

1 Darryl J. Anderson (DC Bar No. 154567) (*pro hac vice*)  
Sarah Kanter (NY Bar) (*pro hac vice*)  
2 O'Donnell, Schwartz & Anderson, P.C.  
1300 L Street, NW, Suite 1200  
3 Washington, DC 20005  
Telephone: (202) 898-1707  
4 Facsimile: (202) 682-9276  
danderson@odsalaw.com  
5 skanter@odsalaw.com

6 Peter D. Nussbaum (SBN 49682)  
Jeffrey B. Demain (SBN 126715)  
7 Peder J. Thoreen (SBN 217081)  
Altshuler Berzon LLP  
8 177 Post Street, Suite 300  
San Francisco, CA 94108  
9 (415) 421-7151  
(415) 362-8064 (facsimile)  
10 pnussbaum@altshulerberzon.com  
jdemain@altshulerberzon.com  
11 pthoreen@altshulerberzon.com

12 Attorneys for Plaintiffs  
AMERICAN POSTAL WORKERS UNION, AFL-CIO  
13 and SAN FRANCISCO LOCAL 2, AMERICAN  
POSTAL WORKERS UNION, AFL-CIO  
14

15 UNITED STATES DISTRICT COURT  
16 NORTHERN DISTRICT OF CALIFORNIA  
17 SAN FRANCISCO/OAKLAND DIVISION

18 AMERICAN POSTAL WORKERS UNION,  
19 AFL-CIO and SAN FRANCISCO LOCAL 2,  
20 AMERICAN POSTAL WORKERS UNION,  
AFL-CIO,

21 Plaintiffs,

22 v.

23 UNITED STATES POSTAL SERVICE,

24 Defendant.

Case No. CV-12-05327 YGR

**REPLY DECLARATION OF ROBERT  
PRITCHARD IN SUPPORT OF  
PLAINTIFFS' MOTION FOR A  
PRELIMINARY INJUNCTION**

1 I, Robert Pritchard, in lieu of an affidavit as permitted by 28 U.S.C. Section 1746, declare  
2 as follows:

3 1. I am the elected Director of the Motor Vehicle Services (MVS) Division of the  
4 American Postal Workers Union, AFL-CIO (APWU). In that capacity, I have submitted two  
5 previous declarations in support of Plaintiffs' Motion for a Preliminary Injunction in the above-  
6 captioned case.

7 2. On October 31, 2012, I received a packet of documents from the Postal Service.  
8 These documents included a letter dated October 26, 2012 (a true and correct copy of which is  
9 attached hereto as Exhibit A) from Patrick M. Devine, the Postal Service's Manager, Contract  
10 Administration, for the National Agreement between the Postal Service and the Union; revised  
11 Form 5505s for each Postal Vehicle Service ("PVS") facility in California (a true and correct copy  
12 of which is attached hereto as Exhibit B); and "HCR Cost Estimates," with an accompanying  
13 spreadsheet (a true and correct copy of both of which is attached hereto as Exhibit C).

14 3. Mr. Devine's October 26, 2012 letter stated:

15 On Friday, October 12, the Postal Service met with you to discuss the Postal  
16 Service's proposal to convert all of the Postal Vehicle Service (PVS) operating in  
17 the Pacific Area (excluding Hawaii), to Highway Contract Route (HCR) service.  
18 Subsequent to that meeting, the Postal Service reviewed the APWU's contentions  
19 stated in your cost comparison dated October 5 and discussions held in the  
20 October 12 meeting. The Postal Service has taken your cost comparisons into  
21 consideration and revised the PS Form 5505(s).

22 4. The revised Form 5505s purport to show a cost savings of approximately  
23 \$24 million dollars per year, which is significantly less than the approximately \$87  
24 million savings claimed by the Postal Service in an earlier letter sent to me by Mr.  
25 Devine on August 13, 2012. A true and correct copy of the earlier "5505 Cost Evaluation  
26 – California Postal Vehicle Service vs. Highway Contract Service," which accompanied  
27 Mr. Devine's August 12, 2012 letter and purported to show a cost savings of  
28 approximately \$87 million, is attached hereto as Exhibit D.

5. As far as the APWU can verify, the only change the Postal Service made

1 to the revised Form 5505s is to cure the double counting of truck costs (which the APWU  
2 previously pointed out). Previously the Postal Service had counted both the cost per hour  
3 and the cost per mile which were simply two ways of measuring the same cost. In the  
4 revised Form 5505s the Postal Service has eliminated this duplication by eliminating the  
5 cost calculated as cost per hour and keeping cost per mile.  
6

7 6. The revised 5505s still overstate cost differences between the PVS and  
8 Highway Contract Service (“HCR”) contractors (that is, contracting out the work to  
9 private contractors) in the following ways:

10 6. a) The total number of hours worked by Postal Service employees is inflated by  
11 3%. The Postal Service adds 3% to the total number of hours worked by Postal Vehicle  
12 Service employees because Article 32, Section 2.E.3 of the National Agreement requires  
13 that when calculating the cost for PVS employees to perform work, “[t]he Postal Vehicle  
14 Service will be charged 10 minutes at the start and 10 minutes at the end of each route,  
15 regardless of the vehicle used.” But, to determine the number of hours actually worked  
16 by employees, the Postal Service uses Form 4533, which itself already adds an additional  
17 10-15 minutes (the actual amount varies) before and after each route, thereby satisfying  
18 the “10 minutes” requirement of Article 32, Section 2.E.3. (A true and correct copy of  
19 Form 4533 is attached hereto as Exhibit E.) By adding an additional 3%, the Postal  
20 Service is augmenting the apparent labor cost of PVS by 3%, without justification.  
21  
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23 6. b) Management costs are counted twice. The Postal Service should not  
24 include management costs as its own separate item of cost on the Form 5505 because  
25 management costs are already accounted for in the costs used to calculate the vehicle cost  
26 per mile. A true and correct copy of USPS Institutional Interrogatory Response APWU /  
27 USPS-35a in Postal Regulatory Commission Case No. N2012-1 (filed July 2, 2012) is  
28

1 attached hereto as Exhibit F. This document shows that management costs are already  
2 included in the costs that are used to calculate vehicle costs.

3           6. c) The Postal Service's labor costs per hour are overstated because the Postal  
4 Service has neglected to factor in the number of lower-paid temporary employees, called  
5 Postal Support Employees ("PSEs") it employs as PVS drivers, when it determines labor  
6 costs. PSEs earn much less than either Level 7 motor vehicle operator or Level 8 tractor  
7 trailer operator, which are the rates of pay they use to calculate *all* labor costs on the  
8 Form 5505. The Postal Service is contractually entitled to employ PSEs to make up as  
9 much as 10% of its PVS workforce within each District. The National Agreement also  
10 allows the Union and Postal Service to negotiate a higher percentage of PSEs. The Postal  
11 Service currently employs approximately 69 PSE drivers in California which is  
12 approximately 8% of the PVS workforce in California.

13  
14  
15           6. d) The Postal Service continues to use \$999 as the total administrative cost  
16 for each and every HCR contract in California. The Postal Service currently employs  
17 three Network Specialists in San Diego alone, who are responsible for administering  
18 HCR contracts. In San Francisco, the Postal Service employs 5 Network Specialists.  
19 Network Specialists serve as the intermediary between the HCR company and Postal  
20 Service management. They are responsible for resolving issues, conflicts, and additional  
21 service requirements; adjusting current HCR transportation to align with the changing  
22 transportation needs of the Postal Service; requesting additional trips for mail or  
23 equipment from the HCR contractor (and possibly for negotiating the rate of  
24 compensation for such additional trips or equipment); creating new contracts and  
25 monitoring the mail volume to determine if the HCR contract needs to be adjusted; and  
26 authorizing compensation adjustment for such items as fuel, tolls and mileage. The  
27  
28

1 omission of the cost of these Network Specialists from the cost of HCR contracts results  
2 in a substantial understatement of the cost of those contracts. In addition, the Postal  
3 Service must incur costs for employees who pay the HCR contractors, and who procure  
4 fuel and reconcile the fuel bills for those contractors. The Postal Service projects, for  
5 example, that the HCR contract for the Los Angeles Processing and Distribution Center  
6 will cost \$13,981,033.06. The Postal Service will incur very substantial costs in  
7 negotiating and administering that contract, but its Form 5505 for Los Angeles shows the  
8 administration cost as only \$999 per year. Such a low cost is simply not credible.

10 6. e) Most importantly, the APWU can only attempt to verify the numbers  
11 given for the cost of PVS. The Postal Service uses a Form 7463A to calculate the cost of  
12 HCR contracts. This form is prepared in two versions. One version is prepared by postal  
13 managers, using their best estimate of what the contract costs will be. The other version  
14 is prepared by the HCR contractor and submitted to the Postal Service, showing what the  
15 contractor estimates its cost will be. These forms are then used as a basis for the contract  
16 between the Postal Service and the contractor. Despite the importance of the information  
17 on these forms to the Union, the Postal Service has refused to provide copies of these  
18 forms or to provide the Union with this information in another format. The manner in  
19 which the Postal Service determines the cost of HCR contracts is not transparent, and  
20 therefore it is impossible to verify that a fair cost comparison is being conducted and that  
21 the Postal Service's claim as to the amount of money it will save, if any, is accurate.

