DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND, HAWAII
400 MARSHALL ROAD
JBPHH, HAWAII 96860-3139

IN REPLY REFER TO:
J&A No. 15-02

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

1. Contracting Activity. Naval Facilities Engineering Command, Hawaii (NAVFAC Hawaii), PCO Construction, Code OPHA2

2. Description of the Action Being Approved. NAVFAC Hawaii intends to increase the maximum contract value of the Indefinite Delivery/Indefinite Quantity (IDIQ) Design-Build/Design-Bid-Build HUBZone Multiple Award Construction Contract (HUBZone MACC) by $12.5 million. The maximum contract value will be increased from $200 million to $212.5 million.

3. Description of Supplies/Services.

a. The HUBZone MACC is an IDIQ for Design-Build/Design-Bid Build projects at Various Locations in the State of Hawaii. The work includes, but is not limited to labor, supervision, tools, materials, and equipment necessary to perform new construction, repair, alteration, and related demolition of existing infrastructure based on Design-Build or Design-Bid-Build (full plans and specifications) for DOD infrastructure in the State of Hawaii.

b. The HUBZone MACC was awarded on 30 Sep 2010 to six contractors for a Base plus Four Option Periods with a maximum contract value of $200 million dollars. The fourth option of the HUBZone MACC was recently exercised effective 30 Sep 14 through 29 Sep 15, with approximately $199 million obligated to date and a remaining balance of approximately $1 million dollars. Projects planned for execution in FY14/15 that could be solicited under the HUBZONE MACC are expected to be competed among the six contractors. However, one of the contractors (RAAS Brothers Inc.) is currently excluded from competing because of an ongoing System for Award Management (SAM) exclusion. NAVFAC Hawaii anticipates maximizing the contract value in the fourth option period. [redacted]

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[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

c. The total value of these projects is estimated at $11.8M. Approximately $.7M remaining will be reserved for potential post-award cost growth of the individual task orders.

4. Statutory Authority Permitting Other Than Full and Open Competition. This request is submitted pursuant to the authority of 10 U.S.C. 2304(c)(1), the property or services needed by the agency are available from only one responsible source or only from a limited number of responsible sources and no other type of property or service will satisfy the needs of the agency.

5. Rationale Justifying Use of Cited Statutory Authority.

a. Because of the DoD budget spending cuts in FY13, many of the existing MACCs are nearing capacity and/or expiring which will result in a limited number of responsible sources and options for FY15 execution. The FY13 budgetary impact; Continuing Resolution and across-the-board Federal spending cuts (sequestration and furloughs) postponed or deferred many projects to FY13 year-end and FY14. Additionally, with the reduction in resources, procurement of basic MACCs tools took a lower priority to execution. As a result, the use of the HUBZone MACC was maximized. This MACC is an invaluable tool to accomplish NAVFAC Hawaii's mission critical projects, being the most timely and cost effective method to accomplish the work.

Given the scope and complexity of these projects, the HUBZone MACC has proven to be an efficient tool for execution. This MACC has provided competitive pricing; another solicitation would not guarantee more advantageous offers than those offered by the incumbents. It has a proven track record of successfully completed projects and satisfied customers, as the majority of the evaluations on completed task orders were rated Satisfactory, Above Average and Outstanding.

b. Increasing the contract value by $12.5 million is the most advantageous method of fulfilling the Government's immediate need, price and other factors considered. The projects are funded for the design; construction funding will be available once the design effort is complete. Increasing the contract value would provide a critical tool for FY15 execution while also providing flexibility for unknown cost growths. NAVFAC Hawaii is actively working on new tools with plans on utilizing Invitation For Bids (IFBs) and more 8(a) sole source procurements to provide a more balanced approach to execution. However, there still exists the need for the increased capacity of this MACC to meet the demands of FY15 execution, particularly in Quarters 2 and 3. Currently the only MACC available of this type is the Service Disabled Veteran Owned Small Business (SDVOSB) which is in its first option and nearing its capacity. There is no other MACC currently in the NAVFAC Hawaii Construction Toolbox what will fill this void.

c. Competition. Projects designated for the HUBZone MACC will be competed among the six incumbents and is anticipated that two or more offers will be received.

d. The six HUBZONE Contractors are;

N62478-10-D-4019	FOPCO
N62478-10-D-4020	Environet Inc.
N62478-10-D-4021	Pioneer Contracting Co.
N62478-10-D-4022	RAASS Brothers Inc. (Currently under SAM Exclusion)
N62478-10-D-4023	San Juan Construction, Inc.
N62478-10-D-4024	TOMCO Corp.

All six incumbents have the appropriate financial and technical resources, experience and organizational controls needed to accomplish the work within the required or proposed delivery schedule.

e. The workload projection estimates were prepared and provided by Capital Improvements (CI), Integrated Product Team (IPT) and Project/Management Engineering Branch (PMEB). The projects are targeted for FY15 Q2&3 awards. Small Business goals are also important to NAVFAC. For FY14, NAVFAC Hawaii was short of its goal of 13.5% for HUBZone procurements by .12%. There is the potential of a greater short fall in achieving the SB goal for HUBZone this FY without increasing the capacity.

f. NAVFAC Hawaii Procurement Contracting Office (PCO) Construction is currently developing the follow-on procurement, however, the projections for FY15 execution indicate the current MACCs in the toolbox will not be adequate and the follow-on MACC is projected to be awarded near the end of FY15. This increase will allow NAVFAC Hawaii to execute the more critical projects in a timely manner.

g. Based on previous task orders under this MACC, the six contractors listed above will provide competitive proposals determined to be fair and reasonable. One of the six contractors, RAAS Brothers, Inc. will not be able to bid on Request For Proposals (RFPs) until their pending Acquisition Integrity Office (AIO) suspension is lifted or they are debarred at which time their contract will be terminated.

h. Based on the above, all six Contractors are the limited number of sources available that can satisfy agency needs and requirements since task orders are competitively awarded and prices are based on current market conditions.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable. Projects designated for the HUBZone MACC will be competed among all six incumbents and is expected that two or more offers will be received. A follow-on HUBZone MACC for approximately $245 million is currently being developed.

7. Determination of Fair and Reasonable Cost. The Contracting Officer has determined the anticipated cost to the Government of the work to be performed by this Justification and Approval will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition. For the reasons set forth in Paragraph 5, NAVFAC Hawaii plans to solicit a follow-on HUBZone MACC contract in FY15 for future projects.

J&A No. 15-02

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.

CLYDE HIGA	471-1836 Phone No.	11/26/2014 Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

RON ASHLOCK	474-6227 Phone No.	12/17/14 Date

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

LYNNE N. S. MORITA	471-9197 Phone No.	12/16/14 Date

ECHELON IV CHIEF OF THE CONTRACTING OFFICE CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

JOY OKIMOTO	474-4536 Phone No.	12/17/2014 Date

J&A No.

ECHELON IV COMMANDING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

Signature	Phone No.	Date
[signature]	471-3926	1/8/15

ECHELON III CHIEF OF THE CONTRACTING OFFICE CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

Danny Lau	Phone No.	Date
[signature]	471-4223	15 JAN 15

APPROVING OFFICIAL (NFAS 6.304)

Upon the basis of 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), as implemented by Federal Acquisition Regulation (FAR) Part 6, Subsection 6.302-1, only one responsible source and no other type of service or service provider will satisfy agency requirements.

Signature	Name	Phone No.	Date
[signature]	BJ Muilenburg	808-472-1000	26 Jan 2015