

Class Justification and Approval for  
Other Than Full and Open Competition

FSC – Mailroom Support Services

15 May 2017

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition Operations (OAO)  
Strategic Acquisition Center (SAC)  
10300 Spotsylvania Avenue, Suite 400  
Fredericksburg, VA 22408

2. Description of Action:

The Department of Veterans Affairs Financial Service Center (VA-FSC), Mailroom Services Division requires the addition of electronic sorting and indexing duties to the current Mailroom Support Services contract (VA119-16-C-0022). The intention of this Justification and Approval (J&A) is to assist the Financial Services Center (FSC) with current transition of workload to include electronic sorting and indexing duties to assist the FSC for migration from a paper-based system of communication to digital. This J&A is effective from July 1, 2017 through December 31, 2021.

3. Description of Supplies/Services:

During the base year of the contract, the FSC has experienced a fluctuation in the amount of postal mail received from 410,000 pieces of mail per month to about a range of 305,000 to 385,000. In parallel to this decreasing paper volume, the FSC has seen an associated increase in the amount of digital documents to sort and index. FSC requires the daily operational flexibility to transition up to six contractor employees within the current contract from sorting and scanning to electronic indexing digital documents as the FSC paper volume decreases there is a significant increase for documents that require electronic indexing during this time of workload decrease and a high volume period for indexing.

The benefits gained by adding electronic indexing services to the current contract are as follows:

Allows the FSC to meet increased demand of digital documentation workload.

Provides the FSC with the flexibility to adapt to increases and decreases in mailroom workload without de-scoping positions the FSC requires for a projected increase in business partnerships with other government entities.

Provides the FSC with a stable and experienced contractor work force to adapt and support as business opportunities and needs change.

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This requirement will have no monetary increase to the Firm Fixed Price CLIN for this contract because the decrease in the amount of postal mail sorting services compensates for the added indexing requirement. Six (50%) of the twelve Contractors will be trained and will perform electronic indexing services in addition to current mailroom services during those times of decreased workload. Utilization of those six contractors for electronic indexing during workload downtime will fulfill the requirement for electronic indexing and at the same time the other six contractors will be able to continue with the regular mailroom functions of mail receipt, delivery, and sorting. This addition of electronic indexing will have zero additional costs as the six contractors (50%) will be performing indexing only during time periods where there is a decrease in expected regular mailroom functions of mail receipt, delivery, and sorting.

### 4. Authority:

The statutory authority permitting other than full and open competition is 41 U.S.C. 3304(a)(1), as implemented by Federal Acquisition Regulation (FAR) 6.302-1 “Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.”

### 5. Rationale Supporting Use of Authority Cited Above:

The FSC's dynamic work environment requires this flexibility as the amount of work is projected to fluctuate over the coming years with the current trend toward digital documents coupled with the FSC's potential of acquiring new business partnerships that have the potential to increase paper workload for the current contractors. Employees are required to complete index training, background checks, etc. that typically takes 21 to 30 days. The use of trained contractors will keep current staff in place to complete the required tasks and as the electronic workflow increases, 50% of these employees can perform the electronic indexing tasks. Currently the Contractor has provided satisfactory performance. This is the only company that can perform the indexing tasks without seeking outside sources that will cost substantial duplication of cost to the Government that would not be recovered through competition as this indexing task will be at no additional cost to the Government.

### 6. Efforts to Obtain Competition:

Market research was conducted for this requirement in March 2015 with posted Sources Sought (SS)/Request for Information (RFI) for VA-FSC services that resulted in award of the current contract (VA119-16-C-0022). This addition of electronic indexing services is on a sole source basis and no additional efforts to obtain competition will be used. A notice will be posted on Federal Business Opportunities (FBO) website with this J&A after award of the contract modification.

### 7. Determination of Price Reasonableness:

Total contract price was deemed fair and reasonable prior to contract award on 7 Jun 2016 with a Base plus four option years and six month extension. This contract was awarded as a Firm Fixed Price (FFP)/Labor-Hour (LH) hybrid contract and contract award would be on a best value basis.

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The total FFP cost and labor rates were found reasonable based competitive proposals prior to award. Those labor rates will be used to perform electronic indexing services (General Clerk II).

### 8. Market Research:

Market research was conducted for this requirement in March 2015 and an SS/RFI for VA-FSC services that resulted in award of the current contract (VA119-16-C-0022). The market was surveyed based on data and initial requirements provided by the customer, web searches, review of the VA-FSC website, VA-FSC mission, policy and objectives; Federal Business Opportunities (FBO); Dynamic Small Business Search (DSBS); System for Award Management (SAM); responses to the Request For Information (RFI)/Sources Sought (SS) notice; Federal Procurement Data System- Next Generation (FPDS-NG); multiple Integrated Product Meetings (IPTs) with the customer, and phone calls with individual companies. After posting the SS/RFI numerous SDVOSBs were called based on the NAICS the SS/RFIs were posted to verify vendors were aware of the requirement. Fifty-three (53) responses were received in response to the SS/RFI. Of the 53 companies, thirty-seven (37) responded to the mailroom support services portion of the RFI.

### 9. Other Facts:

There are no additional facts.

### 10. A Listing of source that expressed, in writing, an interest in the acquisition:

As stated above in paragraph 6 (Efforts to Obtain Competition) this addition of electronic indexing service is on a sole source basis and no additional efforts to obtain competition will be used.

### 11. Efforts If Any, The Agency May Take to Remove or Overcome Barriers to Competition:

The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed. All future requirements will be handled on a case-by-case basis to determine the proper acquisition strategy and shall include all services required by the FSC mailroom. 12. Technical and Requirements Certification:

### 12. Technical and Requirements Certification:

I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Name: Janis Welsch  
Management and Program Analyst  
Financial Services Center  
Department of Veterans Affairs

Date: 05/15/2017  
Signature: \_\_\_\_\_

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13. Procuring Contracting Officer Certification:

I certify that this justification is accurate and complete to the best of my knowledge and belief.

Name: Blake McIlvane  
Contracting Officer  
Strategic Acquisition Center  
Department of Veterans Affairs

Date: 5/12/2017

Signature: \_\_\_\_\_