24 7. Article 12, Section 5.B.1 of the National Agreement provides, "Excessing  
25 of APWU employees within the same Postal Area cannot occur more than once in any  
26 three (3) calendar month periods except by mutual agreement of the parties." All postal  
27 facilities in California are located in the Pacific area (which also includes Hawaii).

1 Employees in Anaheim P&DF, Industry P&DC, Long Beach P&DC, San Francisco  
2 P&DC and Santa Ana P&DC have been informed that they will be excessed on  
3 November 17 2012. Pursuant to Article 12, Section 5.B.1, the earliest PVS employees at  
4 other PVS facilities in California can be excessed is February 17, 2013. Any claimed  
5 savings by the Postal Service February 17, 2013 should limited only to the facilities that  
6 are scheduled for excessing on the November 17, 2012.  
7

8 I declare under penalty of perjury that the foregoing is true and correct.

9 Executed this 2nd day of November 2012, at Washington DC.  
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11   
12 Robert Pritchard  
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# **EXHIBIT A**



LABOR RELATIONS



October 26, 2012

Robert C. Pritchard  
Director, Motor Vehicle Services Division  
American Postal Workers Union,  
AFL-CIO  
1300 L Street, NW  
Washington, DC 20005-4107

**Certified Mail Tracking Number:  
7010 0290 0003 7105 1424**

Dear Bob:

On Friday, October 12, the Postal Service met with you to discuss the Postal Service's proposal to convert all of the Postal Vehicle Service (PVS) operating in the Pacific Area (excluding Hawaii), to Highway Contract Route (HCR) service. Subsequent to that meeting, the Postal Service reviewed the APWU's contentions stated in your cost comparison dated October 5 and discussions held in the October 12 meeting. The Postal Service has taken your cost comparisons into consideration and revised the PS Form 5505(s).

Per Article 32.2.D of the National Agreement, please see the enclosed revised copy of the Cost Evaluation – California Postal Vehicle Service vs. Highway Contract Service, and copies of PS Forms 5505.

In addition, in response to your letter dated October 4, indicating the Postal Service "...has not provided the APWU Article 32 information requested necessary to be in compliance," please be advised the Postal Service previously responded to this request in an email dated October 5, to you from Gwen Stembridge of my staff indicating this information is "...proprietary information... supplier's line item costs are not public information. It should also be noted the denial of request for similar information has been upheld by the NLRB (See Case 28--CA-21451) where the Administrative Judge ruled, '...I concur with the Respondent's argument that the Form should be protected against disclosure based on proprietary and confidentiality concerns, which outweigh the Union's need for the information.'"

Please be advised the Postal Service stated in the October 12 meeting (and previous meetings held on Article 32) that due to proprietary information indicated on the PS Forms 7364a, this information will not be provided to the APWU. However, the Postal Service will supply a summary of the information on HCR costs for your review.

Please see enclosed for your review, a summary of HCR cost estimates (5505), with an explanation of how HCR costs are calculated.



If there are any questions, please contact Gwendolyn Stenbridge of my staff at extension 5084.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick M. Devine". The signature is fluid and cursive, with the first name being the most prominent.

Patrick M. Devine  
Manager  
Contract Administration (APWU)

Enclosure

bcc: Mr. Tulino  
Mr. Devine  
Mr. Alexandrovich  
Mr. Cavallo  
Ms. Perron  
Mr. Dufek  
Ms. Hércules  
Ms. Ledbetter  
Mr. Mlakar  
Mr. Mohl  
Mr. Moore  
Ms. Stevenson  
Ms. Adona  
Mr. Berrang  
Mr. Coffey  
Mr. Dean  
Mr. LeFevre  
Mr. Pluguez  
Ms. Randolph  
Ms. Stembridge  
Mr. Brill

File: PVS Conversion, Pacific Area-Article 32, Revised 5505  
Reading (Stembridge)

Z:\STAFF FOLDERS\Stembridge\Motor Vehicle\Article 32 2012\Pacific Area REVISED  
5505s 10.2012.doc

## **EXHIBIT B**

U.S. Postal Service

**COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part A</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>118,928.5</b>	4. Annual Estimated Schedule Hours <b>6,191.20</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>LONG BEACH</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed										
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)					
					Feet	Feet	Feet	Feet	Feet	Feet
				<b>2</b>	<b>3--38'</b>					
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: <b>Tractor Trailer Opertor LVL-08</b> 43.94						

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type	Cost per mile	Miles (line 3)	Vehicle Operating Cost
			SAT	\$1.230	118,928.5	\$ 146,282.04
12. Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour		Hours (line 16)	Depreciation Cost
			SAT	\$0.000	6,376.9	\$ -
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost	PAC		
14. Holiday Hours (from Form 4533)		10	Number <u>  3  </u> x Annual Cost =	<u>  \$1,149.00  </u>		\$ 13,788.00
15. Annual Hours (from Form 4533)	6191.2		x Percent of Actual Use =			
16. Adjusted for Contingencies (line 15 x 1.03)		6376.9	23. Total Vehicle Cost (lines 20 + 21 + 22)	\$160,070.04		
17. Driver's Rate <b>See 10. Above</b>	Hours (16)	\$280,202.57	24. Toll Fees (Attach Statement)	\$ -		
18. Premium Pay Cost 'quires Entry Even If "0")		\$9,713.25	25. Tort Claims Cost per mile	Miles (Line 3)	\$23,785.70	
19. Total Annual Driver Cost		\$289,915.82	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)	\$ 473,771.56		

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16)		28. Total Postal Vehicle Service Costs (lines 26 + 27)
	6376.9	\$14,348.11	<b>\$488,119.66</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	<b>\$352,031.49</b>

Cost Comparison	
30. Annual Contract Management Cost	\$999.00
31. Total Annual Cost of Contract Operation (lines 29 + 30)	<b>\$353,030.49</b>

Recommendation By General Manager / Postmaster District		
32.	<input type="checkbox"/> Postal Vehicle Service	Signature
	<input type="checkbox"/> Contract	Date

Recommendation By Manager, Transportation Purchasing, DNO		
33.	<input type="checkbox"/> Postal Vehicle Service	Signature
	<input type="checkbox"/> Contract	Date

Prepared by: (PRINT NAME)  Signature and Date	Reviewed by: (PRINT NAME) <b>CONTRACT TRANSPORTATION SPECIALIST    MANAGER, TRANSPORTATION CONTRACTS</b> Signature and Date
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Management Costs (-Administrative Costs)	HCR	\$ 999.00
Area Choice (Top of Sheet)	Northeast East West South Central	West

**U.S. Postal Service  
COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part B</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>221,573.1</b>	4. Annual Estimated Schedule Hours <b>24,267.25</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>LONG BEACH</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed					
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)
			<b>9</b>		Feet    Feet    Feet    Feet    Feet    Feet
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: Motor Vehicle Operator LVL-07    43.36	

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type <b>VAN</b>	Cost per mile <b>\$1.480</b>	Miles (line 3) <b>221,573.1</b>	Vehicle Operating Cost <b>\$ 327,928.19</b>
12. Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour <b>VAN</b>	<b>\$0.000</b>	Hours (line 16) <b>24,995.3</b>	Depreciation Cost <b>\$ -</b>
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost <b>PAC</b>			
14. Holiday Hours (from Form 4533)		10	Number _____ x Annual Cost = <b>\$1,149.00</b>			
15. Annual Hours (from Form 4533)		24267.3	x Percent of Actual Use = _____			
16. Adjusted for Contingencies (line 15 x 1.03)		24995.3	23. Total Vehicle Cost (lines 20 + 21 + 22)			<b>\$327,928.19</b>
17. Driver's Rate <b>See 10. Above</b>		<b>\$1,083,794.80</b>	24. Toll Fees (Attach Statement)			<b>\$ -</b>
18. Premium Pay Cost (Requires Entry Even If "0")		<b>\$29,139.00</b>	25. Tort Claims Cost per mile	Miles (Line 3)		<b>\$44,314.62</b>
19. Total Annual Driver Cost		<b>\$1,112,933.80</b>	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			<b>\$ 1,485,176.61</b>

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16)		28. Total Postal Vehicle Service Costs (lines 26 + 27)
	24995.3	<b>\$56,239.35</b>	<b>\$1,541,415.96</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	<b>\$1,113,274.04</b>

Cost Comparison	
30. Annual Contract Management Cost	31. Total Annual Cost of Contract



\$999.00

Operation (lines 29 + 30)

\$1,114,273.04

**Recommendation By General Manager / Postmaster District**

32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

**Recommendation By Manager, Transportation Purchasing, DNO**

33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME)	Reviewed by: (PRINT NAME)
34. Signature and Date	Signature and Date
CONTRACT TRANSPORTATION SPECIALIST    MANAGER, TRANSPORTATION CONTRACTS	

