SOURCE JUSTIFICATION FORM

The objective of this form is to capture all relevant documentation an Agency may have to assist the Department of General Services ("DGS"), Bureau of Procurement, in expediting the source justification review process. This form must be completed electronically, signed, and submitted with all relevant documentation to DGS. If a question is neither mandatory nor applicable, please indicate "**N/A**". Please use standard terminology and define acronyms.

SECTION A

1. Agency Name:	Revenue		
2. Procurement Description: This description will appear on the eMarketplace website for public viewing	Vcap Data Repair		
Materials Description:			
Services Description:			

3. Materials Shopping Cart # or Services SPR#	99999	Estimated Cost:	$5M +
		Initial Contract Term:	09/01/20 - 12/31/20
		Renewals:	Initial term with 4 one ye

4. Supplier - Name:	Paper Free Corporation		
Full Address:	3164 Lionshead Avenue		
Contact Name:	James E. Robinson		
Telephone:	760-726-7735	FAX:	760-446-9300
E-mail:	jrobinson@paperfreecorp.com		
SRM Supplier #:	320540		
5. Delivery or service location:	BIDM, 1854 Brookwood St Harrisburg, PA 17104		

SECTION B

☑	**1. Sole Source:** Only known source - Not available from another supplier.
☐	**2. *Material/Repair/Maintenance*:** Material or service MUST be compatible with existing equipment. Documentation must be provided from the manufacturer.
☐	**3. *Used Equipment*:** Value set by 2 independent 3rd party appraisals.
☐	**4. *Professional Expert*:** Describe in detail in Section C.
☐	**5. Exempt (*Law*):** A federal or state statute or regulation exempts the procurement from the competitive procedure. Any applicable information precluding the procurement from competitive procedures must be attached.
☐	**6. Feasibility:** Clearly not feasible to award the contract on a competitive basis.

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SECTION C

1. Describe the unique features of this procurement that prohibit a competitive environment. If applicable, attach a Statement of Work ("SOW").

The vCapture product from Paper Free Corporation is the only commercially available remote data repair solution that provides 100% security of confidential taxpayer information. This is accomplished due to its proprietary software that ensures that no identifying information ever leaves the confines of the Department. Tax documents are first scanned onsite by the Department and then fields within scanned documents are separated by the vCapture software into individual image "snippets" so that they can be transmitted out of context to preserve the confidentiality of the information. Sensitive fields such as social security numbers or account numbers are even split into two separate snippets and are never presented in their entirety to external data repair operators to further guarantee their confidentiality. Using vCapture's proprietary software, snippets are then identified with only a random number and then further randomly scrambled together in a completely random order so that it is impossible to re-assemble them outside the confines of the Department's facility. Snippets are then sent to a secure remote vCapture server for data repair using an "outgoing only" Internet connection to fully comply with security requirements of the Department.

Alternative outsourced data repair solutions may either require the delivery of actual paper documents, the electronic transmission of the entire scanned image, or possibly the electronic transmission of portions of the scanned images. However, in all of these other approaches available in the Industry today, they all still require identifying information to be transmitted such that if either the security of the transmission or the remote site were compromised then it would be still be likely possible to re-assemble the confidential taxpayer information found on the documents. The vCapture product is the only solution available that never requires identifying information to be transmitted outside the confines of the Department and therefore guarantees 100% security.

Security Highlights:

• Fields within scanned documents are separated into individual image "snippets" so that they can be transmitted out of context to preserve the confidentiality of the information.

• Sensitive fields such as social security numbers or account numbers are split into two separate snippets and are never presented in their entirety to further guarantee confidentiality.

• Snippets are identified with only a random number and then randomly scrambled together and pooled so that they cannot be re-assembled outside the confines of the Department's facility.

• Pooled snippets are sent to a secure remote server for data entry using an "outgoing only" Internet connection to fully comply with security requirements of the Department.

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2. Document and attach the research that has been conducted to date to verify the supplier is the only known source.	Paper Free Corporation is the only entity that utilizes internet data capture with the ""snippet"" technology which allows for near limitless data capture. This is proprietary software that ensures that no identifying information ever leaves the confines of the Department. Other state governments Tax and Revenue agencies such as New Mexico and Indiana have independently concluded that vCapture is in fact a unique offering in the Industry and that it qualifies for sole source justification per their requirements.
3. Does the supplier utilize distributors, dealers, resellers, etc.? If "Yes," please identify.	No
4. Are there compatibility requirements or compliance requirements with a warranty or service agreement? If "Yes," please explain.	No
5. How has the material or service been procured in the past? Please provide previous source justifications, contracts, & PO's for this material or service.	This service has been procured in the past from Virtual Solutions Inc. (Current PO#4300537856) Virtual Solutions Inc has been approved for this Sole Source in the past.
6. If procured through the IT ITQ process, please provide original $ amount and contract period of order. Is this the final phase of the project?	N/A
7. If this is an upgrade, addition, alteration, etc., to an earlier procurement, please describe in detail.	N/A
8. What are the consequences of not approving this procurement?	Impact of not having vCap on BIDM side: BIDM Operational Impact: 1. BIDM will have to key many more fields on each of the scan-band documents. BIDM will have to key every single field on KFI (Key From Image – State printed documents) form. 2. BIDM will have to dual-verify many more fields like SSN/FEIN etc. 3. This will take each document taking longer to key. a. Keying times for 75 document, PA-40 batch (estimates from BIDM) i. With vCap – 10 to 15 minutes, depending on how many fields have been captured by vCap ii. Without vCap – 45 to 50 minutes 4. Longer document/batch time will result in less work being keyed in same amount of time with same number of keying operators 5. This will result in a. BIDM keying documents for longer duration during the tax-season

9. If timing is a factor, what is the time factor and why?	Paper Free Corporation will be taking over the Vcap business from Virtual Solutions on 09/01/20. Contract must be in place before 09/01/20 to avoid consequences listed above.
10. List any other information relevant to the acquisition of this procurement here or as an attachment.	Security - vCapture in the only remote data repair service provider that offers complete security of confidential information. Workforce - vCapture is the only remote data repair service provider that maintains a U.S. based workforce sufficiently large enough to provide timely processing necessary to handle the Department's peak processing requirements. • Over 5,000+ Internet-based workers provide a near limitless virtual workforce. • Workers are all domestic (within the 48 contiguous States) independent contractors. • Work is performed 24 hours a day, 7 days a week, 365 days per year.
11. For requests > $100,000, has the supplier signed cost or pricing data certification and is the pricing breakdown attached?	Yes, see attached.

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SECTION D

IMPORTANT*: The printed names on this form shall constitute the signatures of these individuals. Agencies must insure that these individuals review the completed form and give their consent to apply their printed name on this form. No handwritten signatures shall be required in order for the form to be considered "signed" by those individuals whose names appear in the signature section of the form.

Shopping Cart Contact Person (Person whom DGS will contact regarding the Shopping Cart):

Name:	Kari Watson	P-Group:	P00528313	Date:	08-24-20
Title:	ITGA 1	Telephone:		Fax:	

Agency Contact Person: Person in your agency that DGS can contact for additional information, etc.

Name:	Mark Morrison	Title:	Purchasing Supervisor	Date:	08-24-20
Telephone:		Fax:		Email:	markmorris@pa.gov

Approving Authority (Agency Head or Deputy reviewing and approving this request): Approving Authority connotes approval of the source justification and the cost or pricing data certification.

Name:		Title:		Date:	
Telephone:		Fax:			

Additional Approvals (if required by Agency):

Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	