



**DEPARTMENT OF THE NAVY**  
NAVAL FACILITIES ENGINEERING COMMAND NORTHWEST  
1101 TAUTOG CIRCLE  
SILVERDALE, WASHINGTON 98315-1101

J&A No. 13-01JA

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

1. Contracting Activity.

Naval Facilities Engineering Command, Northwest (NAVFAC NW), Silverdale, WA. NAVFAC NW is a field component of the Naval Facilities Engineering Command, Atlantic, Norfolk, VA.

2. Description of the Action Being Approved.

The solicitation contemplates award of a modification to a firm fixed-price service contract to address munitions in 2 of 5 Remedial Action Areas (RAAs) (RAAs-01 and 05) in Operable Unit (OU) B-2 on Adak Island, AK as a component of the Non-Time Critical Removal Action (NTCRA) presently underway in RAAs-02, 03 and 04, also on Adak Island, AK.

3. Description of Supplies/Services.

This Justification and Approval (J&A) addresses the requirement of the additional remediation in OU B-2. The original sources sought and presolicitation notice for N44255-12-C-3003 referenced "10 areas of concern (AOCs) and approximately 587 acres". This included RAA-01 and -05. However the presolicitation notice was amended to only include the current three "RAA's totaling about 323 acres" due to a lack of regulatory concurrence by the regulator on remedial goals at the time of scope development. The definition of remedial goals by the regulator was identified subsequent to the award of Contract N44255-12-C-3003.

The scope for Contract N44255-12-C-3003 was based on a Manager's Meeting with the Environmental Protection Agency and the Alaska State Department of Conservation held on December 7, 2011, at which time agreement was reached on the remedial scope of RAA-02, RAA-03, RAA-04 and part of RAA-05. No agreement could be reached for RAA-01 or the remainder of RAA-05 at that time. However, subsequently, regulatory concurrence on the scope for RAA-01 and the full extent of RAA-05 has been reached.

The awarded scope of work in RAAs-02, 03 and 04 includes mobilization to Adak Island, vegetation removal, surface clearance for munitions and explosives of concern (MEC), digital geophysical mapping (DGM) followed by data processing and anomaly identification, an intrusive investigation for MEC, site restoration, treatment and disposal of recovered MEC and munitions potentially posing an explosive hazard (MPPEH), and demobilization. The work planned in RAA-05 includes monthly sweeps of the seawall for MEC that washes ashore. One of the most significant challenges of working on Adak Island is its remoteness. All field equipment, vehicles, and nearly all supplies have to be barged in with a transit time of at least one month. The climate is polar maritime, with cold rain and high winds nearly every day. Additionally, living conditions are remote and challenging.

The scope for RAA-01, which is located in the middle of RAA-03, is the same as that planned for RAA-03. There is tremendous efficiency in creating and restoring site access, as well as performance of vegetation removal and the DGM survey, in co-performing the work in these two RAAs. This also consolidates mobilization and field management costs.

The clearance depth scope for RAA-05 is also the same as that proposed for RAAs-01, 02, and 03. The means to accomplish the work is different due to the geology. The efficiency is in sharing the barge costs for an additional RAA, rebuilding the site access roads, and consolidation of the field management costs over as many RAAs as possible.

See the figures in Attachment 1 for the location of OU B-2 and the locations of the RAAs within OU B-2.

The estimated cost to address the additional munitions remediation work is \$3,400,000. This cost estimate is only valid if the work is done in combination and concurrently with the work being performed under Contract N44255-12-C-3003. These costs are based on extrapolated costs for equipment, materials, and labor from the award of Contract N44255-12-C-3003, the Quality Assurance (QA) awarded under Contract N62583-11-D-0515, and the GE prepared for the OU B-2 NTCRA RAA-01 and RAA-05 remedial action.

The original award of N44255-12-C-3003 included 2 field seasons. The addition of this work will not change the period of performance of the original contract. The expectation is that the work will be completed within the two field seasons originally awarded and the completion date will remain July 18, 2018.