PS Form 5505 (March, 1992) (facsimile) - last update 3/20/07

## Input data from HQ's Quarterly Cost Data into the yellow boxes below.

Box 17

City Carrier	City Carrier LVL-07	\$38.29
Motor Vehicle Operator	Motor Vehicle Operator LVL-07	\$43.36
Tractor Trailer Operator	Tractor Trailer Opertor LVL-08	\$43.94
3		

Box 20

Intermediate	INT	\$1.35
Cargo Van	VAN	\$1.48
Tractor (SA)	SAT	\$1.23
Spotter (SP)	SP	\$3.73
Tractor (TA)	TT	\$1.41
3		

Box 21

Intermediate	INT	\$8.79
Cargo Van	VAN	\$0.00
Tractor (SA)	SAT	\$12.78
Spotter (SP)	SP	\$9.42
Tractor (TA)	TT	\$14.17
3		

Box 22

Trailer Cost		
NY Metro	NY Metro	\$1,288.00
NE	NE	\$2,097.00
EA	EA	\$1,634.00
CapMet	CapMet	\$1,098.00
West	West	\$1,125.00
PAC	PAC	\$1,149.00
SW	SW	\$2,393.00



U.S. Postal Service

**COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part A</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>73,168.1</b>	4. Annual Estimated Schedule Hours <b>3,075.14</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>INDUSTRY P&amp;DC</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed					
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor <b>2</b>	Trailers (Length) Feet      Feet      Feet      Feet      Feet      Feet <b>3--53'</b>
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: <b>Tractor Trailer Operator LVL-08      43.94</b>	

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type <b>SAT</b>	Cost per mile <b>\$1.230</b>	Miles (line 3) <b>73,168.1</b>	Vehicle Operating Cost <b>\$ 89,996.79</b>
12. Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour <b>SAT</b>	<b>\$0.000</b>	Hours (line 16) <b>3,167.4</b>	Depreciation Cost <b>\$ -</b>
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost <b>PAC</b>			\$ 13,788.00
14. Holiday Hours (from Form 4533)		10	Number <b>3</b> x Annual Cost = <b>\$1,149.00</b>			
15. Annual Hours (from Form 4533)	3075.1		x Percent of Actual Use = _____			
16. Adjusted for Contingencies (line 15 x 1.03)		3167.4	23. Total Vehicle Cost (lines 20 + 21 + 22)			\$103,784.79
17. Driver's Rate <b>See 10. Above</b>		Hours (16) <b>\$139,175.30</b>	24. Toll Fees (Attach Statement)			\$ -
18. Premium Pay Cost <b>Requires Entry Even if "0"</b>		<b>\$5,020.84</b>	25. Tort Claims Cost per mile	Miles (Line 3)		\$14,633.62
19. Total Annual Driver Cost		<b>\$144,196.14</b>	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			<b>\$ 262,614.55</b>

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16) <b>3167.4</b>	<b>\$7,126.64</b>	28. Total Postal Vehicle Service Costs (lines 26 + 27) <b>\$269,741.19</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	<b>\$196,129.93</b>

Cost Comparison			
30. Annual Contract Management Cost	<b>\$999.00</b>	31. Total Annual Cost of Contract Operation (lines 29 + 30)	<b>\$197,128.93</b>

Recommendation By General Manager / Postmaster District			
32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Recommendation By Manager, Transportation Purchasing, DNO			
33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME) <b>CONTRACT TRANSPORTATION SPECIALIST</b>	Reviewed by: (PRINT NAME) <b>MANAGER, TRANSPORTATION CONTRACTS</b>
Signature and Date	Signature and Date

Management Costs (Administrative Costs)	HCR	\$ 999.00
2		
Area Choice (Top of Sheet)	Northeast East West South Central	West
4		

**U.S. Postal Service  
COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part B</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>222,678.6</b>	4. Annual Estimated Schedule Hours <b>14,830.44</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>INDUSTRY P&amp;DC</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed										
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)					
					Feet	Feet	Feet	Feet	Feet	Feet
			10							
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other					10. Usual level of employee assigned: Motor Vehicle Operator LVL-07 43.36					

Driver Cost				Vehicle Cost			
11. Weekday Hours (from Form 4533)			251.46	20. Veh. Type VAN	Cost per mile \$1.480	Miles (line 3) 222,678.6	Vehicle Operating Cost \$ 329,564.39
12. Saturday Hours (from Form 4533)			51.61	21. Veh. Ownership Cost Per Hour VAN	\$0.000	Hours (line 16) 15,275.4	Depreciation Cost \$ -
13. Sunday Hours (from Form 4533)			51.61	22. Trailer Cost PAC Number _____ x Annual Cost = \$1,149.00			
14. Holiday Hours (from Form 4533)			10	x Percent of Actual Use = _____			
15. Annual Hours (from Form 4533)			14830.4	23. Total Vehicle Cost (lines 20 + 21 + 22)			\$329,564.39
16. Adjusted for Contingencies (line 15 x 1.03)			15275.4	24. Toll Fees (Attach Statement)			\$ -
17. Driver's Rate See 10. Above		Hours (16)	\$662,339.31	25. Tort Claims Cost per mile Miles (Line 3)			\$44,535.73
18. Premium Pay Cost (Requires Entry Even If "0")			\$16,925.80	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			\$ 1,053,365.23
19. Total Annual Driver Cost			\$679,265.11				

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16)		28. Total Postal Vehicle Service Costs (lines 26 + 27)
	15275.4	\$34,369.54	<b>\$1,087,734.77</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	
			<b>\$787,526.26</b>

Cost Comparison	
30. Annual Contract Management Cost	31. Total Annual Cost of Contract



\$999.00

Operation (lines 29 + 30)

\$788,525.26

**Recommendation By General Manager / Postmaster District**

32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

**Recommendation By Manager, Transportation Purchasing, DNO**

33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME)

Reviewed by: (PRINT NAME)

CONTRACT TRANSPORTATION SPECIALIST      MANAGER, TRANSPORTATION CONTRACTS

34. Signature and Date

Signature and Date

PS Form 5505 (March, 1992) (facsimile) - last update 3/20/07

## Input data from HQ's Quarterly Cost Data into the yellow boxes below.

Box 17

City Carrier	City Carrier LVL-07	\$38.29
Motor Vehicle Operator	Motor Vehicle Operator LVL-07	\$43.36
Tractor Trailer Operator	Tractor Trailer Operator LVL-08	\$43.94

3

Box 20

Intermediate	INT	\$1.35
Cargo Van	VAN	\$1.48
Tractor (SA)	SAT	\$1.23
Spotter (SP)	SP	\$3.73
Tractor (TA)	TT	\$1.41

3

Box 21

Intermediate	INT	\$8.79
Cargo Van	VAN	\$0.00
Tractor (SA)	SAT	\$12.78
Spotter (SP)	SP	\$9.42
Tractor (TA)	TT	\$14.17

3

Box 22

Trailer Cost		
NY Metro	NY Metro	\$1,288.00
NE	NE	\$2,097.00
EA	EA	\$1,635.00
CapMet	CapMet	\$1,098.00
West	West	\$1,125.00
PAC	PAC	\$1,149.00
SW	SW	\$2,393.00



**COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part A</b>	2. Type of Route	3. Annual Miles <b>83,179.9</b>	4. Annual Estimated Schedule Hours <b>6,622.34</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>ANAHEIM P&amp;DF</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed					
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor <b>2</b>	Trailers (Length) Feet <b>2--38'</b>
					Feet <b>1--45'</b>
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other			10. Usual level of employee assigned: <b>Tractor Trailer Opertor LVL-08</b> <span style="float:right">43.94</span>		

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type <b>SAT</b>	Cost per mile <b>\$1.230</b>	Miles (line 3) <b>83,179.9</b>	Vehicle Operating Cost <b>\$ 102,311.23</b>
12. Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour <b>SAT</b>	<b>\$0.000</b>	Hours (line 16) <b>6,821.0</b>	Depreciation Cost <b>\$ -</b>
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost <b>PAC</b>			\$ <b>3,447.00</b>
14. Holiday Hours (from Form 4533)		10	Number <b>3</b> x Annual Cost = <b>\$1,149.00</b>			
15. Annual Hours (from Form 4533)		6622.3	x Percent of Actual Use = _____			
16. Adjusted for Contingencies (line 15 x 1.03)		6821.0	23. Total Vehicle Cost (lines 20 + 21 + 22)			\$ <b>105,758.23</b>
17. Driver's Rate <b>See 10. Above</b>		\$ <b>299,715.19</b>	24. Toll Fees (Attach Statement)			\$ <b>-</b>
18. Premium Pay Cost <b>Requires Entry Even If "0"</b>		\$ <b>6,758.81</b>	25. Tort Claims Cost per mile	Miles (Line 3)		\$ <b>16,635.97</b>
19. Total Annual Driver Cost		\$ <b>306,474.00</b>	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			\$ <b>428,868.20</b>

