



## Issue 16

November 4, 2013

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USPS Suppliers,

You are receiving this newsletter from the Postal Service as you have registered your interest to do business with the Postal Service or your e-mail is on file as a point of contact for a current or past contract. Please share this newsletter with your colleagues within your company as it contains important supplier related information about the Postal Service.

As part of our communications plan to keep our suppliers fully informed of all major initiatives affecting them, please see the recently released information from the U.S. Postal Service.

**This issue is simultaneously being sent to USPS Supply Management employees for their information.**

Thank you!

## USPS Financial System Upgrade

*Improving for the Future*



The Postal Service will be performing an upgrade to its National Accounting Financial System this month. The Financial System is operating effectively today; this upgrade is needed to install new software.

The good news is that the Financial System upgrade will be completed during a relatively short window of time! The upgrade to install the new software is anticipated to commence starting the evening of November 15 through the morning of November 20, 2013. Upon successful completion of the upgrade, one additional business day will be needed to fully process the backlog of transactions that will develop during the upgrade. All processing is expected to be back to normal by November 21, 2013.

So – how does this “internal” Postal Service system change affect you as a postal supplier?

While the goal is to minimize impacts of the upgrade on both internal USPS stakeholders and our suppliers, suppliers may see a change in the pattern of some payments prior to, during, and shortly after the projected upgrade period because no supplier payments will be processed while the Financial System is being upgraded.

The upgrade will impact the ability for Supply Management to process contract actions (awards, modifications, delivery orders, etc.) during the upgrade, due to the integration between the Financial System and Contract Authoring and Management System (CAMS), our primary contracting system. While the upgrade will impact all payment processing, the work will not have an impact on contract actions being performed in Electronic Facilities Management System (eFMS) for Facilities Construction contracts or Transportation Contracting Support System (TCSS) for Surface Transportation contracts.

The Postal Service appreciates your patience and support during this upgrade process.

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## **Supplier-Focused Q & As Regarding the Financial System Upgrade**

### ***Understanding the Impacts***

The following Q & As will help you better understand the impacts that the National Accounting Financial System upgrade may have on the Postal Service supplier community. The Q & As are organized into four categories: (1) General Questions, (2) Supplier Payment Questions, (3) Contract Action Questions and (4) Actions for Suppliers.

### **GENERAL QUESTIONS**

#### **1. Why is the USPS Financial System being upgraded?**

The Financial System operates effectively today. We need to implement a new software module to add functionality and enhance the system.

#### **2. When will the upgrade occur?**

The software upgrade is anticipated to commence starting the evening of November 15 through the morning of November 20, 2013.

#### **3. How does the upgrade impact the operational systems?**

All operational systems that send invoice files to the Financial System will continue to process files and send them to the Financial System during the upgrade. The Financial System will queue the files during the upgrade. Once the technical upgrade is complete all queued files will be processed.

**4. How long will it take the Financial System to process all files that have queued up and return to normal operations?**

Upon successful completion of the upgrade one additional business day will be needed to fully process the backlog of transactions that will develop during the upgrade. All processing is expected to be back to normal by November 21, 2013.

**5. What are the risks and contingency plans related to the upgrade?**

USPS has been conducting extensive testing and trial upgrade implementations to minimize the risk related to the upgrade. If any unforeseen issue is encountered during the technical upgrade, the existing system will be available as the contingency.

**6. How will suppliers be informed about the status of the upgrade?**

To help keep suppliers informed, the following *USPS re:supply* communications will be issued pertaining to the upgrade:

- Upgrade Start – confirming the upgrade has started.
- Upgrade Completed – confirming success of the upgrade and start of file processing.

**7. Does the timing of this Financial System Upgrade have any ties to the financial challenges of USPS?**

No. The Financial System upgrade is not related to the Postal Service's financial challenges. This upgrade is needed to install new software.

