



DEPARTMENT OF THE NAVY

NAVSUP FLEET LOGISTICS CENTER
NORFOLK
1968 GILBERT STREET
SUITE 600
NORFOLK, VIRGINIA 23511-3392

IN REPLY REFER TO:
4200
240A
NF #14481

JUSTIFICATION & APPROVAL OTHER THAN FULL AND OPEN COMPETITION

1. IDENTIFICATION OF AGENCY AND CONTRACTING ACTIVITY

Requiring Activity: Commanding Officer
NAVSUP Fleet Logistics Center
Fleet Logistics Department, Code 500
1968 Gilbert Street, Suite 600
Norfolk, VA 23511-3392

Contracting Activity: Commanding Officer
NAVSUP Fleet Logistics Center
Contracting Department, Code 200
1968 Gilbert Street, Suite 600
Norfolk, VA 23511-3392

2. NATURE/DESCRIPTION OF ACTION/CONTRACT TYPE

This is a non-competitive action for the extension of Naval Supply Systems Command (NAVSUP), Fleet Logistics Center Norfolk (FLCN), contract N00189-06-D-0078 with A2Z Inc. This extension will ensure continued Integrated Logistics and Physical Distribution Division support required by the NAVSUP FLCN Logistics Division. The additional six months of performance will allow for mission critical services to be provided to the Fleet while the follow-on contract is being awarded by NAVSUP FLCN Contracting.

The contract currently expires on 27 September 2011, and the Government requires an extension for six (6) additional months through 27 March 2012. The extension is necessary because the follow-on contract is not anticipated to be awarded until March 2012, and the Government has a continuing need for the services which are being provided under the current contract until the new contract vehicle is in place.

Additional funding will not be required since this is an Indefinite Delivery Indefinite Quantity (IDIQ) type contract. This extension will increase the contract not to exceed (NTE) ceiling amount by \$1,512,628.63, from \$26,210,143.98 to \$27,722,772.61. The minimum guarantee of \$100,000.00 has been previously fulfilled.

3. DESCRIPTION OF SUPPLIES/SERVICES

Contract N00189-06-D-0078 is a Time and Materials (T&M) IDIQ type contract. The contract was awarded as a small business set-aside under full and open competition after exclusion of sources on 28 September 2006 to A2Z Inc. The contract's performance period is currently from 28 September 2006 through 27 September 2011 (inclusive of options) with a total NTE value of \$25,510,430.96 (inclusive of options).

The NAVSUP FLCN Logistics Division requires Integrated Logistics Support (ILS) and Physical Distribution support to augment civilian and military staff in the day to day operations of the Removal of Excess Material and Validity Enhancement (REMOVE), Integrated Logistics Operation (ILO) Offload, ILO Backload, Decommissioning Offload, and Inventory Programs. The required tasks covered by this extension will be related to: 1) logistics department procedures; 2) integrated logistics support; and 3) warehousing, inventory control and material distribution.

The Government requires an additional six-month extension to the contract period of performance through 27 March 2012. During this timeframe, it is estimated that up to [REDACTED] additional labor hours will be required.

4. IDENTIFICATION OF STATUTORY AUTHORITY

The statutory authority permitting Other Than Full and Open Competition is 10 U.S.C. 2304(c)(1), Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements, as implemented by FAR 6.302-1.

5. RATIONALE SUPPORTING USE OF AUTHORITY CITED ABOVE:

The current contract is being restructured to more accurately reflect the Warehousing and Logistics needs of the NAVSUP FLCN Logistics Division in an effort to better support the Navy's mission. These decisions involve movements toward eliminating the need for a commercial warehouse to support the Project History Inventory Management System (PHIMS) divisions material. The PHIMS program requires a 30,000 square feet temperature controlled warehousing facility with 20 foot ceilings, internet connection, and a sniffer system for the HAZMAT items. NAVSUP FLCN Logistics Division has searched for Government warehouses and storage solutions and is currently unable to find a sufficient facility that will accommodate the supplies and fulfill the need. Currently, NAVSUP FLCN Logistics Division is in discussions with the Defense Logistics Agency (DLA) in an attempt to move the PHIMS program under their scope of responsibility. This move would alleviate the need for NAVSUP FLCN Contracting to include the commercial warehouse requirement in the follow on contract. A six month extension will allow for these substantial decisions to be made and planned for to ensure the best business decisions be made by the Government and allow ample time for the complete procurement process lifecycle to ensue.