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16) <b>6821.0</b>	\$ <b>15,347.27</b>	28. Total Postal Vehicle Service Costs (lines 26 + 27) <b>\$444,215.47</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	\$ <b>327,860.53</b>

Cost Comparison			
30. Annual Contract Management Cost	\$ <b>999.00</b>	31. Total Annual Cost of Contract Operation (lines 29 + 30)	\$ <b>328,859.53</b>

Recommendation By General Manager / Postmaster District			
32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Recommendation By Manager, Transportation Purchasing, DNO			
33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME) <b>CONTRACT TRANSPORTATION SPECIALIST</b>	Reviewed by: (PRINT NAME) <b>MANAGER, TRANSPORTATION CONTRACTS</b>
1. Signature and Date	Signature and Date

Management Costs (Administrative Costs)	HCR	\$ 999.00
Area Choice (Top of Sheet)	Northeast East West South Central	West

**U.S. Postal Service  
COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part B</b>	2. Type of Route	3. Annual Miles <b>130,380.3</b>	4. Annual Estimated Schedule Hours <b>12,057.89</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>ANAHEIM P&amp;DF</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed					
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)
			<b>6</b>		Feet    Feet    Feet    Feet    Feet    Feet
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: <b>Motor Vehicle Operator LVL-07</b> 43.36	

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type <b>VAN</b>	Cost per mile <b>\$1.480</b>	Miles (line 3) <b>130,380.3</b>	Vehicle Operating Cost <b>\$ 192,962.81</b>
12. Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour <b>VAN</b>	<b>\$0.000</b>	Hours (line 16) <b>12,419.6</b>	Depreciation Cost <b>\$ -</b>
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost <b>PAC</b>			
14. Holiday Hours (from Form 4533)		10	Number _____ x Annual Cost = <b>\$1,149.00</b>			
15. Annual Hours (from Form 4533)		12057.9	x Percent of Actual Use = _____			
16. Adjusted for Contingencies (line 15 x 1.03)		12419.6	23. Total Vehicle Cost (lines 20 + 21 + 22)			<b>\$192,962.81</b>
17. Driver's Rate <b>See 10. Above</b>		Hours (16) <b>\$538,515.01</b>	24. Toll Fees (Attach Statement)			<b>\$ -</b>
18. Premium Pay Cost (Requires Entry Even If "0")		<b>\$11,654.38</b>	25. Tort Claims Cost per mile	Miles (Line 3)		<b>\$26,076.06</b>
19. Total Annual Driver Cost		<b>\$550,169.39</b>	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			<b>\$ 769,208.26</b>

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16)		28. Total Postal Vehicle Service Costs (lines 26 + 27)
	12419.6	<b>\$27,944.16</b>	<b>\$797,152.42</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	
			<b>\$578,252.45</b>

Cost Comparison	
30. Annual Contract Management Cost	31. Total Annual Cost of Contract



\$999.00

Operation (lines 29 + 30)

\$579,251.45

**Recommendation By General Manager / Postmaster District**

32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

**Recommendation By Manager, Transportation Purchasing, DNO**

33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME)

Reviewed by: (PRINT NAME)

CONTRACT TRANSPORTATION SPECIALIST      MANAGER, TRANSPORTATION CONTRACTS

34. Signature and Date

Signature and Date

PS Form 5505 (March, 1992) (facsimile) - last update 3/20/07

## Input data from HQ's Quarterly Cost Data into the yellow boxes below.

Box 17			
City Carrier	City Carrier LVL-07		\$38.29
Motor Vehicle Operator	Motor Vehicle Operator LVL-07		\$43.36
Tractor Trailer Operator	Tractor Trailer Operator LVL-08		\$43.94
	3		

Box 20			
Intermediate	INT		\$1.35
Cargo Van	VAN		\$1.48
Tractor (SA)	SAT		\$1.23
Spotter (SP)	SP		\$3.73
Tractor (TA)	TT		\$1.41
	3		

Box 21			
Intermediate	INT		\$8.79
Cargo Van	VAN		\$0.00
Tractor (SA)	SAT		\$12.78
Spotter (SP)	SP		\$9.42
Tractor (TA)	TT		\$14.17
	3		

Box 22			
Trailer Cost			
NY Metro	NY Metro		\$1,288.00
NE	NE		\$2,097.00
EA	EA		\$1,634.00
CapMet	CapMet		\$1,098.00
West	West		\$1,125.00
PAC	PAC		\$1,149.00
SW	SW		\$2,293.00



U.S. Postal Service

## COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE

1. Route No. <b>Part A</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>359,610.6</b>	4. Annual Estimated Schedule Hours <b>22,715.63</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>SANTA ANA P&amp;DC</b>		7. Destination Terminus: <b>VARIOUS</b>		

## 8. Number of Vehicles Needed

Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)					
				<b>10</b>	Feet	Feet	Feet	Feet	Feet	Feet
					<b>1--28'</b>	<b>6--45'</b>				
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: <b>Tractor Trailer Operator LVL-08</b> <b>43.94</b>						

## Driver Cost

## Vehicle Cost

11. Weekday Hours (from Form 4533)	251.46	20. Veh. Type	SAT	Cost per mile	\$1.230	Miles (line 3)	359,610.6	Vehicle Operating Cost	\$ 442,320.99
12. Saturday Hours (from Form 4533)	51.61	21. Veh. Ownership Cost Per Hour	SAT	\$0.000	Hours (line 16)	23,397.1	Depreciation Cost	\$ -	
13. Sunday Hours (from Form 4533)	51.61	22. Trailer Cost	PAC						
14. Holiday Hours (from Form 4533)	10	Number	<u>7</u>	x Annual Cost =	<u>\$1,149.00</u>		\$	8,043.00	
15. Annual Hours (from Form 4533)	22715.6	x Percent of Actual Use =							
16. Adjusted for Contingencies (line 15 x 1.03)	23397.1	23. Total Vehicle Cost (lines 20 + 21 + 22)					\$	450,363.99	
17. Driver's Rate	Hours (16)	24. Toll Fees (Attach Statement)					\$	-	
See 10. Above	\$1,028,068.53								
18. Premium Pay Cost (requires Entry Even if "0")	\$49,524.59	25. Tort Claims Cost per mile		Miles (Line 3)			\$	71,922.11	
19. Total Annual Driver Cost	\$1,077,593.12	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)					\$	1,599,879.22	

## Postal Service Overhead Cost

27. Management Cost per hour	Hours (line 16)	28. Total Postal Vehicle Service Costs (lines 26 + 27)
	23397.1	\$52,643.47
		<b>\$1,652,522.69</b>

## Contract Service Cost

29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	\$1,208,194.01
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## Cost Comparison

30. Annual Contract Management Cost	\$999.00	31. Total Annual Cost of Contract Operation (lines 29 + 30)	<b>\$1,209,193.01</b>
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## Recommendation By General Manager / Postmaster District

32. <input type="checkbox"/> Postal Vehicle Service	Signature	Date
<input type="checkbox"/> Contract		

## Recommendation By Manager, Transportation Purchasing, DNO

33. <input type="checkbox"/> Postal Vehicle Service	Signature	Date
<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME) 4. Signature and Date	CONTRACT TRANSPORTATION SPECIALIST	Reviewed by: (PRINT NAME) MANAGER, TRANSPORTATION CONTRACTS Signature and Date
--	------------------------------------	--



Management Costs (Administrative Costs)	2	HCR	\$	999.00
Area Choice (Top of Sheet)				
Northeast		Northeast		
East		East		
West		West		West
South		South		
Central		Central		
	4			

**U.S. Postal Service  
COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part B</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>295,501.9</b>	4. Annual Estimated Schedule Hours <b>22,986.62</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>SANTA ANA P&amp;DC</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed											
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)						
					Feet	Feet	Feet	Feet	Feet	Feet	
			<b>16</b>								
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: <b>Motor Vehicle Operator LVL-07</b> <b>43.36</b>							

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type <b>VAN</b>	Cost per mile <b>\$1.480</b>	Miles (line 3) <b>295,501.9</b>	Vehicle Operating Cost <b>\$ 437,342.84</b>
Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour <b>VAN</b>	<b>\$0.000</b>	Hours (line 16) <b>23,676.2</b>	Depreciation Cost <b>\$ -</b>
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost <b>PAC</b>			
14. Holiday Hours (from Form 4533)		10	Number _____ x Annual Cost = <b>\$1,149.00</b>			
15. Annual Hours (from Form 4533)		22986.6	x Percent of Actual Use = _____			
16. Adjusted for Contingencies (line 15 x 1.03)		23676.2	23. Total Vehicle Cost (lines 20 + 21 + 22) <b>\$437,342.84</b>			
17. Driver's Rate <b>See 10. Above</b>		<b>\$1,026,600.84</b>	24. Toll Fees (Attach Statement) <b>\$ -</b>			
18. Premium Pay Cost (Requires Entry Even If "0")		<b>\$29,524.59</b>	25. Tort Claims Cost per mile <b>\$59,100.38</b>			
19. Total Annual Driver Cost		<b>\$1,056,125.43</b>	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25) <b>\$ 1,552,568.65</b>			

