledging your information request, and assigning Information Request (IR) number IR13-44.

Please be advised that the Postal Service, by letter dated March 14, 2013 notified the APWU of its intention to initiate a pilot of the Partner Post program to establish customer access points in leading national and regional store locations to offer Postal Service products and services. As stated in the same letter, "the purpose of the pilot will be to collect customer, transactional, and operational data to measure the test impact and validate operational and financial hypotheses. It is anticipated that the information from this data will allow the Postal Service to determine the suitability of possible further expansion."

Thereafter, by letter dated October 2, 2013, the APWU was notified that the Postal Service plans to launch a one year pilot program of Partner Post at 84 Staples locations in five (5) media markets identified in the letter. The letter also specified the products and services to be offered at the pilot site locations.

Because this is a pilot program, the information requested in your letter does not appear to be relevant or is simply premature in light of the one-year pilot. However, the Postal Service is providing the information that is currently available without prejudice to its position that the information is not relevant to the APWU's role and responsibilities as the bargaining representative of the employees it represents. Also, as the information you request is not within the immediate control of this office some information (as specified below), as it becomes available, will be provided to the APWU.

In the interim, following is the Postal Service's responses to the information being requested.

1. Copy of any/all agreements between the Postal Service and Staples regarding Staples offering postal products and services at Staples locations.

In accordance with the Collective Bargaining Agreement (CBA), Article 31.3, please explain the relevance of the requested information to the APWU's responsibilities which would make it necessary for collective bargaining or the enforcement, administration or interpretation of the CBA.

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Moreover, the request appears to be overly broad and unduly burdensome. Please specify the information that the union is seeking. Once a response has been received by the Postal Service from the APWU, the information request will be revisited.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

2. Copy of any/all correspondence between the Postal Service and Staples regarding Staples offering postal products and services at Staples locations.

In accordance with the Collective Bargaining Agreement (CBA), Article 31.3, please explain the relevance of the requested information to the APWU's responsibilities which would make it necessary for collective bargaining or the enforcement, administration or interpretation of the CBA.

Moreover, the request appears to be overly broad and unduly burdensome. Please specify the information that the union is seeking. Once a response has been received by the Postal Service from the APWU, the information request will be revisited.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

3. Copy of any/all information regarding the Retail Partner Expansion Program.

For your information and convenience, please be advised that Partner Post program was renamed as the Retail Partner Expansion Program.

Please see Enclosure #1 (presentation).

4. Copy of any/all correspondence between the Postal Service and Staples regarding the Retail Partner Expansion Program.

Your request as written is unduly broad and overly cumbersome. Please specify in detail the information you are seeking so as to assist in providing necessary and relevant information to you.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

5. Copy of any/all solicitations for Staples and any/all other entities to participate in the Retail Partner Expansion Program.

Please see Enclosure #2 (USPS Retail Partnership – Request for Information (RFI) Final. Information that is of a proprietary and/or confidential nature has been redacted.

6. Copy of any/all information regarding the Partner Post Program.

For your information and convenience, please be advised that Partner Post program was renamed as the Retail Partner Expansion Program.

Please see Enclosure #1 (presentation).

7. Copy of any/all correspondence between the Postal Service and Staples regarding the Partner Post Program.

For your information and convenience, please be advised that Partner Post program was renamed as the Retail Partner Expansion Program. Additionally, your request as written is unduly broad and overly cumbersome. Please specify in detail the information you are seeking so as to assist in providing necessary and relevant information to you.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

8. Copy of any/all solicitations for Staples, identify any/all entities to participate in the Partner Post Program.

For your information and convenience, please be advised that Partner Post program was renamed as the Retail Partner Expansion Program.

Please see Enclosure #2 (USPS Retail Partnership – Request for Information (RFI) Final. Information that is of a proprietary and/or confidential nature has been redacted.

9. For each postal product and service sold by Staples, identify any/all discounts that the Postal Service will provide to Staples.

In accordance with the Collective Bargaining Agreement (CBA), Article 31.3, please explain the relevance of the requested information to the APWU's responsibilities which would make it necessary for collective bargaining or the enforcement, administration or interpretation of the CBA.

Moreover, the request appears to be overly broad and unduly burdensome. Please specify the information that the union is seeking. Once a response has been received by the Postal Service from the APWU, the information request will be revisited.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

10. For each postal product and service sold by Staples, identify the range of prices and any/all fees/surcharge/discounts, etc. that Staples could charge or offer customers.

Postal products and services are being sold to customers at published retail prices. Retail partners in the Retail Partner Expansion Program will not be charging customers any additional fees, discounts, or surcharges.

11. Identify the criteria to be used in determining any Postal Service compensation to Staples based on performance or other factors. Also provide the range of possible compensation.

In accordance with the Collective Bargaining Agreement (CBA), Article 31.3, please explain the relevance of the requested information to the APWU's responsibilities which would make it necessary for collective bargaining or the enforcement, administration or interpretation of the CBA. Once a response has been received by the Postal Service from the APWU, the information request will be revisited.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

12. Explain the differences between the existing CPU programs, the Retail Partner Expansion Program, the Approved Shipper Program, and the Partner Post Program.

At the outset, it appears that the request appears to be in the form of an interrogatory, presumably in anticipation of litigation or arbitration, rather than a request for specific documents. Without prejudice to the Postal Service's stated objection to the nature of the request, please find below a response for your perusal.

The Retail Partner Expansion Program capitalizes on the success of USPS's other Alternate Access Programs, which enable the Postal Service to sell their products and services through other channels including:

- **Stamps to Go—this program involves selling stamps at approximately 65,000 locations;**
- **Contract Postal Unit—this program allows retailers to sell a variety of Postal products. Location types include grocery stores, banks, mass merchants, drug stores, convenience stores, specialty retailers and colleges.**
- **Approved Shipper Program—this program involves selling a variety of Postal products at independent mailing and packaging centers. These locations are not exclusive to the Postal Service and they do not have a dedicated Postal Service counter.**

The Retail Partner Expansion Program differs in scope and impact by the Postal Service partnering with retailers at an enterprise level rather than on a store-by-store basis. Retailers will offer a variety of Postal products and services, including stamps. The Partner Expansion Program also includes a joint-marketing campaign between the Postal Service and the retail partner.

13. Identify each of the Staples stores where postal products and services will be sold.

Please see Enclosure #3 which identifies the pilot sites where Postal products and services will be sold.