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

**10 U.S.C. 2304(c)(1), One source or limited sources.**

5. Rationale Justifying Use of Cited Statutory Authority.

Contract N44255-12-C-3003 was awarded to USA Environmental (USAE) in the amount of \$10,685,460.23. Modification 03 will address the additional NTCRA activities in RAA-01 and RAA-05, which would have been added to the contract at the time of award had regulatory concurrence on the full scope been reached earlier. While the U.S. Environmental Protection Agency was part of the environmental planning process, the Alaska State Department of Conservation, a non-Federal Government entity, was the primary regulator on this project from whom concurrence was required. Not including RAA-01 and RAA-05 in the original contract was not the result of a lack of advance planning on the part of the Navy or any other Federal Government agency, but due to the inability to reach consensus with the Alaska state regulator prior to contract award. Similarly, not including the requirement for RAA-01 and RAA-05 in the original solicitation was not due to the unavailability of funds at the time of award. Consequently, the requirement to conduct NTCRA activities in RAA-01 and RAA-05 is a follow-on requirement that could not have been reasonably included in the contract at the time of award.

Adak Island is an island near the western extent of the Andreanof Islands group of the Aleutian Islands in Alaska. The island's population was 326 at the last census, though it generally has 70 residents plus a variable labor force at a fish plant when it is operating. It is over 1,000 miles to the west of Anchorage, the nearest large city. Attachment 1 includes maps showing the area and the specific sites. Due to harsh winds, frequent cloud cover, and cold temperatures, vegetation is mostly tundra (grasses, mosses, berries, low-lying flowering plants) at lower elevations. As a follow-on

requirement for a highly specialized service on a remote island in the Bering Sea, so far from sources of logistics and other support, services are only reasonably available from the original source, USAE, since USAE will have already planned to mobilize under the original contract. A second contract award to other than USAE would result in a substantial duplication of costs that is not expected to be recovered through competition and so meets the threshold authority for other than full or open competition outlined at FAR 6.302-1(a)(2)(ii). As discussed below, it is estimated that at a minimum, an additional (\$12,318,888) would be incurred and not recovered through competition.

- A. An Estimate of Contractor Costs That Would Not Be Recovered Through Competition. With the regulatory approval of the actual/final scope of work for all five RAA's, final planning recognizes that if the work is performed independent of the currently scheduled work under N44255-12-C-3003, the cost significantly increases. To summarize, there are two basic areas of cost, UXO contractor costs, remediation of munitions and explosives of concern, and QA costs, quality control done under a time and materials contract. Attachment 2 includes a detailed chart showing the expected duplication of costs if the modification is not awarded and a second chart of the lower costs that would be awarded if the modification IS awarded.

UXO Contractor Costs – Areas where duplication of costs would be prevented are work plan development, field and project management, reporting, mobilization and demobilization. Mobilization and demobilization alone amounts to duplicated costs in the amount of \$1.8 million based on the costs under N44255-12-C-3003. All of the requirements that would be duplicated are in place under the current contract, would need little to no additional funding as the locations for RAAs 01 and 05 are minimal compared to the awarded action, and any changes are expected to be less than 1% of the original cost. The estimated cost for the required scope of work in RAAs-01 and -05, outside of the work plan development, mobilization, field and project management, and reporting is approximately \$3,400,000. This estimation is based on extrapolated costs for equipment, materials, and labor from the award of Contract N44255-12-C-3003, to USAE, the lowest price, highest technically ranked offeror, competitively selected.

The Quality Assurance (QA) action was awarded under Contract N62583-11-D-0515, under a time and materials contract. In the event the modification is awarded, there is anticipated to be little or no change to the QA contract. The increase in sites will be completed within the same two field seasons, no change in time, and materials would be limited to a few more pages in monthly reports and not significant. This is significantly impacted if the modification is not awarded. Three additional years worth of QA will now be necessary, as well as the negotiation and development of new work plans and SOPs for the remediation of RAAs-01 and -05 if it is not performed as part of the NTCRA, but is restarted in 2016 as part of a Remedial Action. Historically, QA costs at Adak have been approximately \$2,000,000 per year, depending on the location and size of the site. Beyond the actual field work activities, the QA contractor provides the technical review of the work plans and closure documentation, and the development of the Remedial Action Completion Reports for NPL delisting. The chart in Attachment 2 uses NORM data and reflects estimated costs based on the available historical data. NORM submittal, plus a printout of the NORM submittal for this aspect of the Adak work. NORM is a computer system that does environmental site registration, cradle-to-grave tracking, relative risk ranking, cost estimating, budgeting and reporting functions for the Base Realignment and Closure (BRAC) and Environmental Restoration, Navy (ER,N) Programs. Using this historical data results in strong backup for the estimated costs.