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16) <b>23676.2</b>	<b>\$53,271.49</b>	28. Total Postal Vehicle Service Costs (lines 26 + 27) <b>\$1,605,840.15</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	<b>\$1,161,043.34</b>

Cost Comparison	
30. Annual Contract Management Cost	31. Total Annual Cost of Contract



\$999.00

Operation (lines 29 + 30)

\$1,162,042.34

**Recommendation By General Manager / Postmaster District**

32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

**Recommendation By Manager, Transportation Purchasing, DNO**

33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME)

Reviewed by: (PRINT NAME)

CONTRACT TRANSPORTATION SPECIALIST    MANAGER, TRANSPORTATION CONTRACTS

34. Signature and Date

Signature and Date

PS Form 5505 (March, 1992) (facsimile) - last update 3/20/07

## Input data from HQ's Quarterly Cost Data into the yellow boxes below.

Box 17			
City Carrier	City Carrier LVL-07		\$38.29
Motor Vehicle Operator	Motor Vehicle Operator LVL-07		\$43.36
Tractor Trailer Operator	Tractor Trailer Operator LVL-08		\$43.94
	3		

Box 20			
Intermediate	INT		\$1.35
Cargo Van	VAN		\$1.48
Tractor (SA)	SAT		\$1.23
Spotter (SP)	SP		\$3.73
Tractor (TA)	TT		\$1.41
	3		

Box 21			
Intermediate	INT		\$8.79
Cargo Van	VAN		\$0.00
Tractor (SA)	SAT		\$12.78
Spotter (SP)	SP		\$9.42
Tractor (TA)	TT		\$14.17
	3		

Box 22			
Trailer Cost			
NY Metro	NY Metro		\$1,288.00
NE	NE		\$2,097.00
EA	EA		\$1,634.00
CapMet	CapMet		\$1,098.00
West	West		\$1,125.00
PAC	PAC		\$1,149.00
SW	SW		\$2,393.00



U.S. Postal Service

**COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part A</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>16,801.5</b>	4. Annual Estimated Schedule Hours <b>67,206.00</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>LOS ANGELES NDC</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed					
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor <b>13</b>	Trailers (Length) Feet      Feet      Feet      Feet      Feet      Feet
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: <b>Tractor Trailer Operator LVL-08      43.94</b>	

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type <b>SP</b>	Cost per mile <b>\$3.730</b>	Miles (line 3) <b>16,801.5</b>	Vehicle Operating Cost <b>\$ 62,669.60</b>
12. Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour <b>SP</b>	<b>\$0.000</b>	Hours (line 16) <b>69,222.2</b>	Depreciation Cost <b>\$ -</b>
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost <b>PAC</b>			
14. Holiday Hours (from Form 4533)		10	Number _____ x Annual Cost = <b>\$1,149.00</b>			
15. Annual Hours (from Form 4533)	67206.0		x Percent of Actual Use = _____			
16. Adjusted for Contingencies (line 15 x 1.03)	69222.2		23. Total Vehicle Cost (lines 20 + 21 + 22)			<b>\$62,669.60</b>
17. Driver's Rate <b>See 10. Above</b>	Hours (16) <b>\$3,041,622.59</b>		24. Toll Fees (Attach Statement)			<b>\$ -</b>
18. Premium Pay Cost <b>requires Entry Even If "0"</b>	<b>\$61,462.94</b>		25. Tort Claims Cost per mile	Miles (Line 3)	<b>\$3,360.30</b>	
19. Total Annual Driver Cost	<b>\$3,103,085.53</b>		26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			<b>\$ 3,169,115.42</b>

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16) <b>69222.2</b>	<b>\$155,749.91</b>	28. Total Postal Vehicle Service Costs (lines 26 + 27) <b>\$3,324,865.33</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	<b>\$2,400,293.65</b>

Cost Comparison			
30. Annual Contract Management Cost	<b>\$999.00</b>	31. Total Annual Cost of Contract Operation (lines 29 + 30)	<b>\$2,401,292.65</b>

Recommendation By General Manager / Postmaster District			
32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Recommendation By Manager, Transportation Purchasing, DNO			
33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME) <b>CONTRACT TRANSPORTATION SPECIALIST</b>	Reviewed by: (PRINT NAME) <b>MANAGER, TRANSPORTATION CONTRACTS</b>
4. Signature and Date	Signature and Date

U.S. Postal Service

**COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part A</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>1,182,968.3</b>	4. Annual Estimated Schedule Hours <b>182,861.19</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>LOS ANGELES PDC</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed					
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)
				<b>44</b>	Feet: <b>7--28'</b> , <b>45--38'</b> , <b>44--39'</b> , <b>10-45'</b>
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: Tractor Trailer Operator LVL-08 <span style="float:right">43.94</span>	

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type	Cost per mile	Miles (line 3)	Vehicle Operating Cost
12. Saturday Hours (from Form 4533)		51.61	SAT	\$1.230	1,182,968.3	\$ 1,455,051.00
13. Sunday Hours (from Form 4533)		51.61	21. Veh. Ownership Cost Per Hour		Hours (line 16)	Depreciation Cost
14. Holiday Hours (from Form 4533)		10	SAT	\$0.000	188,347.0	\$ -
15. Annual Hours (from Form 4533)	182861.2		22. Trailer Cost	PAC		\$ 487,176.00
16. Adjusted for Contingencies (line 15 x 1.03)	188347.0		Number	x Annual Cost =		
17. Driver's Rate		Hours (16)	106	\$1,149.00		
See 10. Above	\$8,275,968.31		x Percent of Actual Use =			
18. Premium Pay Cost (requires Entry Even If "0")			23. Total Vehicle Cost (lines 20 + 21 + 22)			\$1,942,227.00
19. Total Annual Driver Cost	\$8,275,968.31		24. Toll Fees (Attach Statement)			\$ -
			25. Tort Claims Cost per mile	Miles (Line 3)		\$236,593.66
			26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			\$ 10,454,788.96

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16)		28. Total Postal Vehicle Service Costs (lines 26 + 27)
	188347.0	\$423,780.81	<b>\$10,878,569.77</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	\$7,851,999.70

Cost Comparison			
30. Annual Contract Management Cost	\$999.00	31. Total Annual Cost of Contract Operation (lines 29 + 30)	<b>\$7,852,998.70</b>

Recommendation By General Manager / Postmaster District			
32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Recommendation By Manager, Transportation Purchasing, DNO			
33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME) Signature and Date	CONTRACT TRANSPORTATION SPECIALIST MANAGER, TRANSPORTATION CONTRACTS	Reviewed by: (PRINT NAME) Signature and Date
---	---	---



Management Costs (Administrative Costs)	HCR	\$ 999.00
2		
Area Choice (Top of Sheet)		
Northeast	Northeast	
East	East	
West	West	West
South	South	
Central	Central	
4		

**U.S. Postal Service  
COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. Part B	2. Type of Route PVS	3. Annual Miles 967,883.3	4. Annual Estimated Schedule Hours 149,613.72	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: LOS ANGELES PDC		7. Destination Terminus: VARIOUS		

8. Number of Vehicles Needed										
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)					
					Feet	Feet	Feet	Feet	Feet	Feet
			50							
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other					10. Usual level of employee assigned: Motor Vehicle Operator LVL-07 43.36					

Driver Cost				Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46		20. Veh. Type VAN	Cost per mile \$1.480	Miles (line 3) 967,883.3	Vehicle Operating Cost \$ 1,432,467.27
12. Saturday Hours (from Form 4533)		51.61		21. Veh. Ownership Cost Per Hour VAN	\$0.000	Hours (line 16) 154,102.1	Depreciation Cost \$ -
13. Sunday Hours (from Form 4533)		51.61		22. Trailer Cost PAC Number _____ x Annual Cost = \$1,149.00			
14. Holiday Hours (from Form 4533)		10		x Percent of Actual Use = _____			
15. Annual Hours (from Form 4533)		149613.7		23. Total Vehicle Cost (lines 20 + 21 + 22)			\$1,432,467.27
16. Adjusted for Contingencies (line 15 x 1.03)		154102.1		24. Toll Fees (Attach Statement)			\$ -
17. Driver's Rate See 10. Above		\$6,681,868.43	Hours (16)	25. Tort Claims Cost per mile		Miles (Line 3)	\$193,576.66
18. Premium Pay Cost (Requires Entry Even If "0")				26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			\$ 8,307,912.36
19. Total Annual Driver Cost		\$6,681,868.43					

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16) 154102.1	\$346,729.80	28. Total Postal Vehicle Service Costs (lines 26 + 27) <b>\$8,654,642.15</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	<b>\$6,127,035.36</b>

Cost Comparison			
30. Annual Contract Management Cost		31. Total Annual Cost of Contract	



