

DEPARTMENT OF VETERANS AFFAIRS

Limited-Sources Justification

Denver Acquisition & Logistics Center Mail Consolidation Services

1. Contracting Activity:

This is a Limited-Sources Justification (LSJ). The Department of Veterans Affairs Denver Acquisition and Logistics Center (DALC) is the requiring and the contracting activity for this procurement.

2. Nature and/or description of the action being approved:

This LSJ is for a three-month task order to the current incumbent, Global Mail, Inc. (DHL) (GSA contract GS-10F-0208L). DHL's existing task order is scheduled to end on December 31, 2014 and the proposed interim task order would provide for services through March 31, 2015. The existing task order does not have any options available in order to extend services. This three-month interim task order will allow the DALC to finalize requirements for a follow-on task order for mail consolidation services.

3. Description of supplies/services required to meet the Agency's needs:

This procurement will fulfill a majority of the services needed to effectively process orders received at the DALC in support of the VA National Hearing Aid and Telehealth Programs. The Contractor shall provide services for mail manifesting, application and pre-payment of postage, insertion and management of parcels into the United States Postal Service (USPS) stream. Additional duties include but are not limited to manifesting, labeling, delivery of parcels, tracking, quality control, reporting, ensuring all Information Technology (IT) requirements are met and accurately billing for services provided. The estimated value of this procurement is \$1,200,000.

4. Authority and supporting rationale:

FAR 8.405-6(a)(1)(i)(A). An urgent and compelling need exists, and following the customary competitive procedures would result in unacceptable delays. A competitive request for quote (RFQ) was issued to the GSA eBuy system on November 20, 2014. No quotes were received. [REDACTED]

5. Demonstration that the Contractor's unique qualifications or nature of the acquisition requires the use of the authority cited above:

The current contractor has provided the required services beginning August 11, 2009. DHL has all necessary facilities, trucks, personnel, and information technology in place to provide the required services. Since the start of performance, DHL has provided the required mail consolidation services in an acceptable manner. DHL has shipped hundreds of thousands of parcels over this time without any significant problems observed. There are no other sources capable of performing the required services by January 1, 2015.

6. Description of efforts made to ensure that offers are solicited from as many potential sources as deemed practicable:

RFQ VA791-14-Q-0088 was posted to the GSA eBuy system on November 20, 2014. No quotes were received even after individual companies within the Schedule were contacted in order to increase competition under the posted RFQ. Due to the nature of this action, it is only feasible to solicit quotes from the incumbent. The DALC will begin the process to issue a follow-on solicitation, but this process will not be completed prior to December 31, 2014.

7. Determination by the Contracting Officer that the order represents the best value:

This order represents the best value considering price and the unacceptable delays that would result in a gap in service. The existing GSA price schedule will be used during the negotiation. The Contracting Officer will seek a discount from the existing price schedule.

8. Description of the market research conducted and the results:

GSA Schedule 36 contracts were reviewed for market research purposes. Research revealed four contractors were awarded Schedule contracts for similar services. None of the identified contractors responded to RFQ VA791-14-Q-0088, which initiated the need to issue a sole source task order to the incumbent contractor. No new market research was conducted.

9. Any other facts justifying a limited source task order:

The need for this LSJ was a direct result of lack of interest in the initial competitive RFQ. Contractors were contacted and the RFQ was posted for a significant amount of time. No interest in the requirement was observed throughout the competition.

The services provided allow the DALC to ship between 3,000 and 10,000 small parcels to veterans each day. Without these services, the DALC has no ability to ship the needed supplies (hearing aid batteries and telehealth items) to veterans throughout the United States. A gap in service would have extremely negative results to the care the VA provides veterans every day.

10. A statement of the actions, if any, the Agency may take to remove or overcome any barriers to competition before making subsequent acquisitions for the supplies or services required:

[REDACTED] This three-month task order will provide sufficient time to solicit and award a competitive follow-on task order.

