

## DEPARTMENT OF VETERANS AFFAIRS

### Limited Sources Justification

1. **Identification of the agency and contracting activity, and specific identification of the document as a "Limited Source Justification"**: Department of Veterans Affairs, Office of Acquisition and Logistics, Washington DC.
2. **Nature and/or description of action being approved**: The Department of Veteran Affairs (VA) Veterans Benefits Administration (VBA) proposes to award a noncompetitive Task Order with HOV Services, Incorporated (HOV) for scanning and indexing of the Benefits Delivery at Discharge (BDD) and Principal Guardianship Claims Folders (PGF). This award will be issued as a task order against the established Federal Supply Schedule (FSS), Group 36 for Special Item Numbers (SIN) 51 409 Network, Optical Imaging Systems and Solutions and SIN 51 506 Document Conversion Services.

3. **A description of supplies or services required to meet the agency's needs (including estimated value)**: The VA VBA has a critical need to contract for scanning and indexing services. The period of performance will consist of a sixty (60) day base period (starting on September 27, 2011) and one (1) sixty (60) -day option period (estimated dollar value of base and option period is \$1,800,789.33).

The scanning and indexing services will require the contractor to utilize individuals with the appropriated levels of facility security (ITOC cleared), cleared personnel, and ISO approved telecommunications connections to perform the required tasks without delay or disruption of services.

The contractor will be required to prepare, scan, index, certify the quality of the work product, and transmit a copy of the electronic record back to the VBA via secure means. The contractor will also be required to fund the to/from shipping cost for the source records from as many as 250 different sites in the continental United States and overseas, following scanning, return them to specified locations including overseas locations as instructed by VBA. The contractor shall adhere to established VA physical security policy while in possession of records.

4. **Identification of the justification rationale**: FAR 8.405-6(a) (1) (i) (A) An urgent and compelling need exists due to the Government requiring additional time to award a replacement contract. The incumbent contractor is the only vendor available who can provide the task without a break in service for processing the Veteran's benefits claims.

VBA is mandated to process all medical claims submitted by Veterans. Disruption of scanning and indexing services will negatively impact claims processing for the VBA. Processing claims in the BDD process is essential to meeting the needs of our returning service members from Afghanistan and Iraq who are discharged from active duty service.

BDD folder scanning allows for prompt processing without the need to move paper within the claims environment thus providing for more efficient and timely services.

Scanning the Principal Guardianship Claims Folders is necessary due the recent change to consolidate the Fiduciary Program to one center in which all field examiners conduct their daily business using virtual information. Without this foundation and transmission to Virtual VA, the business process of developing and awarding ratings, and support for the delivery of these benefits, will be adversely affected.

The anticipated FSS Blanket Purchase Agreement (BPA) is currently being competed. The task requires a minimum of 60 (sixty) days to transition from the current vendor's contract to a new contract. It also requires the current vendor to support the transition with planning and record keeping services. Neither activity can begin until a new task order is awarded.

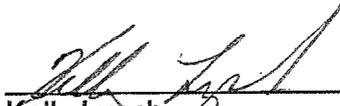
HOV is uniquely qualified as the incumbent contractor to perform these services for the initial sixty (60) day period to allow time to award and implement a new scanning and indexing system of the BDD and PGF. A new vendor will require significant transition time for their personnel's security clearances, gain an understanding of VA's business processes, setup equipment, indexing scanning values, and evaluate the outputs for quality and timeliness which are critical to the success of VA's business processes.

5. **A determination by the ordering activity contracting officer that the order represents the best value consistent with FAR 8.404(d):** The anticipated price to the Government is \$1,800,789.33 for a base period of sixty (60) days and one (1) option period of sixty (60) days. GSA has already determined the prices to be fair and reasonable under fixed price schedule contracts. By placing an order against a schedule contract, the Contracting Officer concluded the order represents the best benefit to the Government and results in the lowest overall cost alternative. Also, a comparison of the vendor's proposed price, historical cost from previous contracts shows, and Government estimate reflects the average cost for this task.
  
6. **A description of the market research conducted among schedule holders and the results or a statement of the reason market research was not conducted:** Market research was conducted by searching General Services Administration's website for FSS contractors that can provide scanning and indexing support under schedule 36, SIN 51 409 and SIN 51 506. Several contractors have been identified but are not immediately available for a 60 day performance period. The contractor's associated cost for obtaining the necessary personnel and installing a new scanning equivalent system would not be cost beneficial to the contractor or VA. Therefore, the existing FSS contractor, HOV Services Inc. has the resources available to provide the task without interruption or additional cost.

7. **Any other facts supporting the justification:** The Contracting Officer has determined that no other vendor has the immediate resources, skilled personnel for installing an equivalent new system to support the VA for a 60 day period. This task order will allow time for the VA to complete a competitive acquisition that is in progress intended to support the VA's long-term needs. Any delay to this service will interrupt VA's claims rating and be detrimental to those Veterans pending results of their claims.
  
8. **A statement of the action, if any, the agency may take to remove or overcome any barriers that lead to the restricted consideration before any subsequent acquisition for the supplies or services is made:** The Government has future requirements for these specific services. This office intends to establish a three year BPA against an established General Services Administration Contract under Schedule 36 -- The Office, Imaging And Document Solution, Special Item Numbers 51 409 Network, Optical Imaging Systems and Solutions and 51 506 Document Conversion Services in accordance with FAR Subpart 8.405-3 BPAs during the period that this requirement is in place.

9. Approvals in accordance with FAR 6.304:

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

  
\_\_\_\_\_  
Kelly Lynch  
Contracting Officer

SEP 16 2011  
\_\_\_\_\_  
Date

**Legal Sufficiency Certification:** I have reviewed this justification and find it legally sufficient to support the limiting of sources as allowed by FAR Subpart 8.405-6(b)(3) - An urgent or compelling need exists, and following the FSS ordering procedures would result in unacceptable delays.

  
\_\_\_\_\_  
Legal Counsel

September 16, 2011  
\_\_\_\_\_  
Date

**Approval:** As the Contracting Activity Competition Advocate, and based on the foregoing justification, I have reviewed this justification and find it to be accurate and complete to the best of my knowledge and belief. Since this HOV Services, Incorporated does not exceed \$11,000,000, this review serves as approval.

  
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Iris B. Cooper  
Associate Deputy Assistant Secretary  
for Acquisition

9/23/11  
\_\_\_\_\_  
Date