



December 18, 2007

Ms. Robyn S. Hankins, P.L.
4600 Military Trail, Suite 217
Jupiter, FL 33458

RE: Supplier Disagreement Resolution Case No. SDR08MT-03
Highway Contract Route (HCR) Number 328QE

Dear Ms. Hankins:

Your letter of November 29 presented a disagreement as defined in 39 CFR Part 601 on behalf of JEM Transport, Inc. (JEM) with respect to the referenced HCR. You object to both the bidding process employed by the Contracting Officer concerning the additional peak season service portion of the above referenced HCR, and to the best value decision made by the Contracting Officer.

I have examined the disagreement lodged with me as well as the information you provided. I have also examined the Contracting Officer's contract file and information submitted by the awardee, CBF Trucking, Inc. (CBF). Based on my examination of the facts, your disagreement is denied.

According to the documents in the contract file, CBF is the current supplier for HCR No. 328QE, providing service from Orlando to West Palm Beach, Florida. The Postal Service was in need of additional peak season service between Orlando and West Palm Beach at which time the Postal Service and CBF entered into negotiations for the additional service. On November 13, the negotiations between the two parties appeared to be at an impasse and the Contracting Officer (CO) requested the local contract specialist to contact two other local suppliers for an informal rate request should negotiations with CBF not prove successful. A fax requesting a rate per mile for the additional service was sent to JEM and one other potential supplier that same day. The fax included a facsimile cover sheet with the comment "Attached is a Peak Season Plate for WPB to Orlando. If you are interested I need a rate per mile for this service by 10:00 CT 11/14. Thanks DD." The fax included a two page schedule titled "Christmas 2007 - WP Beach Orlando STC - West Palm Beach HCR 328." At this point, JEM states, "JEM Transport called to follow up regarding the solicitation and was advised that Mr. Mays did not like the figure quoted to him by the contractor and wished to solicit alternatives." JEM contends that on November 14 at 8:55am CT, it placed JEM's bid at \$3.11 per mile and was advised that the CO had already accepted an offer from CBF at \$3.80 per mile. JEM submits that this is yet another example of the CO acting in a manner that is not in the best interests of the Postal Service and in a manner to exclude JEM from the solicitation process. Based on the facts presented to me, I disagree.

According to the contract specialist, CBF and the CO were engaged in negotiations for peak season service, which initially appeared to be at an impasse; therefore, as a precaution, he asked and received approval from the CO to request informal quotes from other suppliers in the service area. The documents in the contract file support the contracting specialist's assessment that the faxed

requests for quotes to JEM and to the second supplier were merely informal rate requests for the additional service in case the ongoing negotiations failed to result in an agreement with CBF.

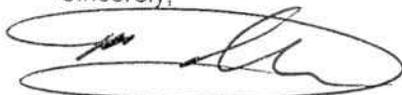
The contract between the Postal Service and CBF signed on April 9, 2007 allows for extra trips to be added. According to the contract CBF must proceed to perform any extra trips ordered by the CO or authorized representatives. This provision gives the Postal Service the right to request and negotiate for "extra trips" with CBF. As stated in your disagreement, JEM was informed that the CO did not like the figure quoted to him by CBF and wished to solicit alternatives. JEM being an experienced transportation supplier with the Postal Service understands that a two page schedule with a question requesting rate per mile is not a formal solicitation for services. There was no formal solicitation, no evaluation factors, no contract specifications – nothing which would suggest that this was a Request for Proposal. The contract specialist clearly made it known by both words and actions that the request for the extra service was an informal rate request.

The contract file also contained evidence of the negotiations that took place between the CO and CBF. You state that on November 14 JEM communicated its bid of \$3.11 to the Postal Service at 8:55am CT; however, the contract file clearly shows that CBF and the Postal Service arrived at an agreement for the extra peak season service on its existing contract at 8:39am that same morning. There are conflicting accounts as to when you learned of CBF's price and when you offered your price at \$3.11. Regardless of when you submitted the bid and at what price, CBF had an existing contract with the Postal Service, which provided for extra trips. My review of the contract file did not show any evidence that the request faxed to JEM was for anything more than an informal rate or that the actions of the Postal Service misled JEM to think that the request was a formal solicitation.

I find that the award for additional peak season service on the existing contract with CBF was properly made by the CO and it represented the best value to the Postal Service; therefore, your disagreement is denied.

This is the Postal Service's final decision on this disagreement regarding HCR No. 328QE under 39 CFR 601.108(g).

Sincerely,



Pete Dolder, C.P.M.
USPS Supplier Disagreement Resolution Official

cc: Bobby Mays, Contracting Officer
Daniel J. Donohue, Esq, Counsel for CBF Trucking, Inc.