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IN REPLY REFER TO:

SER 0271/DK/
RFP Number: N0010412RQ010

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

1. Identification of the Agency and Contracting Activity:

- a. Agency Name Naval Computer and Telecommunications Area Master Station LANT (NCTAMS LANT)
9625 Moffett Avenue
Norfolk, VA 23511

- b. Contracting Activity: Department of the Navy
NAVSUP Weapons Systems Support-Mechanicsburg
Information Management/Information Technology
Contracts Department M027
5450 Carlisle Pike
Mechanicsburg, PA 17055-0788

2. Nature/Description of the action:

This justification and approval is for the procurement of Information Technology support services for the Naval Radio Transmitter Facility (NRTF), Grindavik, Iceland. A firm fixed price contract, per Federal Acquisition Regulation (FAR 12), Contracting by Negotiation, is contemplated for a base period of one year with two 1-year option periods at an estimated value of \$ [REDACTED]. The proposed Contractor is Skyrr, located in Grindavik, Iceland.

The action being requested is for a unique source effort to satisfy immediate and critical needed services being provided to NRTF by Skyrr, while an acquisition plan is in process for future contract support.

The required services were converted from military to civilian billets due to withdrawal of all DoD forces from Iceland in 2006. The United States (US)-Iceland Defense Agreement sets the framework for the bilateral defense relationship between the two countries.

The original contract, N00104-06-C-0085 was placed through the Fleet and Industrial Supply Center (FISC), Norfolk. The contract was awarded to Kogun LTD through competitive procedures restricted to the Icelandic market via FAR 15, Contracting by Negotiation. Two offers were received but only one was determined technically acceptable. The dollar value of

the FISC contract was \$9,019,985.30 with a period of performance 15 September 2006 through 30 September 2010.

Modification P00011 dated 22 June 2010 to this contract transferred Procuring Contracting Office function from FISC Philadelphia to the Naval Inventory Control Point, Code M027 IM/IT Contracts Department. The period of performance is 15 September 2006 through 30 September 2010 and is now in closeout status.

A follow-on bridge contract N00104-11-C-Q175 was awarded to continue the support while market research was conducted on the Icelandic market for capable sources. The dollar value of the current contract is \$2,662,217.19, period of performance through 30 September 2011.

3. Description of the supplies/services:

This acquisition is for labor, material, hardware, and other direct costs associated with the Performance Work Statement (PWS) to provide Operation and Maintenance for maintain the Low Frequency (LF) and Very Low Frequency (VLF) Fixed Submarine Broadcast System (FSBS) at Naval Radio Transmit Facility (NRTF) Grindavik, Iceland on a on a 24 hours-per-day, seven days-per-week, and 365/366 days per year basis.

The NRTF is a detachment of Naval Computer and Telecommunications Area Master Station Atlantic (NCTAMS LANT), Norfolk, VA. The NRTF Grindavik site contains a VLF AN/FRT (ground/fixed radio transmitting) 95A transmitter/helix house/1000' Top Hat monopole antenna and an LF AN/FRT-72A transmitter/600' antenna facilities providing strategic and tactical Atlantic Ocean LF FSBS (Fixed Submarine Broadcast System) support.

Services will include transmitter activation/deactivation, transmission monitoring, supporting utility and emergency power systems, retuning helix coils, maintaining logs and records, tower light replacement, maintaining site cables, cross-connects, and cable records, circuit configuration, equipment preventive and corrective maintenance, facility maintenance, physical security and fire protection equipment maintenance, and janitorial/housekeeping services.

4. Identification of the statutory authority:

This acquisition is based upon the authority of 10 U.S.C. 2304 (c)(1) – Only one responsible source and no other supplies or services will satisfy agency requirements. The contract office has determined that FAR 6.302-1(a)(2)(iii) applies to this action on the basis of limited source in the interest of economy and efficiency as a unique source for the continued provision of highly specialized services.

5. Demonstration of Contractor's unique qualifications:

Kogun has been the incumbent since 2006, with employees performing the majority of the work as subcontractors. Kogun has novated to Skyrri.

Labor categories with experience in the highly specialized field of submarine communications and familiarity with the Icelandic culture and terrain are required. The Icelandic treaty states that the United States agrees to employ Icelandic citizens to the highest degree when contracting for services in Iceland. The candidates employed fall under the Icelandic Labor Union.

