PENNSYLVANIA TREASURY DEPARTMENT
PROCUREMENT SOLE SOURCE JUSTIFICATION

Bureau:  Board of Finance and Revenue

Contractor: Spherion

Agency Purchase Requisition No. 19-0424

A) Reason(s) for Sole Source Procurement:

☐ Only a single contractor is capable of providing the service.
  - Only known source; similar services/commodities are not available from another contractor.
  - Service must be compatible with existing equipment.

☐ A federal or state statute or federal regulation exempts the service from the competitive procedure and there is appropriate justification to do so.

☐ It is clearly not feasible to award the contract for services on a competitive basis.

☐ The services are to be provided by attorneys or litigation consultants selected by the Department.

☐ The services are to be provided by expert witnesses.

☐ The services involve the repair, modification or calibration of equipment, and they are to be performed by the manufacturer of the equipment or by the manufacturer’s authorized dealer, provided the contracting officer determines that bidding is not appropriate under the circumstances.

☐ The contract is for financial or investment experts to be used and selected by the Department.

☐ The contract is for supplies or services is in the best interest of the Commonwealth.

☐ Part I, Chapter I of the Pennsylvania Procurement Handbook issued by the Department of General Services under the authority of Commonwealth Procurement Code, 62 P.S. Section 101 et seq., exempts Treasury from the policies, procedures, and guidelines of the handbook for the licensing of specialized computer software.

B) Briefly describe the supply or service item you are requesting and its function.

We are requesting services of temporary staff possessing specific bookkeeping/auditing skills who requires minimal training and supervision, to assist our Liquid Fuels Bureau with processing liquid fuels refund claims during our peak filing system. We have a permanent staff of 4 individuals who process over 5,600 claims worth nearly $24M. The refunds are for farmers, public and private nonprofit schools, volunteer fire and ambulance and state, local and municipal govenments.

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C) Describe the unique features/compatibility of the supply, service or construction item that precludes competitive procurement.

Spherion provided capable, dependable employees who adequately met our needs. We hired one of the temp employees full time as a position became open. We are requesting our other temp from last year since she is well trained and proved to be a dependable and capable employee. This will save us time and

D) What research has been done to verify the contractor as the only known source?

Years ago, it was determined that it was in the best interest of the Board to utilize temporary employees to get us through our peak filing system. We had used various temporary employee providers in the past and had high turnover, poor production, inadequate skill set and loss productivity. We used the Commonwealth Clerical Pool and Aerotek which resulted in high turnover and wasted resources hiring and training new temps. Last year we used Spherion with great success.

E) Does the contractor have any distributors, dealers, resellers, etc., that sell the supply, service, or construction item?

N/A

F) Must this supply, service or construction item be compatible with present inventory/equipment or in compliance with a manufacturer’s warranty or existing service agreement? If yes, please explain.

N/A

G) If this is an initial procurement, what are the future consequences of the procurement? That is, once this procurement is approved and processed, what additional upgrades/additions/supplies/services/construction, etc., are anticipated/projected over the useful life of this item?

N/A

H) If this is an upgrade, addition, alteration, etc., to an existing service? How was the original service procured (sole source or competitive)? What additional, related, sole source procurements have occurred since the initial procurement? Please identify the previous purchase order or contract number(s).

N/A
I) How has this service been procured in the past? (Competitive sealed bidding, competitive sealed proposals, sole source, other). Please provide document numbers.

Yes. We attempted to utilize the Commonwealth Clerical Pool but they did not have the correct skill set. We also used two other contractors and which resulted in temps who quit or we had to discontinue the contract because they could not adequately perform the work.

J) What are the consequences of not procuring this specific supply or service item?

Without the assistance of temporary staff, the liquid fuels tax refunds of taxpayers (farmers, public schools, private nonprofit schools, governmental entities) will be very delayed resulting in many complaints to the Board, the Treasurer and many legislators.

K) How long has the agency known that the supply or service was needed, and why wasn't the contract process started earlier?

Agricultural claims are mailed at the end of June and are due by September 30th each year. We generally try to hire temps by the end of July in order to train them prior to the large influx of claims.

L) If timing is a factor, who established the time frame and why?

The timing is set by statute - agricultural claims must be filed by September 30 and most other claims must be filed by March 31. Years past, prior to budgetary issues and when we had a larger permanent staff, we paid agricultural claims by December 31st each year. In the last decade, we generally complete the agricultural claims by the end of February or March - in time for the rest of the claims to be filed.

M) What are the consequences of not procuring this specific service within the established time frame?

Many taxpayer complaints which is counterproductive because our permanent staff of 4 people have to answer calls, research claims and apologize for delays when they should be auditing and processing refunds. Also, the taxpayers eligible for the refunds often need the refunds to operate - farmers, public and private nonprofit schools, municipalities, volunteer fire and ambulance.

N) List any other information relevant to the acquisition of this service.

Liquid fuels annually processes over 5,600 liquid fuel refunds worth nearly $24M.