



DEPARTMENT OF THE NAVY
Naval Facilities Engineering Command Southeast
Jacksonville, FL 32212-0030

J&A No. N69450-11-0087

**JUSTIFICATION AND APPROVAL (J&A)
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION**

1. Contracting Activity.

The agency is the Department of the Navy. The contracting activity is Naval Facilities Engineering Command Southeast. The contracting office is Public Works Department, Facilities Engineering and Acquisition Division (FEAD), U.S. Naval Station, Guantanamo Bay, Cuba.

2. Description of the Action Being Approved.

FEAD Guantanamo Bay, Cuba proposes to issue two Task Orders under the indefinite delivery indefinite quantity (IDIQ) portion of the Burns and Roe Services Corporation Utility Maintenance Contract N62470-06-D-4614 through other than full and open competition. The intent of these actions are to (1) install two government furnished generators as replacements for two aged units; and (2) make repairs to the recently damaged electronic control system that synchronizes and coordinates the 12 generators in the power plant. The J&A is necessary because there is insufficient IDIQ capacity left on the contract to perform the actions and no other contractors are available with the requisite experience and expertise to perform the work in the operating power plant, which this contractor operates and maintains under the firm fixed price portion of the contract. The power plant is the sole source of primary power that sustains the entire Naval Station community.

3. Description of Supplies/Services.

The Navy has procured two 3.5MW generators that will replace two unreliable units in service at the power plant. Under the proposed modification the contractor will remove the in-place units and deliver them to the Navy. Minor changes will be made to the power plant floor to accept the new generators' footprint. The contractor will then move the new generators into place, make connections to the existing distribution system, and adjust settings on the generators and the existing distribution system so that the two new generators will work with the existing suite. (██████████)

A recent catastrophic system failure event disabled much of the Programmable Logic Controllers (PLCs) and Supervisory Control and Data Acquisition (SCADA) system which control generators in the power plant and the associated substation. The contractor will replace components of the PLCs and SCADA system in the operating power plant so that the multi-generator system can run automatically, efficiently, and safely. Large portions of the automatic controls are disabled awaiting these repairs. (est. \$1,120,000)

The aggregate not-to-exceed amount of the contract will increase by \$4,000,000 from \$██████████ to \$██████████.

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

The statutory authority, authorizing other than full and open competition for only one responsible source and no other supplies or services will satisfy agency requirements is 10 U.S.C. 2304(c)(1) as specified in FAR 6.302-1.

5. Rationale Justifying Use of Cited Statutory Authority.

Only the contractor operating the power plant can safely install the new generators, connect them into the existing system, and make the repairs to the control system that operate the power plant. Another contractor does not have the deep technical familiarity with the system necessary to make these changes to a power plant under load. Additionally, using the operating and maintenance contractor for the install and repairs avoids splitting responsibility for the complex system. Any irregularities found after the install and repair or later during operations is the sole responsibility of one contractor and the government would not be forced into the forensics work to determine split liability in a complex and intertwined system.

The IDIQ portion of the contract exists to allow the operations and maintenance contractor to perform this type of one-time work on the power plant. Due to other work that has occurred during the life of the contract the capacity needed for these two major activities is no longer available. The concept and intent of sole responsibility was resident in the contract and has been used successfully since award, but the IDIQ portion of the contract was consumed faster than anticipated and is not available for these modifications.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable. Due to the geographic isolation of Guantanamo Bay, Cuba and the lack of local contractors who can provide the required electrical and water services, soliciting and mobilization of another contractor is not possible. No other contractor on island has the services readily available for use. No other source is available to fill the requirement. A replacement operations and maintenance utilities contract is underway that will be competed under full and open criteria , and is scheduled to be available July 2012.

7. Determination of Fair and Reasonable Cost. An independent government estimate has been developed from numerous years of historical data and industry pricing guides to establish a negotiation position that will be used to evaluate the contractor's proposal and determine a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition. For solicitation of the new utilities operations and maintenance contract the Agency has performed market research, shall advertise, and execute a new contract without any restrictions to competition. The long-term requirement will be to provide electrical and water services in a limited competitive environment. Because the Naval Station is located in Cuba, there is no other means of electrical and power outside of the naval complex. The pool of contractors is limited and there are significant barriers (financial, logistical, and personnel) for new contractors wishing to begin business on the Naval Station. It is not practical for a contractor to mobilize for individual projects of this magnitude.

APPROVING OFFICIAL

Upon the basis fo the above justification, I hereby approve, the solicitation of the proposed procurement described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304(c)(1).

Name/Signature

Phone No.

Date