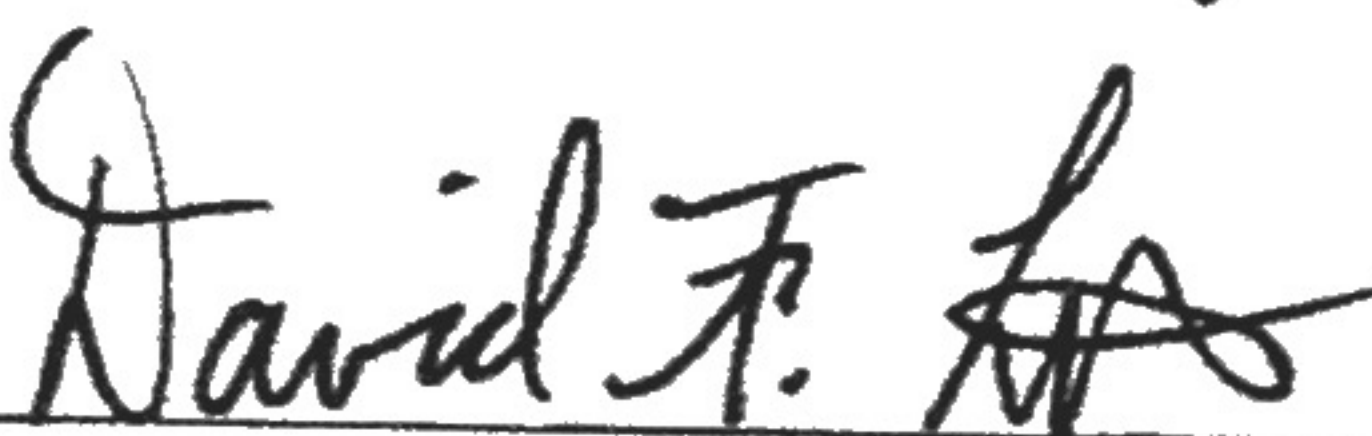
11. **Requirements Certification:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.



Andrew Szymczak

12/16/2014
Date

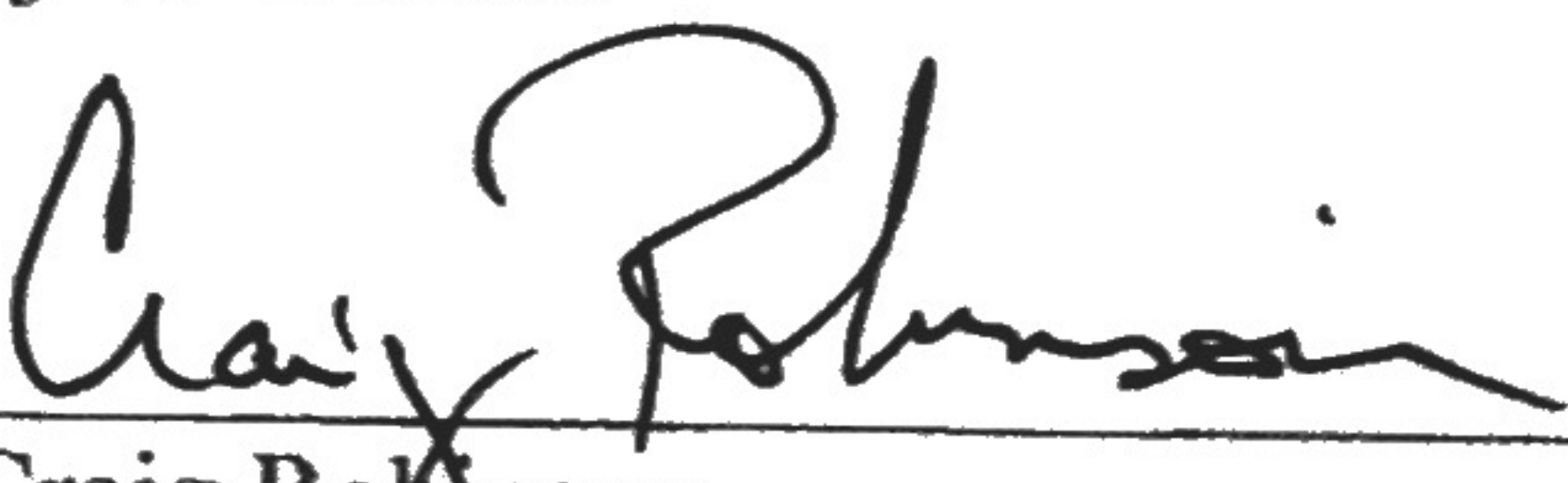
12. **Contracting Officer's Certification:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



David F. Little
Contracting Officer

12/16/2014
Date

13. **NAC HCA Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve the limited-sources justification.



Craig Robinson
Associate Deputy Assistant Secretary
For National Healthcare Acquisition
Head of Contracting Activity /
Competition Advocate

12/17/2014
Date