This extension also provides time to evaluate roles, positions, and duties in an attempt to transition several portions of the requirement from T&M to Firm Fixed Price (FFP). These revisions require significant rework of the requirements documents. In addition, if the commercial warehouse portion of the requirement remains in the follow-on contract, a two month transition period will be required in the instance that the successful offeror proposes a facility other than the DD Jones Warehouse where the material is currently being stored. The existing warehouse facility HAZMAT sniffer system, K-Rack Shelving System, and NMCI network access in place will have to be relocated to the new warehouse location should the successful offeror propose a warehouse other than DD Jones. A contract extension would allow sufficient time for this transition period to take place.

The authority cited in paragraph 4 above is applicable because the Government's needs can only be satisfied by the incumbent contractor for the interim period between the existing contract and the competitive follow-on contract. A2Z is the only known contractor that possesses the necessary qualifications, facilities, supplies, and personnel available to satisfy the Government's requirements without interruption. The impact of interrupted or delayed support would be detrimental to the Government, as hundreds of fleet and shore-based activities rely on

NAVSUP FLCN Logistics for the removal, storage, and distribution of excess supplies and materials along with warehousing and integrated logistics support services. The support to be provided under the authority requested by this J&A is critical and is necessary in order for the Navy to continue its mission.

6. GPE ANNOUNCEMENT/POTENTIAL SOURCES

The proposed extension period will be synopsized on the Navy Electronic Business Opportunities (NECO) website as sole source to A2Z Inc.

7. DETERMINATION OF FAIR AND REASONABLE COST

This extension is at the rates included in the contract for option year IV and does not include any escalation. Option year IV rates were originally determined fair and reasonable based on competition at the time of contract award.

The services to be provided in this option are of the same type currently being provided on the contract and the Government's need for continuity is essential. A break in service would result in a negative impact to NAVSUP FLCN Logistics Division.

8. DESCRIPTION OF MARKET RESEARCH

The Contracting Officer has determined that a market survey is not practicable since A2Z has been determined to be the only contractor capable of providing the required services with no interruption. This action is an interim response taken to fulfill anticipated needs while full and open competition after exclusion of sources is on-going for the follow-on contract.

9. ANY OTHER SUPPORTING FACTS:

Not Applicable.

10. LIST OF INTERESTED SOURCES:

All interested parties will be directed to the follow-on requirement to be posted on the NECO website.

11. ACTIONS TO REMOVE BARRIERS TO COMPETITION:

The follow-on requirement is being processed under full and open competition after exclusion of sources.

12. STATEMENT OF DELIVERY REQUIREMENTS

The resultant modification will extend the contract period of performance for the period 28 September 2011 through 27 March 2012.

13. TOTAL ESTIMATED DOLLAR VALUE OF THE ACQUISITION COVERED BY THIS J&A, WITH FUNDING SPECIFIED BY YEAR AND APPROPRIATION

Funding will be provided for each individual task order.

14. REFERENCE TO THE APPROVED ACQUISITION PLAN

Not applicable.

15. DOCUMENTATION FOR SPARE/REPAIR PARTS ACQUISITIONS

No spare or repair parts are being provided under this requirement.

16. PREPARER'S IDENTIFICATION:

The point of contact at the NAVSUP FLCN Contract Department is John North, Code 240A, who can be reached by phone at (757) 443-1230 or by e-mail at john.w.north@navy.mil.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

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

Technical Cognizance:

Kenneth L. Parker Kenneth L. Parker 374-2315 14 July 11
Signature Name (Printed) Phone No. Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

[Signature] James P. Wintz 443-1094 18 JUL 11
Signature Name (Printed) Phone No. Date

CONTRACTING ACTIVITY COMPETITION ADVOCATE REVIEW

To the extent that the J&A/LSJ value is between \$650K and \$12.5M, the Competition Advocate's signature below also represents approval of the J&A/LSJ.

[Signature] Tracey L. Dan 443-1820 8.23.11
Signature Name (Printed) Phone No. Date