

LIMITED SOURCES JUSTIFICATION

ORDER >SAT

FAR PART 8.405-6

Acquisition Plan Action ID: 36C249-19-AP-2273

- 1. Contracting Activity:** Department of Veterans Affairs, VISN 09, Tennessee Valley Healthcare System Medical Centers (TVHS), 626-20-1-3735-0002

- 2. Description of Action:** This acquisition is conducted under the authority of the Multiple-Award Schedule Program ([41 U.S.C. 251](#) and [40 U.S.C. 501](#)). This is a new requirement for funding to add postage funding to existing postal meters currently under two lease agreements at the TVHS Medical Centers and surrounding Community-Based Outpatient Clinics (CBOCs).

Order against: FSS Contract Number: GS-33F-0036V

Name of Proposed Contractor: United States Postal Service (USPS)

Street Address: 475 Lenfant Plaza SW

City, State, Zip: Washington, DC, 20260

Phone: 502-454-1808

3. Description of Supplies or Services:

The estimated value of the proposed action is \$ 600,000.00

This is a sole-source requirement to USPS to add additional postage funding to the postal meters located throughout the Tennessee Valley Healthcare System.

Postage funding will be distributed to the meter equipment under the following leases:

Postal Meter Account# N7111316

Nashville VA Medical Center - \$300,000.00

Chattanooga CBOC - \$50,000.00

Clarksville CBOC - \$50,000.00

Postal Meter Account# N16013268

Murfreesboro VA Medical Center - \$200,000.00

(4) IDENTIFY THE AUTHORITY AND SUPPORTING RATIONALE (see 8.405-6(a)(1)(i)(A), (B), and (C) or 8.405-6(b)), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

- An urgent and compelling need exists and following the ordering procedures would result in unacceptable delays.
- Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized; USPS is the only provide of postage funding for USPS postal meters.
- In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.
- Items peculiar to one manufacturer:
 - A patent, copyright or proprietary data limits competition. The proprietary data is: (If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)
 - These are "direct replacements" parts/components for existing equipment.
 - The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

The TVHS currently leases postal meters to process mail in the mail rooms and warehouses. The leases are awarded under 36C24918F00072 (Account# N7111316) and 36C24919F0262 (Account# N16013268). USPS is the only provider for postage for their mail meter equipment, even though the meters are leased out by other businesses they still belong to USPS. Without additional postage funding loaded onto the meters the warehouse and mail-room delivery would cease, causing sub-sequential cost to the Government that will negatively impact patient-care at all facilities that fall within TVHS.

Contracting Office 9, however, there's no way to discount postage funding to a mail meter since this is an actual currency amount being loaded, US dollar for US dollar.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

This is a requirement for additional funding for postage to be applied to postal meters, the following market research was conducted:

Email from USPS

An email from two (2) USPS representatives confirms that all postage funding being added to USPS meters must be awarded directly to USPS.

Federal Procurement Data System (FPDS)

A search conducted on FPDS using search word USPS postage VA resulted in multiple awards to USPS for postage. Some awards were made to the main postal meter lease holders for older awards, however, this practice is no longer allowed by USPS.

Previous Purchases

Multiple awards have been made for postage:

Award #	Vendor	Awarded Amount
36C24919F0003	USPS	\$20,000.00
36C24919F0231	USPS	\$350,000.00
36C24919F0153	USPS	\$25,000.00

General Service Administration (GSA)

A search conducted on GSA Advantage using search word USPS postage revealed numerous business concerns who can provide postage supplies and meters; however, capability to provide postage is not possible due to the proprietary nature of USPS postage.

A search under 733 1 "Mail Management, Systems, Processing Equipment and Related Solutions" revealed multiple businesses of every socioeconomic group for postage mail meter leases but not postage.

Results

Although the meters and equipment can be leased through multiple businesses, only USPS can load postage funds to their postal meters.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Vendor Information Pages (VIP)

A search on VIP using NAICS 491110 keywords postage returned zero (0) Service-Disabled Veteran-Owned Small Businesses (SDVOSB) / Veteran-Owned Small Businesses (VOSB).

Other Facts

In previous years postage could be awarded to the mail meter lease holders. After speaking to the vendors, USPS no longer allows this practice; all awards for postage must be made to USPS.

The mail meters are currently under lease agreements N7111316 (Nashville, Chattanooga, and Clarksville) awarded under 36C24918F0072 and N16013268 (Murfreesboro) awarded under 36C249F0262.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

The agency will continue to perform market research to find the best solution to procure postage for each station.

(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

David B. Burton

David B. Burton
Supervisory Motor Vehicle Operator
Tennessee Valley Healthcare System Logistics

(10) APPROVALS IN ACCORDANCE WITH THE [VHAPM Part 806.3 OFOC SOP](#):

a. CONTRACTING OFFICER'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Crystal Baird
NCO9 Contracting Officer
VHAPM Part 808.405-6 Limiting Sources
Original Date: 08/30/2017
Revision 01 Eff Date: 04/23/2018

b. One Level Above the Contracting Officer (Required over the SAT but not exceeding \$700K):

I certify the justification meets requirements for other than full and open competition.

Monica E. Thompson
NCO9 Supply Branch Chief