14. For each of the identified Staples stores where postal products and services will be sold, identify the nearest Post Office and the distance in miles.

Please see Enclosure #3 which identifies the nearest Post Office and the distance in straight miles.

15. Will Staples employees be required to ask the same or similar questions of customers mailing a package that is currently required by Postal Service employees?

Again, it appears that the request appears to be in the form of an interrogatory, presumably in anticipation of litigation or arbitration, rather than a request for specific documents. Without prejudice to the Postal Service's stated objection to the request, please find below a response for your perusal.

Retail partner employees will be required to ask the same or similar questions of customers mailing a package that is currently required by Postal Service employees.

16. Identify the steps, if any, that the Postal Service will take to protect the sanctity of the mail when the mail is in the hands of Staples employees.

The Postal Service takes pride in the security and sanctity of the mail. It is unlawful for retail partner employees to reveal or record information about packages to anyone other than the Postal Inspection Service. Each pilot location will have a designated letter drop for letters and envelopes. At no time will mail be placed or stored in an area that is accessible to the public.

17. Provide a copy of any/all training material provided to Staples employees.

In accordance with the Collective Bargaining Agreement (CBA), Article 31.3, please explain the relevance of the requested information to the APWU's responsibilities which would make it necessary for collective bargaining or the enforcement, administration or interpretation of the CBA. Once a response has been received by the Postal Service from the APWU, the information request will be revisited.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

18. Identify the category of postal employees, if any, who will be required to train and/or assist Staples employees.

Non-bargaining unit employee will be utilized to train and/or assist retail partner employees, if resource constraints exist we may seek the assistance of Lead Clerks.

19. Provide a copy of any/all provisions relied upon to support the use of postal employees training private sector workers performing work traditionally performed by postal employees.

At the outset, it appears that the union appears to be suggesting that retail partner employees not be trained. Please clarify the request. In addition, as noted in the response to Item #18, above, non-bargaining personnel will be utilized to train. For that reason the request does not appear to be relevant. Please explain the relevancy of your request, as well.

20. Describe the qualification and/or testing process, if any, that Staples employees will have to pass in order to provide postal products and services to customers.

At the outset, it appears that the request appears to be in the form of an interrogatory, presumably in anticipation of litigation or arbitration, rather than a request for specific documents. Without prejudice to the Postal Service's stated objection to the nature of the request, please find below a response for your perusal.

Retail partner employees will receive classroom and on-the-job training from the Postal Service. Additionally, each pilot site will receive on-the-job shadowing from the Postal Service. Each retail partner location will be certified by the Postal Service; site certification includes an assessment of the training received and the ability of retail partner employees to appropriately sell Postal Service products and services following all procedures.

21. Explain the origin and justification for the program with Staples.

Again, it appears that the request appears to be in the form of an interrogatory, presumably in anticipation of litigation or arbitration, rather than a request for

specific documents. Without prejudice to the Postal Service's stated objection to the request, please find below a response for your perusal.

As explained above, the program with Staples is a pilot. Once the Postal Service completes the pilot phase of this program, an analysis of whether the agreement with any potential retail partner constitutes the subcontracting of bargaining unit work will be made. If so, the APWU will receive appropriate notification in compliance with the Collective Bargaining Agreement.

22. Explain how the UPS arrangement is affected by the Postal Service Partner Post Program with Staples.

Please be advised that the Partner Post Program has been renamed as the Retail Partner Expansion Program.

In accordance with the Collective Bargaining Agreement (CBA), Article 31.3, please explain the relevance of the requested information to the APWU's responsibilities which would make it necessary for collective bargaining or the enforcement, administration or interpretation of the CBA. Once a response has been received by the Postal Service from the APWU, the requested information will be revisited.

23. Identify any other company that is part of the Partner Post Program.

Please be advised that the Partner Post Program has been renamed as the Retail Partner Expansion Program.

Additionally, at this time no other company is part of the Retail Partner Expansion Program.

24. Will handbooks, manual or regulations be changed as a result of the Partner Post/Retail Partner Expansion Program/CPU programs? If so, please identify the changes.

As noted above, the program is in the pilot stage. In the event that the program becomes permanent, and changes are made to Handbooks, manuals, or regulations that directly relate to wages, hours or working conditions of APWU-represented employees, the union will be provided notice and opportunity to discuss in accordance with Article 19 of the collective bargaining agreement.

25. Provide all cost analyses for the Partner Post/Retail Partner Expansion Program/CPU programs for Staples, including but not limited to DARs.

In accordance with the Collective Bargaining Agreement (CBA), Article 31.3, please explain the relevance of the requested information to the APWU's responsibilities which would make it necessary for collective bargaining or the enforcement, administration or interpretation of the CBA. Once a response has been received by the Postal Service from the APWU, the requested information will be revisited.

Please be advised that documents requested may contain proprietary and/or confidential information; therefore some information may be redacted.

26. Explain how the program with Staples is consistent with the intent of the 2010-2015 CBA to insource work with the APWU.

As explained above, the program with Staples is a pilot. Once the Postal Service completes the pilot phase of this program, an analysis of whether the agreement with Staples or any other potential partner constitutes the subcontracting of

bargaining unit work will be made. If so, the APWU will receive appropriate notification in compliance with the Collective Bargaining Agreement.

27. Does the Postal Service intend to provide notice under Article 32? If not, explain why not. If so, when?

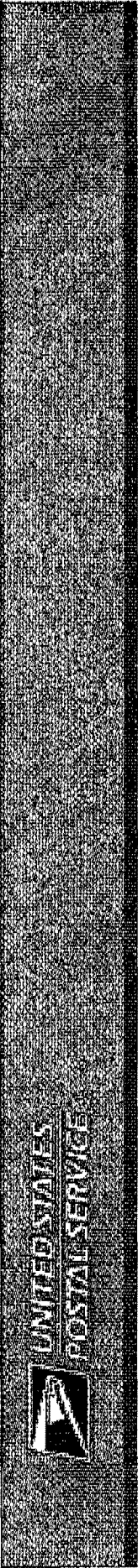
Once the Postal Service completes the pilot phase of this Program, an analysis of whether the agreement with Staples or any other potential partner constitutes the subcontracting of bargaining unit work will be made. If so, the APWU will receive appropriate notification in compliance with the Collective Bargaining Agreement.