Without Modification 03, the UXO and QA contractor costs increase by approximately \$11.6M. (\$21,690,731-\$10,101,732)

Year	Task	Costs	
		Separate 2 <sup>nd</sup> contract competitively after current work is complete	Awarding mod to USAE
		Total UXO and QA costs	Total UXO and QA costs
2013	NTCRA	\$2,685,202	\$4,685,202
2014	NTCRA	\$4,390,821	\$5,390,821
2015	NTCRA	\$25,709	\$25,709
2016	RA	\$3,770,787	
2017	RA	\$9,024,333	
2018	RA	\$1,793,879	
Totals		\$21,690,731	\$10,101,732

B. An Estimate of Navy Costs That Would Not Be Recovered Through Competition.

Navy costs – While not shown on the table above, there is a significant cost to the Navy in extending the project. These costs include a minimum of two extra years of NTR and RPM labor associated with the fieldwork and at least two years of RPM labor associated with planning, work plans, and closure documentation, plus a minimum of two extra years of housing and per diem on Adak, plus all the travel costs for the NTR and RPM. Completion of RAAs-01 and -05 by any other means than modification 03 to N44255-12-C-3003, delays the timeframe from which management of Adak can move from three RPMs to two RPMs by approximately 4 years.

The additional Navy costs can be quantified approximately as follows, based on current salaries and costs to date on the basic contract. Selected cost back-up for the other direct costs (ODCs) is provided in Attachment 3.

**Field Work Stage**

<b>Navy Technical Representative (NTR)</b>		
<b>Item</b>	<b>Derivation</b>	<b>Cost</b>
GS-11, Step 10	8 months per year for 2 years. (\$79,628/12) * 8 months * 2 years	\$106,171
Per diem	7 months at 30 days/month at \$199/day for 2 years. JTR per diem table attached.	\$83,580
Internet	7 months at \$1,000/month for 2 years, plus Set up fee (\$245), Work order fee (\$30), Linksys router (\$110), Does not include overage fee of \$0.20 /MB. Quote from Windy City Cellular attached.	\$14,385
Airfare	5 RT airfares/year for 2 years at \$2,288, plus estimated \$212/flight for cargo overages, plus estimated \$250/flight for airport pick-up and mileage. Alaska Airlines back up attached.	\$27,500
Truck Rental	7 months at \$1,298.93 for 2 years for a ½ ton pick-up truck from Enterprise, plus estimated \$301.07 per month for gasoline (50 gallons/month at \$6/gallon, 50 gallons at 12 mpg gives 600 miles a month)	\$22,400
<b>Remedial Project Manager (RPM)</b>		
GS-12, Step 10	2 years full time at \$95,444/year. GS pay table attached.	\$190,888
Per diem	2 months at 30 days/month at \$199/day for 2 years. JTR per diem table attached.	\$23,880
Airfare	5 RT airfares/year for 2 years at \$2,288, plus estimated \$250/flight for airport pick-up and mileage. Alaska Airlines back up attached.	\$25,380
<b>Field Work Stage Totals</b>		<b>\$494,184</b>

**Pre and Post Field Work Stage (Bid Walks, Regulator Meetings, Close-out Inspections)**

<b>RPM</b>		
GS-12, Step 10	2 years full time at \$95,444/year. GS pay table attached.	\$190,888
Per diem	2 months at 30 days/month at \$199/day for 2 years. JTR per diem table attached.	\$23,880
Internet	2 months at \$1,000/month for 2 years, plus Set up fee (\$245), Work order fee (\$30), Linksys router (\$110), Does not include overage fee of \$0.20 /MB. Quote from Windy City Cellular attached.	\$4,385
Airfare	2 RT airfares/year for 2 years at \$2,288, plus estimated \$250/flight for airport pick-up and mileage. Alaska Airlines back up attached.	\$10,152
Truck Rental	2 months at \$1,298.93 for 2 years for a ½ ton pick-up truck from Enterprise, plus estimated \$301.07 per month for gasoline (50 gallons/month at \$6/gallon, 50 gallons at 12 mpg gives 600 miles a month)	\$6,400
<b>Pre and Post Field Work Stage</b>		<b>\$235,705</b>

Thus the total costs incurred for Navy staff that would not be recovered through competition is approximately \$729,889.

