# DEPARTMENT OF THE NAVY

REGIONAL CONTRACTING DEPARTMENT
NAVSUP FLEET LOGISTICS CENTER PUGET SOUND
467 W STREET
BREMERTON, WASHINGTON 98314-5120

**CONTROL NUMBER 2016-068**

**N00406-17-C-T002**

**JUSTIFICATION AND APPROVAL**
**FOR SOLE SOURCE PROCUREMENT**
**Under Simplified Procedures for Certain Commercial Items (FAR 13.5)**

1. **Contracting Activity**.

NAVSUP Fleet Logistics Center Puget Sound (FLCPS)

2. **Description of Action Being Approved.**
Award of a firm fixed price service contract on a sole source basis under the Basic Agreements established by DISA for telephony service and circuits in support of Naval Base Kitsap – Bremerton from Qwest (DBA Centurylink).

3. **Description of Supplies/Services**.
Provide telephony dial tone services for approximately 22,000 Commercial Local Exchange Carrier (CLEC) and Local Exchange Carrier (LEC) phones lines and provide circuits to support dial tone services. Provide technical support service for moves, adds and changes (MACs). The base period of performance is 01 October 2016 through 30 September 2017 with an estimated contract value of [redacted] (b) (5) to be funded by FY17 OM&N funds and two (2) 6 month option periods with an estimated contract value of [redacted] (b) (5) The total contract value including the options is [redacted] (b) (5)

4. **Statutory Authority Permitting Sole Source.**

41 U.S.C. 1901 – A sole source acquisition under the authority of the simplified acquisition procedures for certain commercial items, as implemented by FAR 13.501(a).

5. **Rationale Justifying Use of Cited Statutory Authority.**

This acquisition will be made on a sole source basis. Until 2005, the Washington State Public Utilities Commission had designated areas of service for each telephone company for the purpose of protecting small businesses. The businesses owned the physical lines, trunks and switches within their area and therefore were the only source that could satisfy the Navy's requirement. After the Public Utilities Commission dissolved the services areas, businesses can lease access to equipment to provide service.

During this time, the Federal Acquisition Regulation also changed and telephones were no longer considered a Utility (FAR Part 41) and were moved to Information Technology (FAR Part 39). The Defense Information Systems Agency (DISA) was given delegated authority to enter into telecommunications service contracts for the Department of Defense (DoD). The Defense Information

Technology Contracting Organization (DITCO), a branch of DISA, established Basic Agreements for use by DoD organizations to procure telecommunication services under DFARS 239.74. Naval Computer and Telecommunications Area Master Station (NCTAMS) for Navy Region Northwest used Communication Service Agreements (CSA) in conjunction with the DITCO Basic Agreements from fiscal year (FY) 2005 to FY 2014 to acquire telephony dial tone services. Specifics related to the types of services, the number of lines, and moves/adds/changes requirements were not developed or retained. The incumbent contractor has some of the information needed to provide the services and the government needs to obtain the information in order to develop the requirement. Later, in FY 2015 and FY 2016, NAVSUP FLC Puget Sound procured the sole source services through standard contracts. Ownership of the switch at Bremerton is yet to be determined as documentation is not currently available. The Navy does not have sufficient historical records of the requirement to enable it to provide a performance work statement that would allow an accurate proposal on a firm fixed price basis.

Due to the limited personnel available by NCTAMS for Navy Region Northwest and the lack of any historical records of the approximate 35,000 phones lines for Navy Region Northwest, it is not possible to develop a requirement with enough detail to allow for accurate proposals on the FY 2017 and FY 2018 requirements. In addition, recent accounting changes require each command to be separated out in the requirement based on the type of funds used by that command. [redacted] (b) (7)(F)

6. **Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.**
No effort will be made to solicit from any other offeror. Sources sought or Request for Information was not conducted due to urgency as justified in Memorandum to File dated 13 September 2016, located in the contract file.

7. **Determination of Fair and Reasonable Cost.**

The contracting officer has determined the anticipated cost to the Government of the supplies/services covered by this J&A will be fair and reasonable.

8. **Actions to Remove Barriers to Future Competition.**

An internal audit of approximately 35,000 phone lines, which includes other requirements, will be conducted to separate each customer's requirement from the current combined requirement and analyze the ownership of the circuits. This internal audit is expected to take twelve to eighteen months to complete. The Government expects to develop a performance work statement that will support competition for future acquisitions after the completion of the audit. No record can be found of any of the previous contracts (Communication Service Agreements) having been competed. The Navy expects to conduct a competitive acquisition of the resulting requirement for an award starting performance on 01 October 2018.

## 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.

[redacted] (b) (6)

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| | | |
|---|---|---|
| Sonny L. Morris | 6-7067 | 10/28/16 |
| Name (Printed) | Phone No. | Date |

### LEGAL SUFFICIENCY REVIEW

[redacted] (b) (6)

sufficient.

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|---|---|---|---|
| | | | 10/31/16 |
| Signature | Name (Printed) | Phone No. | Date |

### CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief. To the extent that the J&A/LSJ value is between $150K and $700K, the Contracting Officer's signature below also represents approval of the J&A/LSJ.

[redacted] (b) (6)

| | | | |
|---|---|---|---|
| | David P. Stokes | 6-8020 | 10/31/16 |
| Signature | Name (Printed) | Phone No. | Date |

### CONTRACTING ACTIVITY COMPETITION ADVOCATE REVIEW

To the extent that the J&A/LSJ value is between $700K and $13.5M, the Competition Advocate's signature below also represents approval of the J&A/LSJ.

[redacted] (b) (6)

| | | |
|---|---|---|
| Julie Thomas | 6-9240 | 10/31/16 |
| Name (Printed) | Phone No. | Date |