Due to the limitations in the local Iceland market for the high level skill sets required in the remote region, cost to the Government to set up a contractor location and reimburse living and COLA costs, award to any other source would result in unacceptable delays in fulfilling the agency's requirements and substantial costs to the program mission. (See 10 U.S.C.2304(d)(1)(B).) As authorized in this section, Skyrri is the previous supplier of these services.

Skyrri is the only known source in Iceland with the expertise to operate and maintain the unique submarine communications transmitters and associated equipment. This unique, mission-specific equipment includes the high power transmitters, frequency shift keying systems, helix coils for matching the transmitters and feed lines to the transmitting antenna. Tasks include activating the transmitters with associated antenna(s) at specified power levels, monitoring of transmissions to assure proper keying, starting and tuning of the transmitters to specified keying tolerances, frequency changes to the transmitting system including re-tuning of the helix coils and other transmitter tuning subsystems, and all planned and corrective maintenance for the transmitters, transmission lines, helix houses.

Skyrri ensures secure manning round the clock, compliance with local Icelandic directives, policies, and procedures (health, hygiene and safety European Free Trade Association Law covering safety of electrical installations, electrical utilities and electrical devices: Environmental Protection Regulations such as waste, hazardous materials, asbestos), immediately addresses unscheduled emergent equipment issues, maintains close watch over transmitters for downtime and maintenance schedules, provides technical expertise in accordance with Standard Operating manuals, complies with safety standards per local directives, has fluency in U. S. language and financial systems for proper reporting, has extensive knowledge in security for monitoring of systems, facilities and perimeter protection in place, secures access control to assets.

Iceland's population is approximately 320,000 with a corresponding small industrial base.

6. Governmentwide Point of Entry Notice/potential source:

The proposed contract award intent notice and justification for other than full and open competition will be posted at the Government wide Point of Entry.

7. Determination of fair and reasonable cost:

Certified cost and pricing is not required as Skyrri is an Icelandic company located OCONUS. Information other than certified cost and pricing data are required. An analysis of cost information will be performed which will consider field pricing reports, commerciality, procurement history and other available cost and pricing information in determining price reasonableness, completeness and realism.

8. Description of market survey:

Paragraph 4 Article 6 of the US-Iceland Defense Agreement's Annex on the Status of United States Personnel and Property states the desire of the US to employ qualified Icelandic civilians to the maximum extent practicable. NCTAMS LANT coordinated with the US Iceland Defense Force (IDF) to ensure the requirements of the US-Iceland Defense Agreement were met.

In 2006, NCTAMS LANT provided synopsis of this Grindavik requirement to US IDF which worked with the Government of Iceland's (GOI's) Ministry of Foreign Affairs (MFA) to identify Icelandic companies deemed qualified to perform the work. The advertisement resulted in two companies, Iceland Prime Contractor (IPC) and Kogun as capable competitors. FISC Philadelphia placed a FAR 15 contract to Kogun, the only capable source, with period of performance 15 September 2006 through 30 September 2010.

In 2011, NCTAMSLANT posted sources sought notice in Icelandic newspapers for a period of two weeks, but this did not result in any viable competition.

9. Other facts supporting the use of other than full and open competition:

None at this time.

10. Listing of interested sources:

None at this time. A sources sought notice was posted on the Icelandic market with no additional capable sources identified.

11. Actions to remove barriers to competition:

The Icelandic Ministry for Foreign Affairs was contacted in 2011 and does not object to the Navy's choice of contracting method.

NCTAMS LANT and NAVSUP WSS will access methods of performing market research, prior to exercising each option period, to determine if there is a sufficient industrial base and level of interest among capable Icelandic companies to justify competition and if it would be in the Government's best interests.

12. Statement of Delivery requirements:

- a. Delivery Requirement: The order will provide for support services for a period of 3 years if all options are exercised.

- b. Estimated Dollar Value: Estimated dollar value is [REDACTED]
- c. Reference to Approved Acquisition Plan: Not required.
- d. Reference to ADP Approvals: Not required.
- e. Documentation for Spares and Repair Parts Acquisition: Not applicable.

13. Point of Contact for this procurement:

Please direct your questions to:

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