\$999.00

Operation (lines 29 + 30)

\$6,128,034.36

**Recommendation By General Manager / Postmaster District**

32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

**Recommendation By Manager, Transportation Purchasing, DNO**

33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME)

Reviewed by: (PRINT NAME)

CONTRACT TRANSPORTATION SPECIALIST      MANAGER, TRANSPORTATION CONTRACTS

34. Signature and Date

Signature and Date

PS Form 5505 (March, 1992) (facsimile) - last update 3/20/07

## Input data from HQ's Quarterly Cost Data into the yellow boxes below.

Box 17			
City Carrier	City Carrier LVL-07		\$38.29
Motor Vehicle Operator	Motor Vehicle Operator LVL-07		\$43.36
Tractor Trailer Operator	Tractor Trailer Operator LVL-08		\$43.94
	3		

Box 20			
Intermediate	INT		\$1.35
Cargo Van	VAN		\$1.48
Tractor (SA)	SAT		\$1.23
Spotter (SP)	SP		\$3.73
Tractor (TA)	TT		\$1.41
	3		

Box 21			
Intermediate	INT		\$8.79
Cargo Van	VAN		\$0.00
Tractor (SA)	SAT		\$12.78
Spotter (SP)	SP		\$9.42
Tractor (TA)	TT		\$14.17
	3		

Box 22			
Trailer Cost			
NY Metro	NY Metro		\$1,288.00
NE	NE		\$2,097.00
EA	EA		\$1,634.00
CapMet	CapMet		\$1,098.00
West	West		\$1,125.00
PAC	PAC		\$1,149.00
SW	SW		\$2,393.00



U.S. Postal Service

**COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE**

1. Route No. <b>Part A</b>	2. Type of Route <b>PVS</b>	3. Annual Miles <b>1,228,550.7</b>	4. Annual Estimated Schedule Hours <b>60,084.78</b>	5. <input type="checkbox"/> Existing Contract <input type="checkbox"/> Existing P.V.S. <input type="checkbox"/> Proposed Service
6. Origin Terminus: <b>MARGARET SELLERS</b>		7. Destination Terminus: <b>VARIOUS</b>		

8. Number of Vehicles Needed										
Truck, less than 300 cu. ft.	300 to 600 cu. ft.	600 to 900 cu. ft.	Van over 900 cu. ft.	Tractor	Trailers (Length)					
					Feet	Feet	Feet	Feet	Feet	Feet
				<b>28</b>	<b>7--28'</b>	<b>13--38'</b>	<b>4--39'</b>	<b>40--45'</b>	<b>2--48'</b>	<b>2--53'</b>
9. Craft of Postal employee: <input checked="" type="checkbox"/> MVS Operator <input type="checkbox"/> Carrier <input type="checkbox"/> Other				10. Usual level of employee assigned: <b>Tractor Trailer Operator LVL-08</b> <b>43.94</b>						

Driver Cost			Vehicle Cost			
11. Weekday Hours (from Form 4533)		251.46	20. Veh. Type <b>SAT</b>	Cost per mile <b>\$1.230</b>	Miles (line 3) <b>1,228,550.7</b>	Vehicle Operating Cost <b>\$ 1,511,117.35</b>
12. Saturday Hours (from Form 4533)		51.61	21. Veh. Ownership <b>SAT</b>	Cost Per Hour <b>\$0.000</b>	Hours (line 16) <b>61,887.3</b>	Depreciation Cost <b>\$ -</b>
13. Sunday Hours (from Form 4533)		51.61	22. Trailer Cost <b>PAC</b>			<b>\$ 312,528.00</b>
14. Holiday Hours (from Form 4533)		10	Number <b>68</b> x Annual Cost = <b>\$1,149.00</b>			
15. Annual Hours (from Form 4533)		<b>60084.8</b>	x Percent of Actual Use = _____			
16. Adjusted for Contingencies (line 15 x 1.03)		<b>61887.3</b>	23. Total Vehicle Cost (lines 20 + 21 + 22)			<b>\$1,823,645.35</b>
17. Driver's Rate <b>See 10. Above</b>		<b>\$2,719,328.99</b>	24. Toll Fees (Attach Statement)			<b>\$ -</b>
18. Premium Pay Cost <b>requires Entry Even If "0"</b>			25. Tort Claims Cost per mile	Miles (Line 3)		<b>\$245,710.14</b>
19. Total Annual Driver Cost		<b>\$2,719,328.99</b>	26. Total Postal Vehicle Service Operating Costs (lines 19 + 23 + 24 + 25)			<b>\$ 4,788,684.48</b>

Postal Service Overhead Cost			
27. Management Cost per hour	Hours (line 16)		28. Total Postal Vehicle Service Costs (lines 26 + 27)
	<b>61887.3</b>	<b>\$139,246.48</b>	<b>\$4,927,930.95</b>

Contract Service Cost			
29. Annual Contract Operation Cost	Estimated Rate	Annual Rate of HCR	<b>\$3,414,061.39</b>

Cost Comparison		
30. Annual Contract Management Cost	<b>\$999.00</b>	31. Total Annual Cost of Contract Operation (lines 29 + 30) <b>\$3,415,060.39</b>

Recommendation By General Manager / Postmaster District		
32. <input type="checkbox"/> Postal Vehicle Service	Signature	Date
<input type="checkbox"/> Contract		

Recommendation By Manager, Transportation Purchasing, DNO		
33. <input type="checkbox"/> Postal Vehicle Service	Signature	Date
<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME) <b>CONTRACT TRANSPORTATION SPECIALIST</b>	Reviewed by: (PRINT NAME) <b>MANAGER, TRANSPORTATION CONTRACTS</b>
Signature and Date	Signature and Date

\$999.00

Operation (lines 29 + 30)

\$1,014,784.00

**Recommendation By General Manager / Postmaster District**

32.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

**Recommendation By Manager, Transportation Purchasing, DNO**

33.	<input type="checkbox"/> Postal Vehicle Service	Signature	Date
	<input type="checkbox"/> Contract		

Prepared by: (PRINT NAME)	Reviewed by: (PRINT NAME)
34. Signature and Date	Signature and Date
CONTRACT TRANSPORTATION SPECIALIST    MANAGER, TRANSPORTATION CONTRACTS	

PS Form 5505 (March, 1992) (facsimile) - last update 3/20/07

## Input data from HQ's Quarterly Cost Data into the yellow boxes below.

Box 17

City Carrier	City Carrier LVL-07	\$38.29
Motor Vehicle Operator	Motor Vehicle Operator LVL-07	\$43.36
Tractor Trailer Operator	Tractor Trailer Operator LVL-08	\$43.36
3		

Box 20

Intermediate	INT	\$1.35
Cargo Van	VAN	\$1.48
Tractor (SA)	SAT	\$1.23
Spotter (SP)	SP	\$3.73
Tractor (TA)	TT	\$1.41
3		

Box 21

Intermediate	INT	\$0.00
Cargo Van	VAN	\$0.00
Tractor (SA)	SAT	\$0.00
Spotter (SP)	SP	\$0.00
Tractor (TA)	TT	\$0.00
3		

Box 22

Trailer Cost		
NY Metro	NY Metro	\$1,288.00
NE	NE	\$2,097.00
EA	EA	\$1,634.00
CapMet	CapMet	\$1,098.00
West	West	\$1,125.00
PAC	PAC	\$1,149.00
SW	SW	\$2,393.00



# **EXHIBIT C**

## HCR Cost Estimates

All costs are calculated based upon the following factors to create a standardized price for HCR costs

### Operating Cost

Motor Vehicles costs as a cluster average of local contracts x annual miles

Operational Cost as a cluster average of local contracts x Annual Miles

Vehicle Registration as a general state DMV average x No of vehicles

General Overhead as a cluster average of local contracts. An additional \$0.10 per mile has been added to allow for the additional supplier overhead cost.

Fuel is the DOE Regional PPG average of June 2012. Average MPG used is 6 MPG (TT) and 8 MPG (SB)).