Sincerely,



Patrick M. Devine
Manager
Contract Administration (APWU)

Enclosures



The Power of Partnership

Partner Post Program Overview



Retail Channel Operations Strategic Initiatives

As stated in the Postal Service's five-year business plan released on April 16, 2013, Retail Channel Operations has three strategic initiatives :

1. Transform customer experience in high traffic Post Offices by increasing the availability of self service
2. Enhance customer experience through expanded retail partnerships
3. Preserve retail service in rural America by modifying window service hours to match the local customer demand and establishing Village Post Offices with local businesses to provide postal services where customers shop

The Partner Post Program pilot directly addresses the second initiative to increase the availability of postal products and services where customers live, work and shop.



Need for Partner Expansion

USPS needs to make a critical change to its retail network.

- Faced with constraints from congressional mandates and shifting demand patterns, USPS must address changes in customer needs by adjusting its retail network
- The second strategic initiative of Retail Channel Operations is to expand retail partnerships

By expanding partnerships with leading retailers, USPS can enhance customer access.

- The Contract Postal Unit (CPU) program and other types of partnerships with retailers have demonstrated the viability of this approach to enhancing customer access to USPS products and services
- Many foreign posts have long-standing and mutually beneficial partnerships with leading retailers
- Retailers can benefit from increased foot traffic and sales



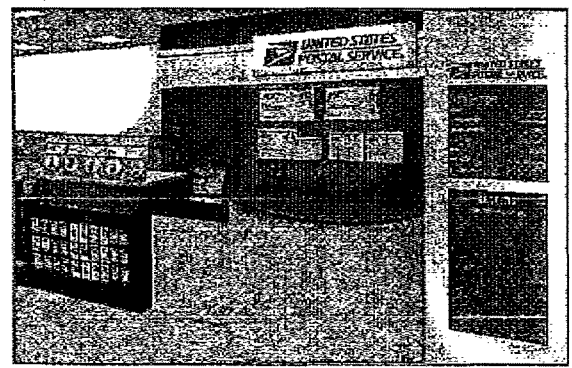
Why Partner Post is Different

The Partner Post Program is different than our other Alternate Access and partnership programs.

Differentiating Factors

- Partner Post establishes enterprise-level agreements with national and regional retailers
- Retail Partners will provide dedicated, recognizable space with our branding / signage for customers to conduct postal transactions in their stores
- Customers will be able to access a simplified product portfolio containing our most popular products and services

Notional Build-out



Simplified Product Portfolio

Stamps
Priority
International
Express
Special Services ¹
First-Class Mail (Non-Parcel)

Notes:

1. Special Services accounts for Certified Mail, Insurance, Return Receipts, and Restricted Delivery



Changing Customer Awareness

There are three elements that enhance customer awareness of USPS within Retail Partner's stores.

Element	Change in the Program	Drives Traffic	Drives Revenue
In-store Marketing	Branding, layout and signage around the counter selling USPS products and services should be easily recognized by customers.	✓	✓
Out-of-Store Marketing	Large and noticeable signage outside of the store will alert customers to the presence of USPS within the store and the availability of a simplified portfolio of products and services.	✓	✓
Advertising Campaign	Expanded advertising (including radio ads, signage within local Post Offices, etc.) will alert more potential customers to the presence of USPS within the store and the availability of a simplified portfolio of products and services.	✓	✓



Pilot of the Partner Post Program

A pilot of the Partner Post Program will enable Retail Channel Operations to assess the program's value.

- A test with leading retailers will be launched in select markets; stores will have USPS build-outs, branding and signage
- The pilot will enable USPS to validate many operational and financial assumptions
- Data will be collected via Point-of-Sale technology, customer intercepts, surveys, and focus groups, as well as feedback from USPS and Retail Partner personnel

Questions Confirmed by the Program's Pilot

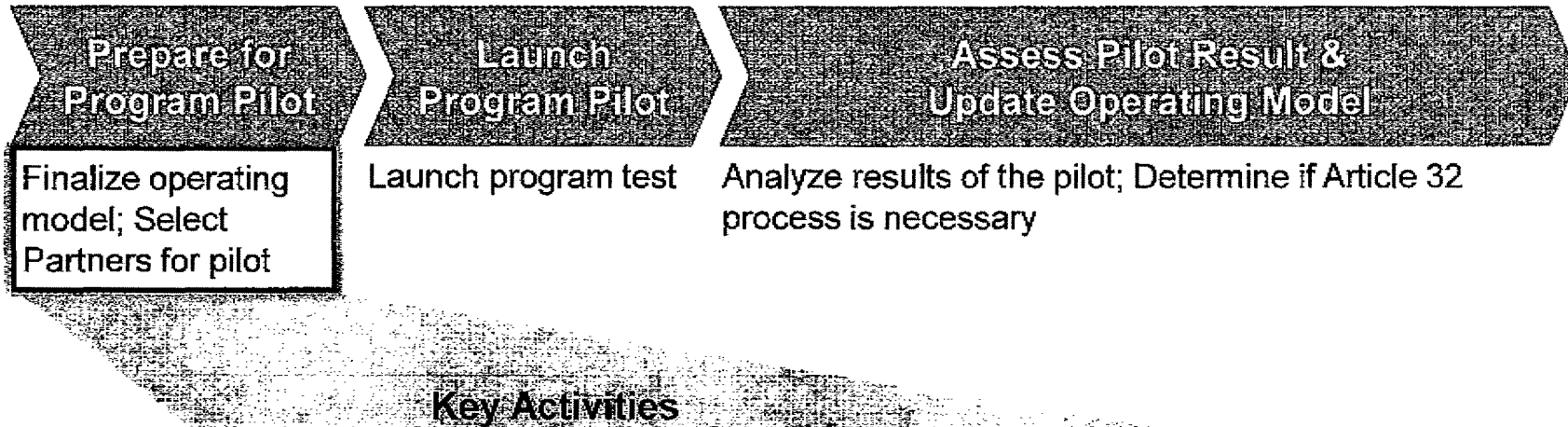
- 1 Who are the program's targeted customers?
- 2 What are the preferences of the program's targeted customers?
- 3 What are the primary and secondary channels that the program will leverage to reach its targeted customers?
- 4 How will USPS select Partner Types and specific Retail Partners?
- 5 How can the program integrate the online / e-commerce channel to further expand customer access and change targeted customer behavior?
- 6 What Partner Formats will be used for the program?
- 7 How will USPS and Retail Partners select the appropriate Partner Format(s) for a given Partner or Partner Location?
- 8 What Products & Services will be available through the program?
- 9 How will the Products & Services available through the program vary by Partner Format?

