



DEPARTMENT OF THE NAVY  
NAVSUP FLEET LOGISTICS CENTER - BAHRAIN  
CODE 200 - CONTRACTING  
PSC 851 BOX 430  
FPO AE 09834-0005

IN REPLY REFER TO  
J&A No: 15-034

**JUSTIFICATION AND APPROVAL  
OTHER THAN FULL AND OPEN COMPETITION**

**1. CONTRACTING ACTIVITY**

Requiring Activity: Naval Supply Systems Command, Fleet Logistics Center Code 400  
PSC 851 Box 50  
FPO AE 09834-0005

Contracting Activity: NAVSUP Fleet Logistics Center, Bahrain  
PSC 851 Box 430  
FPO AE 09834-0005

Requisition Number: 1300518721

**2. NATURE/DESCRIPTION OF CONTRACT ACTION:**

This is a non-competitive action submitted for approval to issue a contract modification for services outside the scope of contract N49400-12-D-0006 for additional work to DHL International B.S.C. in support of the NAVSUP FLC Code 400 mission. The additional work is to be applied to the current Option Period three on a task order through 31 August 2016 and to Option Period four if exercised on a task order from 01 September 2016 through 31 August 2017.

The estimated total dollar value increase for the remaining minimum guarantee quantity for Option Period three and for the minimum guarantee quantity for Option Period four is \$644,144.65 applied as follows:

- Option Period 3: \$299,644.65 using Operations & Maintenance, Navy (O&MN) FY15 funds.
- Option Period 4: \$331,500.00 using Operations & Maintenance, Navy (O&MN) FY16 funds.

The estimated dollar value increase for the maximum quantity for Option Period three and the maximum quantity for Option Period four is \$1,294,144.64 applied as follows:

- Option Period 3: Increase by \$631,144.64 from \$5,119,660.00 to \$5,750,804.64 using current FY O&MN funds on individual task orders issued.
- Option Period 4: Increase by \$ by \$663,000.00 from \$7,198,874.64 to \$7,861,874.64 using current FY O&MN funds on individual task orders issued.

**3. DESCRIPTION OF REQUIRED SUPPLIES/SERVICES:**

There is an immediate need to include in the mail handling, sorting and distribution process additional steps for nesting, scanning and barcoding of U.S. Mail as this is a new and permanent DoD requirement to meet U.S. and European Union trade compliance laws regarding global trade compliance and heightened security measures.

The required additional supplies and services are in direct support of the mail handling, sorting and distribution mission of NAVSUP FLC Code 400. The additional work will be reflected in the Performance Work Statement (PWS) at Sections 5, 6, 9, and Appendix E as described below.

PWS Section 5: The additional work expands upon the existing scope to include a requirement for the contractor to provide a climate controlled area to ensure safe and optimal conditions for performance of computer equipment and personnel. Specifications of the climate controlled area include maintaining temperature between 68 and 78 degrees Fahrenheit (20 and 26 degrees Celsius), lighting and electrical connection capabilities, commercial internet access functionality with a constant communication to the Automated Military Postal Service (AMPS) website, and personnel to perform mail scanning, receiving, handling, sorting and distribution services in accordance with military transport schedules, Consolidated Air Massing and Labeling Scheme (CAMALS) and the Navy Mail Routing Instruction as defined at OPNAVINST 5112.6D Navy Postal Instruction.

PWS Section 6: The additional work includes a requirement for the contractor to provide personnel to prepare all receptacles, affix Enhanced Distribution Labels (EDLs) and scan each receptacle via the AMPS process to identify destination and mail class information prior to the piece-to-bag nesting; after the nested items have been validated, to close the bag and prepare for dispatch via the AMPS process; and transport all receptacles to the primary scanning area outlined in paragraph 5.2 of the Performance Work Statement (PWS).

PWS Section 9: The additional work includes a requirement for the contractor to provide additional equipment, materials and services to include a storage container configured for a climate controlled mail processing center, air conditioners, cardboard tri-walls, plastic skid plate pallets, plastic tarping, roller, and cleaning and maintenance services.

Appendix E: The changes include an amendment to the 24-hour timeline of services to be performed and the hours during which these services are to be performed to include the additional services required.

#### 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. 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 JUSTIFYING USE OF CITED STATUTORY AUTHORITY:

DHL is the only responsible source capable of performing the additional services.

DHL is the incumbent contractor currently performing the mail handling, sorting and distribution requirements for NSA Bahrain and all tenant commands in accordance with the terms and conditions of contract N49400-12-D-0006; and as such, the agency's minimum needs can only be satisfied by unique supplies or services available from only one source or only one supplier with unique capabilities. The Government contracts services for all mail handling, sorting and distribution to be performed in the contractor facility. These services are currently performed in the DHL facilities. These mail services are an integrated operation and cannot be split into separate facilities nor can the Government bring in a second set of contractor employees into the incumbent's facility because it is not possible to segregate the work for two individual contractors.

The only other contractor in the Kingdom of Bahrain with capabilities to meet the Government's requirements is FEDEX, and to date FEDEX has not demonstrated an interest in performing the required

[REDACTED] The Government does not anticipate FEDEX to have an interest in performing these additional services at this time. Given that the mail handling services are an integrated operation and cannot be split amongst more than one contractor, and as the contract Option Period three began on 01 September 2015 and the contract has another Option Period four scheduled to begin on 01 September 2016 if exercised, and that the only other vendor with capabilities to perform the services is FEDEX, [REDACTED] it is not likely the Government would be able to obtain a quote from FEDEX.

