



UNITED STATES MARINE CORPS

BLOUNT ISLAND COMMAND
5880 CHANNEL VIEW BOULEVARD
JACKSONVILLE, FLORIDA 32226-3404

IN REPLY REFER TO:
BICMD
J&A No. BIC-16-001

JUSTIFICATION AND APPROVAL FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity.

Marine Corps Contracting Office, Blount Island Command, Jacksonville, FL.

2. Description of Action Being Approved.

Request approval to issue a contract modification using other than full and open competition to increase the estimated ceiling by \$77,717,284 from \$679,829,645 to \$757,546,928 but retaining the contracted ordering period under Contract M67004-09-D-0020 for the Prepositioning and Marine Corps Logistics Services (P&MCLS) effort. The contract type is a hybrid contract with Firm Fixed Price (FFP) Contract Line Item Numbers (CLINs) and Cost Reimbursement with Fixed Fee and Award Fee CLINs. The contractor for this effort is Honeywell Technology Solutions, Inc. (HTSI) 6200 Flagship Circle, Jacksonville, FL 32226.

3. Description of Supplies/Services.

HTSI will provide continued support for the following functional areas within the P&MCLS program: core tasks that include attaining/maintaining the Navy and Marine Corps Maritime Prepositioning Force (MPF) Program, and aspects of the Marine Corps Prepositioning Program – Norway (MCPN); and Other Logistics Services (OLS) that are associated with [REDACTED]

No change to the existing ordering period is required, which ends on 30 September 2018. Sufficient ceiling currently exists for contract execution and performance through 30 September 2017 (FY17); however, the request for increase in ceiling is needed for issuing task orders during the final ordering period of 01 October 2017 through 30 September 2018. The estimated increase in ceiling is \$77,717,284 using FY18 O&M, MC funds.

4. Statutory Authority Permitting Other Than Full and Open Competition.

The statutory authority permitting other than full and open competition is 10 U.S.C. Section 2304 (c)(1), as implemented by the Federal Acquisition Regulation (FAR) 6.302-1(a)(2), only one responsible source and no other supplies or services will satisfy agency requirements during the remaining ordering period of Contract M67004-09-D-0020.

5. Rationale Justifying Use of Cited Statutory Authority.

The current P&MCLS contract was competitively awarded on 14 July 2009. Since contract award, the Government experienced accelerated ceiling expenditure rates which occurred because of increased Navy watercraft maintenance requirements resulting from unforeseen

operational tempo increases, and cost growth due to [REDACTED]. As a result, a number of operationally driven external factors have occurred that contributed to unanticipated “burn rate” of the contract ceiling resulting in the “loss” of one year of the original ordering period. For example:

- USMC Contract Line Item Number (CLIN) value: from \$431,632K *by* -\$36,772K to \$349,910K due to an unanticipated cost underrun resulting from the disestablishment of Maritime Prepositioning Ships Squadron (MPSRON) – 1 and Program cost efficiencies realized jointly by BICmd and the contractor.
- Norway CLIN value from: \$3,719K *by* \$4,866K to \$8,585K due to an unanticipated cost growth that occurred [REDACTED]
- Navy Support Element (NSE) CLIN value from \$17,408K *by* \$81,972K to \$99,380K due to an unanticipated cost growth that occurred because of increased maintenance costs for the Improved Navy Lighterage System (INLS), which grossly exceeded the original Navy estimates.
- Naval Construction Force (NCF) CLIN value from \$22,082K *by* -\$14,271K to \$7,812K due to an unanticipated cost underrun based on contracted labor force cost efficiencies.
- OLS CLIN value from \$204,939K *by* \$49,903K to \$254,842K based on an unanticipated cost growth [REDACTED]

In 2013, BICmd recognized this net growth phenomenon; however, increasing the ceiling after only four years of this 10-year contract was not feasible at that time since it was premature to be able to project the ceiling impact from the increase in contingency operations and Navy materiel cost overruns. The rapid ceiling growth that BICmd experienced is a function of surges in requirements (primarily Navy watercraft maintenance, and wartime support to MARCENT) that were far beyond anything the Navy or Marine Corps could forecast in developing the FY09 – FY18 Indefinite Delivery Indefinite Quantity (IDIQ) contract back in 2008.

At this time, HTSI is the only contractor performing these specific logistical support services for the USMC Prepositioning Program; therefore, HTSI is the only source at this time that is uniquely qualified to provide the required services. HTSI has demonstrated the ability to provide consistent and timely support for the USMC Prepositioning Program that meet critical mission and operations. Unlike any other potential sources, HTSI possesses the required resources and management on-site at Blount Island and other OCONUS locations within the area of responsibility to provide these services during the remaining ordering period under the current contract.

It is not feasible to issue a short term contract to another source, because each repair cycle lasts three years. Without an increase in ceiling to permit performance under the remaining ordering period, the Government would be required to execute re-compete efforts at mid-repair cycle, which would cause a disruption in the MPF Maintenance Cycle schedule execution and would have a negative impact to the Marine operating forces.

In addition, delays would occur due to the time necessary for soliciting and awarding a follow-on contract with provisions for transition time. Transition from the incumbent to a new contractor would create a need for additional, unbudgeted procurement costs during the remaining ordering period under the current contract. Moreover, those costs would be duplicative, because the Government is in the process of issuing a follow-on, long term contract at the end of FY18.

Transitioning to a new contractor, at this time, also increases performance risk that the USMC cannot withstand due to the critical requirements that demand inflexible repair schedules. HTSI's expertise, experience, and familiarity performing on the Marine Corps prepositioning programs and other logistical support projects over the past eight years on this contract, as well as the predecessor contract, have allowed the contractor to develop specialized skills and knowledge of the requirement. The experiential knowledge gained by HTSI from over eight years of performing these unique and specialized services gives them unique qualifications that cannot be overcome by competition issuing a short-term competitive contract to cover these requirements during the remaining ordering period under the current contract.

As the only prepositioning program contract for Marine Corps, any interruption of this service will negatively affect the mission capability of the Marine Corps and is not in the best interest of the Government.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Possible.

A notice of intent to increase the ceiling along with the Justification and Approval (J&A) will be published in Federal Business Opportunities upon ceiling approval advising industry of the pending modification and soliciting inquiries from interested parties in accordance with FAR 5.201.

7. Determination of Fair and Reasonable Cost.

The contracting officer shall determine that the estimated cost to the Government for the services covered under this J&A will be fair and reasonable by conducting cost and price analyses relying on certified cost or pricing data, and developing a sound negotiation objective by ensuring that the contractor's proposal is compliant with applicable cost and pricing regulatory standards, industry best practices and company disclosure statements. It is anticipated this analysis will be conducted using experienced technical representatives, contract specialists and DCAA.

8. Actions to Remove Barriers to Future Competition.

As with the current P&MCLS contract, a follow-on contract using full and open competition is in development, and the Government's intent is to implement a level of structure, performance, and accountability into the solicitation construct that will break down barriers that prevent improved competition (i.e., lower than market value profit/fee arrangement, ineffective performance incentive construct, CLIN type/structure, etc.).

CERTIFICATIONS AND APPROVAL

I certify that the facts and representations under my cognizance, which are included in this Justification and its supporting acquisition planning documents, Acquisition Strategy Number BIC10001 except as noted herein, are complete and accurate to the best of my knowledge and belief.

Technical/Requirements Certification

[Redacted]

Legal Sufficiency Review

[Redacted]

Contracting Officer Certification

[Redacted]

CCO Concurrence

[Redacted]

[Redacted]