



DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER NORFOLK
1968 GILBERT STREET SUITE 600
NORFOLK VA 23511-3392

IN REPLY REFER TO
4200
245.3
J&A-15552

**JUSTIFICATION AND APPROVAL (J&A)
FOR USE OF SOLE SOURCE**

1. Contracting Activity:

NAVSUP Fleet Logistics Center (FLC) Norfolk
Contracting Department, Code 200
Norfolk Office
1968 Gilbert Street – Suite 600
Norfolk, VA 23511-3392

2. Description of the Action Being Approved: Issuance of modification under contract N00189-11-P-1918 awarded to Pitney Bowes, Inc. to extend the contract length beyond five (5) years. Authority to act under this class justification expires on 27 September 2015.

3. Description of Supplies/Services: Contract N00189-11-P-1918 was awarded to Pitney Bowes, Inc. on 28 September 2011 by NAVSUP FLC Norfolk Contracting Department as a sole source procurement, the contract is summarized as follows:

CLIN	Period	Dates	Value
1001	Base	28 September 2011 – 27 September 2012	
2001	Option 1	28 September 2012 – 27 September 2013	
3001	Option 2	28 September 2013 – 27 September 2014	
4001	Option 3	28 September 2014 – 27 September 2015	
5001	Option 4	28 September 2015 – 27 September 2016	
5002	Option 4	27 September 2016	
TOTAL			

The contract provides for lease to own tracking and shipping system software application and full maintenance support services as required by the NAVSUP FLC Norfolk NDW Postal Operations Division.

4. Statutory Authority Permitting Sole Source: The statutory authority permitting other than full and open competition is Section 4202 of the Clinger-Cohen Act of 1996, a source acquisition under authority of the test program for certain commercial items as implemented by Federal Acquisition Regulation (FAR) 13.501(a). In accordance with FAR 17.204(e), the limitation of five years (basic and option periods) for service acquisitions does not apply to information technology contracts.

5. Rationale Justifying Use of Cited Statutory Authority: The statutory authority permitting other than full and open competition cited in paragraph 4 above is applicable since there is only one responsible source, Pitney Bowes, Inc. that is capable of providing the lease to own agreement to the Navy for software application and maintenance support services. The NAVSUP FLC Norfolk Naval District Washington (NDW) Postal Operations Division utilizes Pitney Bowes electronic postage meters through the Capitol Region; therefore, alternative sources are not being considered since Pitney Bowes holds proprietary rights to the tracking and shipping and mail management systems contained within their equipment.

The current contract was conducted as a sole source procurement, J&A NF-14559 was approved on 23 September 2011 which was synopsisized and posted to the Government Point of Entry, Navy Electronic Commerce Online (NECO) along with the solicitation.

Effective 25 January 2015 the United States Postal Service (USPS) implemented a major change for postage discounts which requires Pitney Bowes to upgrade their software. It was intent of the contracting officer to issue a

modification to update the Statement of Work (SOW) to incorporate the software upgrade. However, according to Pitney Bowes, Inc., the transition to a newer version of software at Naval District Washington (NDW), Postal Operations Division requires a new lease term of 60 months. Therefore, it is the intention of the contracting officer to extend the existing contract from 5 years to 8.4 years (inclusive of all option periods) in order to accommodate the start of a new 60 month lease. The required support described within the SOW will remain unchanged from the original requirement; the SOW will only be updated to reflect the change in the software version that is being supported and has been determined to be within scope of the original requirement. This action is considered to be in the best interest of the government from a perspective of cost and maintaining operations. In accordance with FAR 17.204(e), the limitation of five years (basic and option periods) for service acquisitions does not apply to information technology contracts.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable: The proposed modification action to exceed 5 years will be synopsisized in accordance with FAR 5.201(b)(1)(ii) through NECO website. In addition, this J&A will be made publically available in accordance with FAR 13.501(a)(1)(iii).

7. Determination of Fair and Reasonable Cost: The contracting officer has determined the anticipated cost to the Government of the services covered by this J&A to be fair and reasonable.

8. Actions to Remove Barriers to Future Competition: For the reasons set forth in paragraph 5, NAVSUP FLC Norfolk Contracting Department has no plans at this time to compete future contracts for the type of services covered by this document. If another potential source emerges, NAVSUP FLC Norfolk Contracting Department will assess whether competition for future requirements is feasible.

8. Contracting Point of Contact: The point of contact at NAVSUP FLC Norfolk Contracting Department is Edward Stolle, Code 245.3, at 757-443-1354 or by e-mail at ed.stolle@navy.mil.

Oct 2010

J&A Number 15552

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL COGNIZANCE:

John A. Gvozdz JOHN A. GVOZD JR. 202-685-0902 3 Mar 2015
Signature Name (Printed) Phone No. Date

LEGAL SUFFICIENCY REVIEW

I have determined this justification is legally sufficient.

Edward V. Stille Edward V. Stille 757-443-1354 3 Mar 2015
Signature Name (Printed) Phone No. Date

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief. To the extent that the J&A/LSJ value is between \$150K and \$650K, the Contracting Officer's signature below also represents approval of the J&A/LSJ.

Monica Flynn Monica Flynn 757-443-1093 9 Mar 2015
Signature Name (Printed) Phone No. Date