Oil as an average of 300 miles per quart (\$4 per qt)

Insuranace cost as a cluster average of local contracts

### Labor Cost

Straight time based upon the WD as of June 2012 x Annual Hours

Payroll taxes based upon the following average factors

Soc Sec - Federal factor, WC (0.1200), Fed Ump (0.006) and State Rate

Fringe Benefits based upon WD as of June 2012; 2 week vacation and 10 holidays

### Contractor Cost

Contractor Costs calculated at 5% of labor cost to allow for supplier infrastructure such as on-site oversight

*\*Annual hours and miles based upon estimate provided by PVS Analyst unless otherwise noted.*

HCR COST ESTIMATES - 5505

WD	Veh Type	No Veh	Facility	Miles	Hours	Fuel	Operations	Labor	Cont Oversight	Total w/fuel
1977-0194-57	SB	6	Anaheim, CA P&DF	130,380.30	12,057.90	\$65,630.18	\$159,465.14	\$398,845.05	\$19,942.25	\$578,252.45
1977-0194-57	TT	2	Anaheim, CA P&DF	83,179.90	6,622.30	\$55,827.58	\$94,548.36	\$222,202.07	\$11,110.10	\$327,860.53
1977-0194-57	Total	8	Anaheim, CA P&DF	213,560.20	18,680.20	\$121,457.76	\$254,013.50	\$621,047.13	\$31,052.36	\$906,112.98
1977-0194-57	SB	10	Industry, CA P&DC	222,678.60	14,830.40	\$112,090.84	\$272,241.70	\$490,747.20	\$24,537.36	\$787,526.26
1977-0194-57	TT	2	Industry, CA P&DC	73,168.10	3,075.10	\$49,107.99	\$93,457.08	\$107,307.48	\$5,365.37	\$196,129.93
1977-0194-57	Total	12	Industry, CA P&DC	295,846.70	17,905.50	\$161,198.83	\$365,698.78	\$598,054.68	\$29,902.73	\$983,656.19
1977-0194-57	SB	9	Long Beach, CA P&DC	221,573.10	24,267.30	\$111,534.36	\$270,462.48	\$802,677.68	\$40,133.88	\$1,113,274.04
1977-0194-57	TT	2	Long Beach, CA P&DC	118,928.50	6,191.20	\$79,820.84	\$134,151.37	\$207,504.87	\$10,375.24	\$352,031.49
1977-0194-57	Total	11	Long Beach, CA P&DC	340,501.60	30,458.50	\$191,355.20	\$404,613.85	\$1,010,182.55	\$50,509.13	\$1,465,305.53
1977-0194-57	SB	16	Santa Anna, CAP&DC	295,501.90	22,986.60	\$148,748.27	\$362,502.13	\$760,515.44	\$38,025.77	\$1,161,043.34
1977-0194-57	TT	9	Santa Anna, CAP&DC	359,610.60	22,715.60	\$241,358.65	\$409,183.81	\$760,962.09	\$38,048.10	\$1,208,194.01
1977-0194-57	Total	25	Santa Anna, CAP&DC	655,112.50	45,702.20	\$390,106.92	\$771,685.94	\$1,521,477.53	\$76,073.88	\$2,369,237.35
1977-0194-57	SB	0	Los Angeles, CA NDC			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1977-0194-57	Spotters	13	Los Angeles, CA NDC	16,801.50	67,206.00	\$11,276.61	\$35,043.20	\$2,252,619.48	\$112,630.97	\$2,400,293.65
1977-0194-57	Total	13	Los Angeles, CA NDC	16,801.50	67,206.00	\$11,276.61	\$35,043.20	\$2,252,619.48	\$112,630.97	\$2,400,293.65
1977-0194-57	SB	48	Los Angeles, CA P&DC	967,883.30	149,613.72	\$487,208.26	\$931,553.87	\$4,948,077.61	\$247,403.88	\$6,127,035.36
1977-0194-57	TT	40	Los Angeles, CA P&DC	1,182,968.30	182,861.19	\$793,968.89	\$1,416,966.41	\$6,128,603.20	\$306,430.16	\$7,851,999.77
1977-0194-57	Total	88	Los Angeles, CA P&DC	2,150,851.60	332,474.91	\$1,281,177.15	\$2,348,520.28	\$11,076,680.81	\$553,834.04	\$13,979,035.13
1977-0194-57	SB	30	M Sellers, CA P&DC	781,553.90	44,195.30	\$393,414.69	\$818,499.21	\$1,398,945.39	\$69,947.27	\$2,287,391.87
1977-0194-57	TT	25	M Sellers, CA P&DC	1,228,550.70	60,084.80	\$824,562.28	\$1,363,763.78	\$1,952,664.39	\$97,633.22	\$3,414,061.39
1977-0194-57	Total	55	M Sellers, CA P&DC	2,010,104.60	104,280.10	\$1,217,976.97	\$2,182,263.00	\$3,351,609.78	\$167,580.49	\$5,701,453.26
1977-0194-57	SB	30	Oakland, CA P&DC	641,025.20	50,792.40	\$322,676.06	\$634,242.09	\$1,690,938.09	\$84,546.90	\$2,409,727.09
1977-0194-57	TT	26	Oakland, CA P&DC	1,181,464.30	97,474.30	\$792,959.46	\$1,397,492.58	\$3,297,208.74	\$164,860.44	\$4,859,561.75
1977-0194-57	Total	56	Oakland, CA P&DC	1,822,489.50	148,266.70	\$1,115,635.52	\$2,031,734.67	\$4,988,146.83	\$249,407.34	\$7,269,288.84
1977-0194-57	SB	12	Sacramento, CA P&DC	291,458.90	38,345.37	\$146,713.12	\$287,569.62	\$1,213,745.76	\$60,687.29	\$1,562,002.66
1977-0194-57	TT	39	Sacramento, CA P&DC	1,657,801.10	157,648.00	\$1,112,660.84	\$2,074,771.51	\$5,123,291.69	\$256,164.58	\$7,454,227.78
1977-0194-57	Total	51	Sacramento, CA P&DC	1,949,260.00	195,993.37	\$1,259,373.96	\$2,362,341.13	\$6,337,037.45	\$316,851.87	\$9,016,230.45
1977-0194-57	SB	6	San Bernardino, CA P&DC	98,686.50	10,777.00	\$49,676.32	\$104,346.93	\$341,331.56	\$17,066.58	\$462,745.07
1977-0194-57	TT	3	San Bernardino, CA P&DC	189,450.60	20,041.00	\$127,152.93	\$209,275.15	\$651,404.68	\$32,570.23	\$893,250.06
1977-0194-57	Total	9	San Bernardino, CA P&DC	288,137.10	30,818.00	\$176,829.24	\$313,622.08	\$992,736.24	\$49,636.81	\$1,355,995.14
1977-0194-57	SB	0	San Francisco, CA NDC			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1977-0194-57	Spotters	8	San Francisco, CA NDC	5,064.90	20,259.60	\$3,399.39	\$15,766.52	\$685,382.80	\$34,269.14	\$735,418.45
1977-0194-57	Total	8	San Francisco, CA NDC	5,064.90	20,259.60	\$3,399.39	\$15,766.52	\$685,382.80	\$34,269.14	\$735,418.45
1977-0194-57	SB	38	San Francisco, CA P&DC	664,583.40	63,267.00	\$334,534.67	\$563,107.32	\$2,106,188.08	\$105,309.40	\$2,774,604.81
1977-0194-57	TT	41	San Francisco, CA P&DC	1,941,829.40	138,038.00	\$1,303,291.17	\$2,413,377.29	\$4,669,472.87	\$233,473.64	\$7,316,323.81
1977-0194-57	Total	79	San Francisco, CA P&DC	2,606,412.80	201,305.00	\$1,637,825.83	\$2,976,484.62	\$6,775,660.96	\$338,783.05	\$10,090,928.62
1977-0194-57	SB	13	San Jose, CA P&DC	260,167.00	21,624.00	\$130,961.56	\$257,784.88	\$720,000.12	\$36,000.01	\$1,013,785.00
1977-0194-57	TT	12	San Jose, CA P&DC	326,003.00	25,031.40	\$218,802.35	\$391,402.91	\$847,015.34	\$42,350.77	\$1,280,769.02
1977-0194-57	Total	25	San Jose, CA P&DC	586,170.00	46,655.40	\$349,763.91	\$649,187.79	\$1,567,015.46	\$78,350.77	\$2,294,554.02