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USPS will conduct a pilot of the Partner Post Program and then decide whether to proceed with full-scale implementation.

Overall Timeline for Partner Post Program

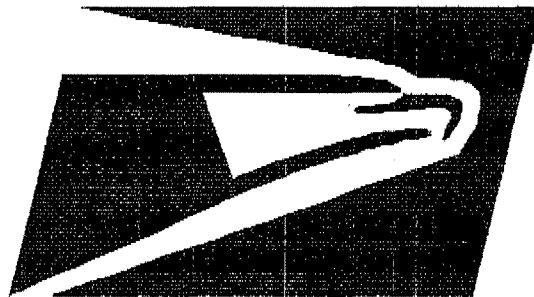


- Discuss program and pilot with leading retailers
- Finalize agreements with retailers
- Select test market(s) and participating stores
- Establish launch plan and timeline
- Execute co-branded marketing plan (signage, Direct Mail, online, etc.)
- Conduct training for retailer staff
- Build-out partner locations and install equipment / signage

U.S. POSTAL SERVICE

REQUEST FOR INFORMATION (RFI)

**CONDUCT MARKET RESEARCH & PRE-QUALIFY
POTENTIAL PARTNERS FOR THE
U.S. POSTAL SERVICE
RETAIL PARTNERSHIP PROGRAM**



RFI – 2D-12-A-01XX

January 9th, 2012

DISCLAIMER

The information contained herein is to be used only for potentially conducting business with the U.S. Postal Service (USPS), and for no other purpose. By submitting a response to this Request for Information (RFI), the respondent understands and agrees that it assumes all risks and expenses associated with its RFI response.

If the respondent includes data in its RFI response that it does not want used or disclosed by USPS for any purpose, then it may include language in the introductory material of its RFI response that indicates that the RFI response includes data that may not be duplicated, used, or disclosed outside USPS — in whole or in part — for any purpose other than to conduct market research pertaining to this opportunity. The data subject to this restriction can be identified either in a separate section of the response or by labeling each page that contains proprietary data.

USPS is conducting market research to review potential partner capability around forming national and regional retail partnerships to provide USPS products and services. The primary intent of this RFI is for market research and planning purposes. However, the USPS will also use the information obtained from the RFI to pre-qualify potential suppliers if, after completing an evaluation of responses, the USPS determines, in its sole discretion, that issuing a Request for Proposals (RFP) or, alternatively, an Invitation to Submit Strategic Alliance Proposals would be in its best interest.

The USPS will not pay for the information solicited or assume liability for reimbursing any costs associated with submission of an RFI response. The RFI provides an opportunity for industry to comment on this initiative, identify potential areas of opportunity, make alternative recommendations in order to enhance program effectiveness, and demonstrate capabilities sufficient to pre-qualify to participate in a possible solicitation for a contract award or strategic alliance. USPS believes industry feedback is important and is receptive to ideas from industry that will increase the probability of a successful Retail Partnership Program launch and a sustainable long term strategic and competitive advantage for USPS and participating retail partner(s).

The USPS has elected to conduct this RFI process via email, all responses should be returned electronically to the same (originating) email address, by reply to the sender.

IMPORTANT NOTICE: THIS IS NOT A SOLICITATION

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Section 1: Introduction

1.1 About USPS

The U.S. Postal Service (USPS) has been connecting people and businesses since the Nation's founding. Each day USPS receives and delivers more than 563 million pieces of mail. Distribution and transportation of these letters, parcels, catalogs, and magazines occur across a network of over 35,000 post offices and retail outlets, and over 400 mail processing facilities. The mail is securely and reliably delivered to more than 149 million city, rural, Post Office box, and highway delivery points. No other single operation in the world comes close to the level of connectivity that USPS has with households and businesses across America.

With the needs of its customers in mind, USPS is making sure that it continues to provide value for generations to come. This Request for Information (RFI) is being issued as part of a strategic program aimed at examining the potential to develop new national and regional retail partnerships in order to provide consumers and businesses with added convenience and expanded access to USPS products and services.

More information about USPS may be found at www.usps.com.

1.2 Current Situation

In recent years, the growth and expansion of electronic communications have contributed to a decline in mail volume, resulting in a negative impact to USPS revenues. As a result, the USPS is evaluating opportunities to reduce costs throughout its network, while maintaining high quality service to customers. USPS would like to evaluate opportunities to optimize its network through an expansion of customer access points by partnering with highly qualified and capable national and regional retailers.

The goal of this program is to establish partnerships with leading retailers at the national and regional level in order to provide customers with expanded access to postal products and services through the participating retailers' existing brick and mortar locations. Any resulting contracts or agreements between the USPS and retailers would benefit the Postal Service by creating an alternative approach to managing its more than seven million daily transactions at Post Office locations. This initiative is intended to not only improve the USPS customer experience by offering convenient alternate locations within the marketplace, but also has an important objective to benefit participating retailers through increased customer traffic, convenience and loyalty.

1.3 Objective and Timeline

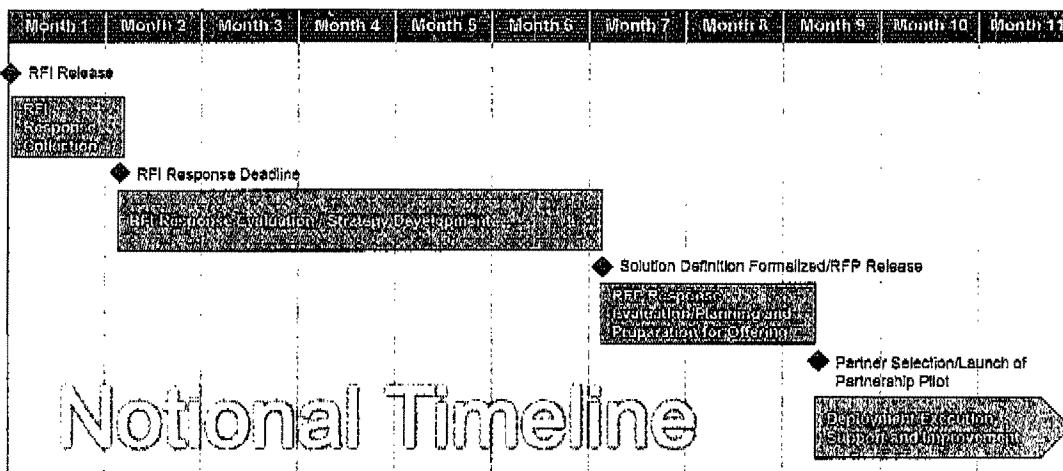
USPS is issuing this RFI to better understand marketplace capabilities of national and regional retailers and to pre-qualify interested organizations with the demonstrated ability to partner strategically with USPS. The capabilities sought are focused on providing convenient access to USPS products and services for consumers and

businesses at or above the current levels of service available at existing post office locations.

