

FBIS-1124/86
21 JUL 1986

MEMORANDUM FOR: Director of Logistics

THROUGH: Deputy Director for Science and Technology

FROM:
Director, Foreign Broadcast Information Service

SUBJECT: Request for Program Approval and Renewal of Contract
With Kelly Services, Inc.

REFERENCE: Contract No. 86*A155909*000 With Kelly Services, Inc.,
dtd 1 Oct 85 (see attachment)

1. This memorandum requests in paragraph four your approval for the renewal of ref contract for FY 1987 without return to the bidding process.

2. FBIS originally contracted with Kelly Services, Inc., for typing of the FBIS DAILY REPORT in 1974 when it gave up the majority of its typist positions in anticipation of automation of the DAILY REPORT. Although this automation effort did not take place at that time, the typist positions were not restored and FBIS has continued to rely on Kelly Services for DAILY REPORT typing. The contract was extended and/or renewed for fiscal years 1975-1978 and 1981-1986. FBIS reverted to the bidding process for FY 1979 and 1980.

3. All of the reasoning presented in previous years to justify award of the contract to Kelly Services without resorting to the bidding process remains valid today. In addition, the expected initiation of the unclassified portion of the FBIS Automated System (AFS) in mid-FY 1987 and the FBIS move to the , also scheduled for mid-FY 1987, provide even more compelling justification for remaining with Kelly Services. I recommend that the contract with Kelly be renewed for FY 1987 without resort to the bidding process for the following reasons:

a. Kelly Services produces daily five of the eight FBIS DAILY REPORTS on a tight production schedule which is driven by P&PD printing deadlines. Failure to meet this schedule will result in nonpublication of one or more of the books. FBIS has been able to maintain this schedule only because Kelly Services has leased office space for its typists within the Key Building so that DAILY REPORT copy can be expeditiously hand carried between the FBIS editorial

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staff and the typists. Occupation of 1500 to 2000 square feet of office space in the Rosslyn area in close proximity to the Key Building is therefore a non-negotiable condition of this contract. It is highly unlikely that potential contractors in the "temporaries" business would be willing or able to lease this space against the chance of coming in with the successful bid. (It was for this reason that only Kelly Services responded when the FY 1980 contract was offered for bids.)

b. A contract with a firm located outside of Key Building would require that FBIS assign two employees to serve as full-time couriers to carry copy between the Key Building and the contractor's facility. These positions would have to be taken out of other FBIS operations and would increase the cost of DAILY REPORT production.

c. Since 1974, Kelly Services has developed a tested system for recruiting suitable, high-quality, high-volume typists required for DAILY REPORT production. Over the past year, they have applied these same techniques successfully to recruitment of keyboarders as DAILY REPORT production has shifted gradually to use of Wang word processors. Because DAILY REPORT production cannot lapse for even one day, it would be essential to retain the Kelly Services' operation for several weeks into FY 1987 to give the new contractor time to assemble and train a comparable staff. This would add significant cost to the contract.

d. The FBIS Modernization Program calls for full automation of DAILY REPORT production by FY 1988. The program is ahead of schedule and full automation could come as early as mid-FY 1987, at about the same time that FBIS is scheduled to move to the [redacted]

[redacted] Termination of this contract probably would follow shortly thereafter. FBIS would be ill-advised to add the disruption of bringing a new contractor for DAILY REPORT production during this extremely unsettled period of transition. Moreover, it is highly unlikely that a new contractor would find bidding on such a contract very attractive.

e. Option #3 of ref contract allows the Government to renew it for two 1-year periods. This clause provides a realistic basis, previously approved by your office, for renewing the contract with Kelly Services without resort to the bidding process. Given the conditions outlined above and in view of the fact that the FY 1987 contract will in all likelihood be the final FBIS contract for this service, this option becomes most advantageous to the Government.

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4. I believe that offering the DAILY REPORT typing contract for bids would result in comparable lack of competition as in 1979 and 1980. I strongly recommend that you authorize FBIS to renew ref contract without offering it for bids.

STAT



Attachment:
Kelly Services, Inc. Contract

CONCUR:

Deputy Director for Science and Technology

Date

APPROVED:

Director of Logistics

Date

STAT
DDS&T/FBIS/DR [redacted] (18Jul86)

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