# **EXHIBIT D**

5505 COST EVALUATION - CALIFORNIA POSTAL VEHICLE SERVICE VS HIGHWAY CONTRACT SERVICE

5505 COST EVALUATION - POSTAL VEHICLE SERVICE VS. CONTRACT SERVICE					26+27		29+30		28-31			
FACILITY	3. Annual Miles	4. Annual Hours	26. PVS Costs	27. Mgmt Cost	28. Total PVS Costs	29. Annual HCR Cost	30. Annual HCR Mgmt Cost	31. Total Annual HCR Cost	Savings=PVS-HCR	PVS/HCR Recom'd	VEHICLES	TRAILERS
ANAHEIM PDF	215,390	25,426	\$1,899,988.57	\$58,924.76	\$1,958,913.32	\$458,780.70	\$999.00	\$459,779.70	\$1,499,133.62	HCR	8	4
INDUSTRY PDC	328,028	21,860	\$1,863,526.16	\$50,660.55	\$1,914,186.71	\$816,789.72	\$999.00	\$817,788.72	\$1,096,397.99	HCR	12	3
LONG BEACH PDC	346,333	39,848	\$3,022,344.05	\$92,347.74	\$3,114,691.79	\$869,295.83	\$999.00	\$870,294.83	\$2,244,396.96	HCR	11	3
LOS ANGELES NDC	0	38,866	\$2,885,256.93	\$90,071.96	\$2,975,328.89	\$1,943,300.00	\$999.00	\$1,944,299.00	\$1,031,029.89	HCR	13	0
LOS ANGELES PDC	2,152,099	332,224	\$24,217,249.71	\$769,929.12	\$24,987,178.83	\$6,606,943.93	\$999.00	\$6,607,942.93	\$18,379,235.90	HCR	94	116
M. SELLERS PDC	2,331,703	191,399	\$15,635,983.58	\$443,567.18	\$16,079,550.76	\$4,360,284.61	\$999.00	\$4,361,283.61	\$11,718,267.15	HCR	53	68
OAKLAND PSF	1,908,278	222,778	\$17,160,470.74	\$516,288.02	\$17,676,758.76	\$4,350,873.84	\$999.00	\$4,351,872.84	\$13,324,885.92	HCR	60	187
SACRAMENTO PDC	2,230,892	193,108	\$15,685,638.81	\$447,527.79	\$16,133,166.60	\$3,837,134.24	\$999.00	\$3,838,133.24	\$12,295,033.36	HCR	52	70
SAN BERNARDINO PDC	216,157	29,573	\$2,214,867.14	\$68,535.43	\$2,283,402.57	\$443,121.85	\$999.00	\$444,120.85	\$1,839,281.72	HCR	14	17
SAN FRANCISCO NDC	0	17,241	\$1,317,588.41	\$39,956.02	\$1,357,544.43	\$862,050.00	\$999.00	\$863,049.00	\$494,495.43	HCR	8	0
SAN FRANCISCO PDC	2,725,484	236,159	\$19,133,458.90	\$547,298.48	\$19,680,757.38	\$5,069,400.24	\$999.00	\$5,070,399.24	\$14,610,358.14	HCR	81	110
SAN JOSE PDC	674,398	78,734	\$5,980,128.44	\$182,466.05	\$6,162,594.49	\$1,389,198.08	\$999.00	\$1,390,197.08	\$4,772,397.41	HCR	25	22
SANTA ANNA PDC	632,782	70,663	\$5,382,174.59	\$163,761.50	\$5,545,936.09	\$1,904,673.82	\$999.00	\$1,905,672.82	\$3,640,263.27	HCR	26	7
13 PVS FACILITIES	13,761,544	1,497,879	\$116,398,676.03	\$3,471,334.60	\$119,870,010.62	\$32,911,846.86	\$12,987.00	\$32,924,833.86	\$86,945,176.76	HCR	457	607

# **EXHIBIT E**

<b>U.S. Postal Service</b> <b>PVS SCHEDULE</b>		<b>Postal Facility</b> SAN FRANCISCO			<b>Schedule Type</b> DX -Daily Exception		<b>Tour</b> 3	<b>Run No.</b> 637	<b>Miles</b> 23.80	<b>Freq</b> 0K67	<b>Tractor</b>	<b>Sched No.</b> 32637
<b>Effective Date</b> 7/31/2010	<b>Discontinue</b> 12/31/2011	<b>Keys</b> 0	<b>Other</b>	<b>Unassigned</b> 0 00:00		<b>Spotter</b> 0 00:00		<b>Paid Time</b> 04:15		<b>Schedule Hrs.</b> 14:45-19:00	<b>Lunch</b>	
<b>Vehicle 1</b> 4870338				<b>Vehicle 2</b>				<b>Vehicle 3</b>				
<b>TIMES Route</b> 940VS	<b>TIMES Trip</b> B637	<b>ANNUAL TOTALS</b>	<b>Sched Miles:</b> 5984.75	<b>Total Hours:</b> 1068:42	<b>Weekday Hours:</b> 1068:42	<b>Saturday Hours:</b> 00:00	<b>Sunday Hours:</b> 00:00	<b>Holiday Hours:</b> 00:00	<b>Night Diff Hours:</b> 251:28			
<b>Comments:</b> REPORT TO SUPERVISOR, TRANSPORTATION OPERATIONS DURING UNASSIGNED TIME. UPON ARRIVAL REPORT TO TME, TAKE MAIL AS DIRECTED, ASSIST IN LOADING & UNLOADING, NO SMOKING WHILE LOADING & UNLOADING, KEEP DOORS LOCKED, CHOCK WHEELS UPON ARRIVAL & REPLACE BEFORE DEPARTURE. ****FOR EMERGENCY & BREAKDOWNS CALL (415) 550-5063****												
<b>Stop</b>	<b>TRIP</b> <b>IN   OUT</b>		<b>Service Point</b>	<b>ARR TIME</b>	<b>DEP TIME</b>	<b>DOOR</b> <b>IN   OUT</b>		<b>Operating Instructions</b>				
1			PVS - SAN FRANCISCO	14:45	15:00			USE VEHICLE 1. OBTAIN KEYS, CHECK VEHICLE.				
2			P&DC - SAN FRANCISCO	15:01	15:15							
3			NORTH BEACH STATION	15:35	15:50			DX-337 K67 1535-1550				
4			CA STATE COMPENSATION	16:10	16:25			DX-337 K67 1610-1625				
5			P&DC - SAN FRANCISCO	16:45	17:00							
6			BERNAL HEIGHTS STATION	17:20	17:35			DX-337 K67 1720-1735				
7			EXCELSIOR STATION	17:50	18:05			DX-337 K67 1750-1805				
8			P&DC - SAN FRANCISCO	18:30	18:44							
9			PVS - SAN FRANCISCO	18:45	19:00			**SERVICE/PARK VEHICLE, END TOUR**				



# **EXHIBIT F**

Postal Regulatory Commission  
Submitted 7/2/2012 10:31:49 AM  
Filing ID: 83289  
Accepted 7/2/2012

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES  
(APWU/USPS-28, 35 AND 37)**

The United States Postal Service hereby files an institutional response to the above-listed interrogatories of the American Postal Workers Union dated April 6, 2012. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno, Jr.  
Chief Counsel, Global Business and Service  
Development

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998; Fax -5402  
July 2, 2012

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

**APWU/USPS-35**

- a. For the most recent period available, provide the underlying components of the data from the Vehicle Maintenance Accounting System that are used to produce the per mile and per hour rates used by the Postal Service to calculate the cost of PVS operations. For example, please show fuel costs, maintenance costs, parts costs, depreciation, hours and miles separately for each of the types of equipment in the following list:

- i. single axle tractors
- ii. dual axle tractors
- iii. trailers
- iv. 11 ton straight trucks
- v. 9 ton straight trucks
- vi. 7 ton straight trucks
- vii. 2 ton vans
- viii. 2 1/2 ton vans.

- b) Please describe what labor costs would be included in these calculations. If there are LDC 30 and LDC 31 hours included in these numbers please be explicit about how those costs are included.

**RESPONSE:**

- a. Vehicle cost categories used to calculate cost per hour and cost per mile in the Vehicle Management Accounting System (VMAS) includes Fuel and Oil, Allied Labor, VMF Parts, Direct Maintenance Labor, Contract Labor, Contractor Parts, Distributed Cost, and Vehicle Depreciation.



**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

**RESPONSE to APWU/USPS-35 (continued)**

October 2011 - March 2012

Reference: Vehicle Maintenance Accounting System (VMAS)

	<u>CPM</u>	<u>CPH</u>
Single axle tractors	\$1.19	\$11.50
Dual axle tractors	\$1.32	\$15.45
Trailers	N/A	N/A
11 ton straight trucks*	\$1.53	\$14.06
9 ton straight trucks	N/A	N/A
7 ton straight trucks	N/A	N/A
2 ton vans	N/A	N/A
2 1/2 ton vans	N/A	N/A

Trailer costs are not calculated therefore not available

9 ton straight trucks are not in the fleet

7 ton straight truck costs are included with 11 ton

2 ton vans are not applicable to PVS

2 1/2 ton vans are not applicable to PVS

**Cost Components**

	Cost Per Mile (CPM)			Cost Per Hour (CPH)		
	Single Axle	Dual Axle	7/11 Ton	Single Axle	Dual Axle	7/11 Ton
Fuel	\$ 0.64	\$ 0.70	\$ 0.55	\$ 6.30	\$ 8.17	\$ 5.07
Allied Labor	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.10	\$ 0.12	\$ 0.18
VMF Parts	\$ 0.12	\$ 0.15	\$ 0.21	\$ 1.10	\$ 1.70	\$ 1.90
Direct Maintenance Labor	\$ 0.11	\$ 0.11	\$ 0.19	\$ 1.00	\$ 1.30	\$ 1.76
Contract Labor	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.20	\$ 0.43	\$ 0.57
Contract Parts	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.10	\$ 0.40	\$ 0.31
Distributed Cost	\$ 0.06	\$ 0.07	\$ 0.12	\$ 0.60	\$ 0.85	\$ 1.06
Vehicle Depreciation	\$ 0.22	\$ 0.21	\$ 0.35	\$ 2.10	\$ 2.48	\$ 3.21

**Reference / Definition:**

Allied Labor: USPS labor cost for fueling vehicles

Distributed Cost: USPS clerical and management labor cost

- b. Labor costs are included in the table above. LDC 30 and LDC 32 hours are noted as Distributed Cost.