USPS is requesting industry comments and capability information from organizations with the experience, qualifications, proven approaches, solutions, and industry best practices necessary to deliver USPS products and services.

The responses received will be used in part to develop a business case for a National/Regional Retail Partnership network channel solution. Additionally, industry feedback on existing partnership models in place across all potential partners will be used to develop a working operating and business model that is mutually beneficial to both USPS and participating partners. Subsequently, the target operating and business model format(s) may be included in a Request for Proposals (RFP) or Invitation to Submit Strategic Alliance Proposals (an "Invitation") to be issued by USPS, in its sole discretion, at a later date. Upon release of the RFP or Invitation, retailers will have the opportunity to respond with their approaches to address USPS goals, objectives, and requirements. Specifics regarding proposal evaluation will be outlined in the solicitation.

The *Notional Timeline* below illustrates the general process and approach that will be used to develop a retail partnership strategy, including the selection of highly qualified and capable partners to participate in implementing and rolling out the Retail Partnership Program.



1.4 Partnership Considerations

USPS is requesting feedback on a broad range of capabilities from potential partners in order to assess the most effective business relationship and appropriate division of responsibilities based on core capabilities. Based on the responses and their evaluation by USPS, the resulting arrangement and responsibilities leading to a contract or agreement may not be defined exactly as described in this RFI. USPS would like

potential partners to clearly identify a perspective on their involvement based on core capabilities.

Section 2: Request for Information (RFI) Questions

USPS currently plans to determine if one or more business partner relationships would be strategically and operationally viable in terms of enabling access to a suite of postal products and services currently offered through retail window operations at existing USPS locations. The USPS envisions the solution would be:

- **A convenient and easy-to-use** induction point for customers to satisfy postal needs (e.g., mailing a letter / parcel shipping) by leveraging existing trips to a variety of retail formats without a degradation in service
- **A standardized and scalable** solution that is easily managed/coordinated in a centralized manner for both the USPS and selected partners

2.1 Informational Questions – Supplier Capabilities / Strategy Input

Answers to the following questions are informational in nature and will be used to develop a preferred operating and business model format for USPS, which would likely be part of an RFP or Invitation that may be issued at a later date to pre-qualified prospective partners. The RFP or Invitation, if issued, would provide participants with the opportunity to submit technical proposals, including their approach(es) to meeting or exceeding USPS requirements.

2.1.1 Organizational/Operational Considerations

- a) Indicate whether your company (i.e., management, key officers or large shareholders) would enter into any conflicts of interest by conducting business with USPS.
- b) Do you currently have partnerships with other partners in your stores? If yes, please address the following:
 - I. Describe the business model (i.e., franchised, licensed, etc.).
 - II. What is the average square footage made available per store for partner operations and what are the key operating and business terms of the arrangement, including the responsibility and division of costs (e.g., build-out, permits, signage, fixtures, equipment, supplies, rent, etc.)?
 - III. Do partner operations exist at all of your store locations or is it possible to select a subset of locations for optimization purposes?
 - IV. Please provide your best practices and lessons learned from existing retail partnerships.

- c) With reference to the partnership models described in your answers to 2.2.1 b. above, please describe the partnership model that you believe would be most conducive to a relationship with USPS (e.g., franchise, licensing, or general concession agreement).
- d) Please describe your ability (relative to current partnerships if applicable) to share key revenue/transaction information on "real time" basis with USPS using your current Point of Sale (POS) platform. Also, USPS transactions will require a metering/scale system to weigh packages and a printer to create labels. Please elaborate on the flexibility of your current POS platform to address USPS requirements.
- e) Do you have any concerns with your capacity to handle increased foot traffic in your stores (e.g., longer checkout lines)?
- f) Please attach a list of all your store locations, including street address and zip code, using the attached Microsoft Excel template.

2.1.2 Financial Considerations

The following information is being requested in order to conduct proper due diligence and for purposes of understanding your company's financial history. The information will only be viewed by individuals with a need to know and will not be released outside USPS.

- a) If your company is privately held, please provide your audited GAAP financial statements, including cash flow coverage information, history of capital expenditures, key operating data, footnotes and auditors' opinions, for the past three years. If your complete 2011 report is not yet available, please provide any available incremental/quarterly financial reports for 2011. The GAAP financial statements should include, but are not limited to, an income statement, balance sheet and cash flow statement.

2.1.3 Marketing Considerations

- a) Please describe your average customer demographics in terms of gender, age, race, income, and educational attainment.
- b) If applicable, please describe how other partnership models work within your stores, specifically related to the following:
 - I. Distribution, receiving, and replenishment of merchandise
 - II. Merchandise pricing
 - III. In-stock management within the store
 - IV. Staffing model (Retailer or Partner personnel, recruiting, training, etc.)
 - V. Lessons learned from the partnership experience

Is the responsibility for the activities outlined above shared with the partner or assumed by one party? Please describe, including, but not limited to, an indication of which party retains responsibility for each activity.

2.1.4 Personnel Considerations

- a) Please describe your company's recent history (past 5 years) with employee management, including, but not limited to, any labor disputes/lawsuits or award/recognition programs.
- b) For any existing partnerships, please describe how your field management teams support partners, including but not limited to areas of driving revenues, merchandising, staffing, and compliance.

2.1.5 Pilot Program Considerations

- a) What is the lead time required after selection, to initiate a pilot program at a limited number of stores, across all of your store formats, should selection notification be made by September 2012?

2.2 Pre-Qualification Questions – Supplier Capabilities

Answers to the questions below will be used as part of the evaluation process to pre-qualify potential partners. Only pre-qualified prospective partners will be afforded an opportunity to respond to an RFP or Invitation that may be issued at a later date. Because of this consideration, candidates are highly encouraged to respond to all questions in this section. In responding to the RFI, please address the discussion points outlined in the Request for Information (RFI) Questions. In your response, please address your ability to provide the infrastructure and services identified as a component of your current suite of product/service offerings.

