



December 8, 2005

Ms. Susan Morton  
President  
Data Dash Incorporated  
3928 Delor Street  
St. Louis, MO 63116-3316

RE: Supplier Disagreement Resolution Case No. OM06SR-02  
Disagreement Regarding Data Entry Services

Dear Ms. Morton:

Your letter of November 8 presented a disagreement as defined in 39 CFR Part 601 with respect to the award for data entry services for Domestic Claim or Registered Mail Inquiry forms and PS Form 6401 cards for the Postal Service's Accounting Service Center (ASC) located in St. Louis, Missouri.

According to the disagreement you lodged on October 26 with Ms. Willie Morton, supervisor for the Claims Processing division at the local office in St. Louis, Missouri, you wanted to file a formal protest to the Postal Service's bid process. You state in your letter, that "[t]he bid process was clearly prejudicial to outside vendors." Further, you state that "[t]here was no formal bid solicitation, documentation or contract." Your letter contends that you "were not allowed to bid on or even made aware of two your projects (sic). On the two projects we were asked to provide pricing for, we were only given 2 blank forms, no record layouts and told by Nina Johnson, all the information is filled out and keyed. Our bid was due right away and submitted on September 14, 2005." Your October 26 letter also alleges that the current vendor submitted their bid on September 28 and was allowed to bid on all four jobs. You offered that the current vendor had a tremendous advantage by having seen actual forms and knowing keystrokes averages on those forms.

I have examined the disagreement lodged with me as well as the information you provided. I have also examined the contracting officer's administrative file and documentation submitted by the ASC in St. Louis. As a result of that review, I have determined that the decision to extend the term of the contract with Input Technology, Inc. (ITI) did not represent the best value for the Postal Service.

As indicated in your October 26 disagreement to Ms. Willie Morton, there was no formal solicitation that resulted in the contract extension to ITI. On behalf of the Contracting Officer, the ASC attempted to conduct market research in an effort to determine whether to extend the contract with ITI or contract with another supplier for the specified data entry services. In that effort Data Dash, Incorporated (DDI) and ITI were contacted by personnel from ASC and asked to provide quotes for the data entry services then being performed by the incumbent supplier, ITI.

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DDI quoted \$17,135 for the data entry services requested by the Postal Service versus \$6,400 submitted by ITI. After reviewing the price quotes the Contracting Officer decided to extend the contract with ITI and issued a noncompetitive modification for one additional year beyond the contract end date.

In this instance a determination of best value to the Postal Service is based upon whether we received the best price reasonably available for the service it desired. It is my conclusion that a best value determination can not be made on the basis of the price quotations received from DDI and ITI. The substantial price difference between the two quotes raises significant concern as to whether both parties submitted price quotations with respect for the same specifications, which in turn, raises significant concern about whether the Postal Service received best value in this instance. My concerns were not eliminated during my review of the facts relating to this purchase. Accordingly, if the specified data entry services are still required by the Postal Service, I have decided that the Contracting Officer must promptly terminate the ITI contract for convenience and compete the purchase in a manner conducive to a determination that a contract with the successful offeror represents the best value to the Postal Service. However, the ITI contract may remain in force until the competition is complete.

This is the Postal Service's final decision on this disagreement regarding data entry services for the St. Louis Accounting Service Center under 39 CFR 601.108(h).

Sincerely,

A handwritten signature in black ink that reads "Juanda J. Barclay". The signature is written in a cursive, flowing style.

Juanda J. Barclay, C.P.M., A.P.P.  
USPS Supplier Ombudsman

cc: Nathan T. Franklin  
Jeanne L. Castellano  
Willie B. Mixon