- C. Potential Non-Monetary Costs That Would Result in Additional Costs Not Recovered Through Competition. A second contractor would have to violate areas already cleaned up by USAE to access the site for RAA-01, resulting in increased costs or potential disputes regarding responsibility for repairs. Additionally, there is not enough infrastructure available on Adak to house a second contractor and their work force. Contracting for additional infrastructure is not budgeted and would have environmental impacts not approved in the current cleanup plan.

While it is difficult to assess the exact financial impact of resulting from a second contractor on site and the effect of multiple contractors utilizing the restricted infrastructure on Adak Island, it could be significant and add to the already substantial duplication of costs that would be incurred if a second contract were awarded.

- D. Safety Concerns Due to Having Multiple Contractors on Site That Would Result in Unsafe Conditions. There are significant safety concerns with mobilizing a second UXO contractor and having them work within the same exclusion zones as another UXO contractor.

Four of the five RAAs are within the explosive safety quantity distance (ESQD) arcs of each other. In the event that the remedial activities in RAAs-01 and -05 were put out to bid and the work was awarded to a different contractor, it would not be possible to have the work performed during the same field seasons as the currently contracted work in RAAs-02, -03, and -04. The explosive safety hazards associated with having different contractors working within each other's ESQD arcs are too great. For example, the Explosives Safety Submission (ESS) that was prepared under Department of the Navy Naval Ordnance Safety and Security Activity (NOSSA) Instruction 8020.15C and approved by NOSSA and the Department of Defense Explosives Safety Board (DDESB) establishes ESQD arcs of 209 to 224 feet, depending on RAA. In addition, the ESQD arcs for the magazines are 395 feet and the ESQD arcs for demolition range from 1,579 feet to 1,794 feet, depending on the RAA. These arcs overlap at many of the RAAs, making it impossible for different contractors under different field and safety managers to work on-site at the same time. Therefore, award to another contractor would require the work to be performed in out years. This would impact the timeliness of the cleanup, increase costs and prevent efficiencies.

Estimated costs related to awarding to a second contractor, causing three additional years of work past the planned contract completion date are addressed above.

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

A Notice of Intent to Award a Sole Source modification for a follow-on requirement for NTCRA activities in RAA-01 and RAA-05 on Adak Island, AK was published through Navy Electronic Commerce Online (NECO) on 7 January 2013. No sources expressed an interest, including Offerors who competed in the original award for N44255-12-C-3003, AND who were provided the attached drawings during the procurement process, to identify RAA sites in question.

Market research that was completed on the original contract included a review of historical procurements, search of the CCR database and posting a sources sought. Private companies, local, state and federal agencies procure remediation services. Environmental regulatory agencies strictly control remediation services, and the industry is well established. There was a wide selection and adequate competition in the marketplace. A Sources Sought Notice was posted in accordance with FAR 5.205 on June 15, 2011. Eight responses were received by the due date of June 29, 2011,

including one 8(a) firm, one Small Disadvantaged Veteran Owned, one HUBZone, and five Small Businesses. The sources sought notice required the submission of projects relevant to this project. All responses demonstrated experience with munitions clearance aside from the one HUBZone firm. Four of the firms who submitted responses are located in Region 10, including the HUBZone firm, the 8(a) firm, and two Small Businesses. The original procurement was set aside for small business. The SBA small business data base reveals that there are fewer HUBZone, 8(a), and small disadvantaged businesses in Region 10 (under NAICS 562910) now than in the original MOPAS, but there is still a large number listed. It was noted in the original acquisition plan that due to the magnitude and logistic challenges associated with the remote project site, there is a substantial risk to the Navy for weighing the SBA search results too heavily without knowing which firms are actually capable and willing to perform the work.

N44255-12-C-3003 was competitively bid to small businesses and USAE received the award, both as the highest technically ranked contractor, but also with the lowest price.

Future work of this nature will not be necessary in the same location, the RAA sites 01-05 will be complete at the end of this modification. Future remediation similar to this (in other locations) will be pursued through competitive means to the maximum extent practical.

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 determined fair and reasonable prior to time of award using the price analysis techniques outlined in FAR 15.404-1, Proposal analysis techniques.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Paragraph 5, NAVFAC NW does not anticipate the need to compete for this exact work in the future, as all five sites will be fully covered/cleared by this modification. There will however, be additional remediation necessary at other sites on the Island. The Government intends to support competitive procurements for any other Operable Unit sites that are approved in the future.