- a) What is the average daily traffic count across all of your store locations?
 - **Qualifying Criteria** - A minimum average of 1,500 visits per store per week is required to be considered for participation in any resulting Retail Partner Program RFP or Invitation.
- b) Are your company operations organized under a centralized model (i.e., no segments of your store base operate under a separate operating entity or other decentralized structure)?
 - **Qualifying Criteria** - USPS requires that Retail Partners operate under a centralized governing model, to be considered for participation in any resulting Retail Partner Program RFP or Invitation. This requirement can be satisfied by an array of store operating models as long as a singular contract can be put in place for each retail partnership established with

USPS at the enterprise level of each retailer, which would address (govern) standardized "In-Store USPS" operations at all of its store locations.

- c) Do you have existing partnerships with other entities within the Mailing/Shipping segment? If Yes, would you be willing to exit the agreement?
- **Qualifying Criteria** - USPS requires an exclusive "in-store" mailing/shipping partnership agreement for all Retail Partners. Retailers that cannot meet this requirement will not be considered for participation in any resulting Retail Partner Program RFP or Invitation.
- d) Responses to informational questions in Section 2.1:
- **Qualifying Criteria** - USPS is requesting a response that addresses all of the informational questions in Section 2.1. Responses will not be used to pre-qualify retailers for participation in any resulting Retail Partner Program RFP or Invitation, however they are necessary to complete an internal business case, for which USPS approval is required before any RFP or Invitation is released.

Section 3: RFI Responses

Interested parties are encouraged to submit a response to this RFI.

National / Regional Retailers may submit joint responses with a strategic partner or the assistance of an external contractor/consultant.

3.1 Response Content

3.1.1 Comments on USPS Objectives and Approach

Respondents are requested to comment on the feasibility of USPS strategic goals, objectives and planning considerations. Based on your experience with similar projects and knowledge of industry practices, respondents are requested to provide comments on the items listed below and identify possible risks associated with addressing each requirement and the suggested mitigation techniques. Comments, at a minimum should address:

- Overall Market Opportunity (and specific interest in partnering with the USPS)
- Industry Reaction
- Timeline and Key Milestones
- Critical Success Criteria
- Key Risks and Mitigation
- Potential Partnership Arrangement and Structure (including both operational and financial considerations)

3.2 Instructions

All information provided in response to the RFI will become the property of USPS and will not be returned.

3.2.1 RFI Questions

Questions about the RFI can be submitted electronically and addressed to [REDACTED]. The USPS will only respond to questions submitted via email. Questions must be clearly stated with references to the appropriate RFI text and, when possible, include examples or illustrations to help amplify or clarify the question. The USPS will not respond to any questions or requests for clarification received after **January 18, 2012**. **NO OTHER METHODS OF SUBMITTING QUESTIONS AND/OR REQUESTS FOR CLARIFICATION ARE PERMITTED**. Answers to all questions received will be issued by USPS in a single document compiling all RFI questions asked and the corresponding USPS response. This Q&A document will be issued by 5:00 p.m. EST on January 20th, 2012, via email.

3.2.2 RFI Response Preparation and Submission

Responses to the RFI must be submitted by 11:50 p.m. Eastern Time, on **February 6, 2012**. USPS reserves the right to extend this deadline as it is deemed necessary.

Interested organizations may submit responses in Microsoft Word, Excel, or PowerPoint (2003 SP-2 compatible files). Responses and attachments must be submitted electronically and addressed to [REDACTED]. In addition to your written response, you may also provide web links or other visual aids either "demonstrating" or elaborating on your proposed solution/capabilities.

The USPS may, in its sole discretion, accept RFI responses after the deadline specified above and pre-qualify additional prospective partners if the USPS determines that such additional pre-qualifications would be in its best interest. However, respondents are highly encouraged to submit their RFI responses by the deadline, as the Postal Service's discretionary authority to accept responses after this date is not a guarantee that it will exercise this authority. In addition, under no circumstances does the USPS intend to pre-qualify prospective partners after it issues an RFP or Invitation.

3.3 USPS Review

USPS will protect and safeguard against inappropriate disclosure of all information marked as proprietary or business sensitive, including any disclosed financial information. Respondents that include in their submissions information they do not want used or disclosed by USPS for any purpose other than RFI analysis and internal business planning may take one or all of the following steps:

- Include on the front page or in the introductory material of their RFI response the following: "This submission includes data that may not be duplicated, used, or disclosed outside the Postal Service, in whole or in part, for any purpose other than to evaluate this RFI response for business planning purposes internal to USPS. This restriction does not limit the Postal Service's right to use information contained in the data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (respondent inserted numbers or other identification of sheets)."
- Mark each sheet of data you wish to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this RFI response."

THANK YOU IN ADVANCE FOR YOUR INTEREST. THE USPS LOOKS FORWARD TO RECEIVING YOUR RESPONSE TO THIS REQUEST FOR INFORMATION.