DHL is prepared to support the additional work requirements identified by the Government. DHL performed satisfactorily for the base period of performance and for the previous two Option Periods exercised. The Option Period three CLIN on contract N49400-12-D-0006 was exercised in accordance with the terms and conditions of the contract and DHL is currently performing satisfactorily. Under the current Option Period, with a period of performance of 01 September 2015 through 31 August 2016, a task order has been issued with a period of performance from 01 September 2015 through 16 September 2015. Although the additional work is outside the scope of the contract, it is not expected that the inclusion of these requirements in a competitive solicitation would have resulted in a change to the awardee of contract N49400-12-D-0006. A second task order is required for the continuation of services to include the current scope of work and the additional requirements. A second task order will be issued with a period of performance from 17 September 2015 through 31 August 2016.

See market research details below for further information.

#### 6. DESCRIPTION OF EFFORTS MADE TO SOLICIT OFFERS FROM AS MANY OFFERORS AS PRACTICABLE:

Only DHL and FEDEX have known capabilities to perform mail handling, sorting and distribution services within facilities located at the Bahrain International Airport that could meet the Government requirements. [REDACTED] for a contract for the mail services, and as the contract was awarded to DHL, no other sources were considered for performance of the additional work under contract N49400-12-D-0006.

#### Market Research

During September 2015, the Contract Specialist conducted market research on the Internet via the Google search engine and via the resulting websites of the companies listed. This market research is included in the file. Only FEDEX and DHL have the capabilities and facilities within the Bahrain International Airport to provide the Government with the required mail handling, sorting and distribution services. Although several mail handling carriers are available in the Kingdom of Bahrain, including Bahrain Post, Zajil Express, Federal Express (FEDEX) and DHL, [REDACTED] DHL [REDACTED] published and [REDACTED] to meet the Government's requirements.

The Fleet Mail Center Bahrain (FMC), located at the Bahrain International Airport, has been established as the primary military mail transfer hub supporting operations in the U.S. Central Command Theater of operations. There are two classes of mail, pro-grade and retro-grade. Pro-grade mail arrives from the Continental United States (CONUS) and Overseas Continental United States (OCONUS) gateways in a variety of unit loading devices. Retro-grade mail arrives from various units via unit loading devices or loose-loads destined for CONUS and OCONUS gateways. The mail flow is in open channels, mail for multiple destinations is mixed in each container. Upon arrival to the FMC, this mail must be laboriously sorted and prepared for distribution by location. The services require Global Business System (GBS)

scanning, daily reporting, unique material and equipment, and compliance with Military Routing Instructions as defined by OPNAVINST 5112.6D Navy Postal Instruction.

The NAVSUP FLC Code 400 mail handling, sorting and distribution services were historically awarded under firm fixed price contracts N49400-05-C-A005 and N49400-12-D-0006 to Dalsey, Hillblom and Lynn (DHL) in accordance with included FAR Part 15. [REDACTED]

During FY 2010, the solicitation was published identifying the resultant contract as an indefinite delivery indefinite quantity (IDIQ) type contract with a minimum guarantee. The Government published competitive solicitation N49400-10-T-B171 to EuroNECO for a period of 25 days. [REDACTED]

[REDACTED] Prior to re-issuance of the requirements under solicitation N49400-11-T-B035 the Government conducted further market research. [REDACTED]

The requiring activity provided an Independent Government Estimate (IGE) based on independent market research and historical data. The IGE included [REDACTED] in accordance with the PWS additional work changes. The IGE also included [REDACTED] In accordance with DoD AT&L memo dated 21 August 2014, a request for information (RFI) was published to EuroNECO from 12 September 2015 to 13 September 2015. The EuroNECO announcement included the PWS as an attachment and the RFI as an attachment. The RFI encouraged vendors to identify their capabilities and respond with a statement of interest and provided instructions for providing a response. No responses to the RFI were received.

The additional work requirements are available from only one source, DHL.

**7. DETERMINATION OF FAIR AND REASONABLE COST:**

The Contracting Officer has determined the anticipated cost to the Government of the additional work covered by this J&A will be fair and reasonable based on price analysis performed in accordance with FAR 15.404(1)(b).

**8. ACTIONS TAKEN TO REMOVE BARRIERS TO COMPETITION:**

Market research will be conducted on an ongoing basis to identify market capabilities and resources available to meet the Government requirements. The Government requirements will continuously be reviewed to determine the needs for future services. A new IDIQ type contract will be competed for performance of services to continue upon expiration of contract N49400-12-D-0006 inclusive of any remaining Option Periods exercised.

**9. CONTRACTING POINT OF CONTACT:**

The point of contact at NAVSUP FLC Bahrain is Ms. Flordeliza Briones, who may be reached at +973-1785-4106 or electronically at [flordeliza.briones.ph@me.navy.mil](mailto:flordeliza.briones.ph@me.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/Requirements Cognizance:

[Redacted Signature] Charles Cleckler [Redacted Phone No.] 9 SEP 2015  
Signature Phone No. Date

LEGAL SUFFICIENCY REVIEW

[Redacted Signature] Justification is legally sufficient.

[Redacted Signature] Lisa R. Simon [Redacted Phone No.] 15 Sep 15  
Signature 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 \$650K, the Contracting Officer's signature below also represents approval of the J&A/LSJ.

Lois R. Homa Lois HOMA 439-4486 16 sep 15  
Signature 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.

Maria Padovano MARIA PADOVANO 314-626-4236 16 SEP 15  
Signature Phone No. Date