**SUPPLIER PAYMENT QUESTIONS**

**8. Will the upgrade impact supplier payments?**

Yes, the technical upgrade will have an impact on our ability to make supplier payments as well as payments to our own employees for miscellaneous expenses such as travel reimbursements. Some invoices may be paid ahead of schedule and some invoices may be paid a few days after their payment due date. Some invoices will not be impacted by the technical upgrade at all depending on individual payment terms and dates of invoice submission. We regret that this upgrade will have some impacts to supplier payments and anticipate that the impacts will be only for a short period of time.

**9. Is it possible that early payments will be made and under what scenario would an invoice be paid in advance of its scheduled payment date?**

Yes, the Postal Service is planning to make some early payments to mitigate impacts to suppliers. Invoices that are processed into the Financial System by November 14 may be paid prior to the start of the upgrade on the evening of November 15. This will minimize the impact to suppliers and help clean out transactions from the system prior to the upgrade.

**10. Under what scenario would an invoice be paid after its scheduled payment date?**

Some USPS operational systems send invoice files to the Financial System with payment requests of next day as the payment terms are managed within the operational system. Those systems will continue to send invoice files to the Financial System and they will be queued and processed when the technical upgrade is complete. It is anticipated that the delay in payment will be no more than 3 business days from normal processing.

#### **11. Will USPS honor prompt payment requirements during this upgrade?**

If there are invoices that are delayed for payment, the Postal Service Financial System will calculate and pay the appropriate prompt payment interest charges.

### **CONTRACT ACTION QUESTIONS**

#### **12. Will the upgrade impact the Postal Service's ability to execute contract actions?**

The Postal Service's ability to execute contract actions (awards, modifications, delivery orders, etc.) may be affected, depending upon the contracting system. Yes, the Financial System upgrade will have an impact on contract actions being processed within the Postal Service primary contracting system (CAMS). CAMS is tightly integrated with the Financial System and thus contract actions cannot be processed while the Financial System is down for the upgrade.

The Financial System upgrade will *not* have an impact on contract actions being performed in eFMS for Facilities Construction contracts or TCSS for Surface Transportation contracts.

#### **13. What if there is an emergency and a contract action must be performed during this upgrade?**

USPS has the ability to initiate the necessary *emergency* contract actions during this upgrade.

### **ACTIONS FOR SUPPLIERS**

#### **14. What do I need to do as a supplier relative to this upgrade?**

Understand how the Financial System upgrade impacts the supplier community and work with us to ensure this is just a short-term impact for both parties. This can be accomplished by:

- Reading the *USPS re:supply* Financial System upgrade communications.
- Communicating with your Contracting Officer on contract actions that were planned during the upgrade and making necessary adjustments.
- Monitoring invoices to ensure all payments are received prior to and after the upgrade.
- Being patient and don't inundate your Contracting Officer or Contracting Officer Representative with invoice inquiries.

- Continuing to provide the excellent products and service that you are currently providing to the Postal Service and the American public.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation — 152 million residences, businesses and Post Office™ Boxes. The Postal Service™ receives no tax dollars for operating expenses and relies on the sale of postage, products, and services to fund its operations. With more than 31,000 retail locations and the most frequently visited website in the federal government, [www.usps.com](http://www.usps.com), the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 42<sup>nd</sup> in the 2012 Fortune 500. The Postal Service has been named the Most Trusted Government Agency for seven years and the fourth Most Trusted Business in the nation by the Ponemon Institute.

#### ARE YOU REGISTERED TO DO BUSINESS WITH THE U.S. POSTAL SERVICE?

More than 11,000 suppliers have registered since our launch of the Supplier Registration site in July 2009.

All suppliers interested in doing business with the U.S. Postal Service should register their company in the Postal Service Supplier Registration system.

For more information, please go to <http://about.usps.com/suppliers/becoming/registration.htm>.

#### CONTACT US!

We value your questions and feedback to this newsletter. Please feel free to reply to this message with your feedback or mail to:

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