Staples Store Number	Staples Store Address	Staples Store City	Staples Store State	Staples Store Zip Code	Nearest Post Office Facility Name	Nearest Post Office Address	Nearest Post Office City	Nearest Post Office State	Nearest Post Office Zip Code	Straight Line Distance between Staples Store and Nearest Post Office (Miles)
59	571 Boston Turnpike	Shrewsbury	MA	01545	SHREWSBURY	43 MAPLE AVE	SHREWSBURY	MA	01545	1.183925367
294	436 Southbridge Street (Rt 12)	Auburn	MA	01501	AUBURN	60 AUBURN ST	AUBURN	MA	01501	0.532702033
1193	120 Charlton Road	Sturbridge	MA	01566	STURBRIDGE	316 MAIN ST	STURBRIDGE	MA	01566	1.604661532
1218	541B Lincoln St.	Worcester	MA	01604	LINCOLN MALL	560 LINCOLN ST STE 8	WORCESTER	MA	01605	0.097185817
1277	60 Pearson Blvd.	Gardner	MA	01440	GARDNER	66 PLEASANT ST	GARDNER	MA	01440	0.981702917
1218	18 Lyman St.	Westborough	MA	01581	WESTBOROUGH	150 E MAIN ST	WESTBOROUGH	MA	01581	0.361281124
557	2069 Scenic Highway N	Snellville	GA	30078	SNEELVILLE	2250 OAK RD	SNEELVILLE	GA	30078	0.223731478
560	945 North Point Drive	Alpharetta	GA	30022	ALPHARETTA	2400 OLD MILTON PKWY	ALPHARETTA	GA	30009	1.423086255
562	3205 Woodward Crossing Blvd	Buford	GA	30519	BUFORD	2030 BUFORD HWY	BUFORD	GA	30518	3.011859316
568	2265 Pleasant Hill Road	Duluth	GA	30096	GWINNETT MALL CORNERS	3626 SATELLITE BLVD	DULUTH	GA	30096	0.220225689
575	2835 Dallas Highway	Marietta	GA	30064	MARIETTA	257 LAWRENCE ST NE	MARIETTA	GA	30060	4.649126285
796	108 Riverstone Parkway	Canton	GA	30114	CANTON	2400 RIVERSTONE BLVD	CANTON	GA	30114	1.110976434
1003	3535 Peachtree Rd NE Suite 103	Atlanta	GA	30326	BUCKHEAD LOOP	3495 BUCKHEAD LOOP NE STE 115	ATLANTA	GA	30326	0.180056662
1005	650 Ponce De Leon Ave.	Atlanta	GA	30308	CIVIC CENTER	570 PIEDMONT AVE NE	ATLANTA	GA	30308	0.986756483
1016	240 New Franklin Road	LaGrange	GA	30240	LAGRANGE	960 LAFAYETTE PKWY	LAGRANGE	GA	30241	1.35812085
1022	1650 Dogwood Dr.	Coryers	GA	30013	CONYERS	1705 HIGHWAY 138 SE	CONYERS	GA	30013	1.147620585
1028	1125 Woodstock Road	Roswell	GA	30075	ROSWELL POSTAL STORE	10719 ALPHARETTA HWY	ROSWELL	GA	30076	3.425230256
1035	226 Market Place Connector	Peachtree City	GA	30269	PEACHTREE CITY	161 HIGHWAY 74 S	PEACHTREE CITY	GA	30269	0.404589669
1110	1865 Mount Zion Road	Morrow	GA	30260	PARK PLACE	7147 JONESBORO RD STE B	MORROW	GA	30260	1.030450018
1113	3675 Marketplace Blvd.	East Point	GA	30344	GREENBRIAR MALL	2841 GREENBRIAR PKWY SW STE N472	ATLANTA	GA	30331	2.072326227
1162	3630 Peachtree Pkwy.	Lawrenceville	GA	30024	WEBB BRIDGE	4576 WEBB BRIDGE RD	ALPHARETTA	GA	30005	3.422514863
1267	8170 Mall Parkway	Lithonia	GA	30038	LITHONIA	3035 STONE MOUNTAIN ST	LITHONIA	GA	30068	1.939918457
1270	3344 Cobb Parkway	Acworth	GA	30101	ACWORTH	4915 N MAIN ST	ACWORTH	GA	30101	2.18011102
1284	1772 Jonesboro Rd.	McDonough	GA	30253	MCDONOUGH	100 POSTMASTER DR	MCDONOUGH	GA	30253	4.673635287
1849	106 Banks Station	Fayetteville	GA	30214	FAYETTEVILLE	250 GEORGIA AVE E	FAYETTEVILLE	GA	30214	0.83382106
1786	4471 Jimmy Lee Smith Pky	Hiram	GA	30141	HIRAM	225 MAIN ST	HIRAM	GA	30141	1.145074657
1808	2365 Market Place Blvd	Cumming	GA	30041	CUMMING	525 TRIBBLE GAP RD	CUMMING	GA	30040	1.550871894
1838	13071 Highway 9 North	Milton	GA	30004	ALPHARETTA	2400 OLD MILTON PKWY	ALPHARETTA	GA	30009	2.3765023073
1839	5560 Roswell Rd	Atlanta	GA	30342	GLENRIDGE	5400 GLENRIDGE DR	ATLANTA	GA	30342	0.266235464
1894	818 Loganville Highway	Bethlehem	GA	30620	BETHLEHEM	820 CHRISTMAS AVE	BETHLEHEM	GA	30620	2.641458618
1910	4351 Hugh Howell Road	Tucker	GA	30084	TUCKER	4325 1ST AVE	TUCKER	GA	30084	0.225521342
539	1325 South Park Street	Carrollton	GA	30117	CARROLLTON	110 POSTAL WAY	CARROLLTON	GA	30117	2.291702175
513	155 Cherokee Place	Cartersville	GA	30121	CARTERSVILLE	25 LIBERTY DR	CARTERSVILLE	GA	30121	0.311362576
1123	212 Shorter Ave.	Rome	GA	30165	ROME	1420 MARTHA BERRY BLVD NE	ROME	GA	30165	0.470089119
474	11545 San Pablo Ave.	El Cerrito	CA	94530	EL CERRITO	11135 SAN PABLO AVE	EL CERRITO	CA	94530	0.474886518
488	470 Moor Ave	South San Francisco	CA	94080	SAN BRUNO	1390 HUNTINGTON AVE	SAN BRUNO	CA	94086	0.142033726
655	43464 Boswell Rd.	Newark	CA	94538	IRVINGTON	41041 TRUMBOLI WAY	FREMONT	CA	94538	2.206658303
818	1700 Van Ness Ave.	San Francisco	CA	94109	PINE STREET	1400 PINE ST	SAN FRANCISCO	CA	94109	0.206461296
875	2230 Bridgepoint Pkwy	San Mateo	CA	94404	FOSTER CITY	1050 SHELL BLVD	FOSTER CITY	CA	94404	1.288182209
1379	700 El Camino Real (Suite 120)	Menlo Park	CA	94025	OAK GROVE	855 OAK GROVE AVE	MENLO PARK	CA	94025	0.321920418
1458	2352 Shafluck Ave.	Berkeley	CA	94704	BERKELEY	2000 ALLSTON WAY	BERKELEY	CA	94704	0.238644842
358	627 East Colaveros Blvd.	Milpitas	CA	95035	MILPITAS	450 S ABEL ST	MILPITAS	CA	95035	0.938497722
375	500 East Hamilton Ave.	Campbell	CA	95008	HERITAGE VILLAGE	51 E CAMPBELL AVE	CAMPBELL	CA	95008	0.653925156
719	1351 Coleman Ave.	Santa Clara	CA	95060	SANTA CLARA	1200 FRANKLIN MALL	CAMPBELL	CA	95060	0.822735063
771	8840 San Ysidro Ave	Gilroy	CA	95020	GILROY	100 4TH ST	GILROY	CA	95020	1.25936088
1033	1725 Airline Highway	Hollister	CA	95023	HOLLISTER	100 MAPLE ST	HOLLISTER	CA	95023	1.658933237
1289	39116 Fremont Hub	Fremont	CA	94538	FREMONT	37010 DUSTERBERRY WAY	FREMONT	CA	94536	1.561840886
1327	121 Bernal Road	San Jose	CA	95119	COYOTE	8220 MONTEREY RD	COYOTE	CA	95013	2.241670447
1428	1023 Cochran Rd	Morgan Hill	CA	95037	MORGAN HILL	16600 MONTEREY ST	MORGAN HILL	CA	95037	2.293206322
1478	20830 Stevens Creek Blvd	Cupertino	CA	95014	CUPERTINO	21701 STEVENS CREEK BLVD	CUPERTINO	CA	95014	0.88289672
422	3325 Jefferson Street	Napa	CA	94586	NAPA	1625 TRANCAS ST	NAPA	CA	94556	0.223146989
1488	977 West Napa Street	Sonoma	CA	95476	EL VERANO	19050 BAY ST	EL VERANO	CA	95433	0.681841104
492	665 Irwin Street	San Rafael	CA	94901	MISSION RAFAEL	910 D ST	SAN RAFAEL	CA	94901	0.647354778
544	55 Rowland Way	Novato	CA	94945	NOVATO	1537 S NOVATO BLVD	NOVATO	CA	94947	0.689054131
420	2000 North Park Blvd.	Pittsburg	CA	94565	ATLANTIC PLAZA	296 ATLANTIC AVE	PITTSBURG	CA	94565	1.500160302
443	2120 Contra Costa Blvd.	Pleasant Hill	CA	94523	PLEASANT HILL	1945 CONTRA COSTA BLVD	PLEASANT HILL	CA	94523	0.144975617

Staples Store Number	Staples Store Address	Staples Store City	Staples Store State	Staples Store Zip Code	Nearest Post Office Facility Name	Nearest Post Office Address	Nearest Post Office City	Nearest Post Office State	Nearest Post Office Zip Code	Straight Line Distance between Staples Store and Nearest Post Office (Miles)
593	2710 Crow Canyon Rd.	San Ramon	CA	94583	SAN RAMON	12935 ALCOSTA BLVD	SAN RAMON	CA	94583	1.205094151
662	1230 Fitzgerald Drive	Pinole	CA	94564	EL SOBRANTE	535 APPIAN WAY	EL SOBRANTE	CA	94803	1.011569263
1321	4863 Lone Tree Way	Antioch	CA	94531	ANTIOCH	2730 W TREGALLAS RD	ANTIOCH	CA	94508	3.294385823
1385	4496 Treat Blvd.	Concord	CA	94521	CASA CORREO	4494 TREAT BLVD	CONCORD	CA	94521	0.011184513
1394	15555 East 14th St Ste 200	San Leandro	CA	94578	SOUTH SAN LEANDRO	14500 E 14TH ST	SAN LEANDRO	CA	94578	0.794563537
1492	1250 Oliver Road	Vallejo-Fairfield	CA	94534	FAIRFIELD	600 KENTUCKY ST	FAIRFIELD	CA	94533	1.471268268
800	1225 Airport Park Blvd	Ukiah	CA	95482	UKIAH	671 S ORCHARD AVE	UKIAH	CA	95482	1.056361778
670	4901 McKnight Road	Pittsburgh	PA	15237	MCKNIGHT	4981 MCKNIGHT RD	PITTSBURGH	PA	15237	0.327772447
711	6521 Steubenville Pike	Pittsburgh	PA	15205	MONTGOMERY	1996 PARK MANOR BLVD	PITTSBURGH	PA	15244	0.488772513
1007	2515 Banksville Road	Pittsburgh	PA	15216	SOUTH HILLS	3038 W LIBERTY AVE	PITTSBURGH	PA	15216	0.9907234
1021	1675 Route 228	Cranberry Township	PA	16066	CRANBERRY TOWNSHIP	240 EXECUTIVE DR	CRANBERRY TOWNSHIP	PA	16066	1.658196962
1597	999 Freeport Road	Pittsburgh	PA	15238	BLANNOCK	1310 OLD FREEPORT RD	PITTSBURGH	PA	15238	0.482581893
1799	6375 Penn Ave.	Pittsburgh	PA	15206	EAST LIBERTY	6360 BROAD ST	PITTSBURGH	PA	15206	0.173376242
680	110 Moraine Pointe Plaza	Butler	PA	16001	LYNDORA	110 WHITESTOWN RD	LYNDORA	PA	16045	2.738723418
1188	322 Kimberly Lane	Cranberry	PA	16319	SENECA	130 MEADOW RD	SENECA	PA	16346	2.08980072
389	8207 Route 30 Suite 1027	Greensburg	PA	15601	GRAPEVILLE	2526 NEWARK ST	GRAPEVILLE	PA	15634	1.616741056
533	800 Rostraver Road	Belle Vernon	PA	15012	PRICEDALE	133 MAIN ST	PRICEDALE	PA	15072	0.35576461
428	3100 Oakland Ave.	Indiana	PA	15701	INDIANA	47 S 7TH ST	INDIANA	PA	15701	2.611646537
790	3938 Broadhead Rd	Monaca	PA	15061	BEAVER	777 CORPORATION ST	BEAVER	PA	15009	0.896416813
814	100 Tarentum Bridge Rd.	New Kensington	PA	15088	TARENTUM	708 CORBET ST	TARENTUM	PA	15084	0.94040086
693	Rt 224 & Rt 378	New Castle	PA	16101	NEW CASTLE	435 S CASCADE ST	NEW CASTLE	PA	16106	0.324289191
705	3 Work Parkway	Uniontown	PA	15401	DOWNTOWN UNIONTOWN	34 W PETER ST	UNIONTOWN	PA	15401	1.382264574
929	301 Oak Spring Rd.	Washington	PA	15301	CENTRAL WASHINGTON	28 N MAIN ST	WASHINGTON	PA	15301	1.010258494
1346	32120 Highway 79 South	Temecula	CA	92592	TEMECULA	30777 RANCHO CALIFORNIA RD	TEMECULA	CA	92591	2.316877727
276	1358 W. Valley Pkwy.	Escondido	CA	92029	ESCONDIDO	1157 W MISSION AVE	ESCONDIDO	CA	92025	0.866179763
1334	235 Vista Village Dr.	Vista	CA	92083	VISTA	960 POSTAL WAY	VISTA	CA	92083	1.011848292