

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

1. Contracting Activity

NAVSUP Fleet Logistics Center Sigonella, Detachment Naples, Italy.

2. Description of the Action Being Approved

Request of authority to issue a "bridge" contract on a sole source basis, for CHT removal and disposal services in the port of Gaeta for the home-ported Flagship (USS Mount Whitney (LCC-20)) and other visiting US Navy vessels.

3. Description of Supplies/Services

The work includes all labor, equipment and personnel for breasting a barge alongside the ship to collect liquid waste, transport and load the waste onto the tank-trucks at pier-side and then transport the waste to the authorized disposal treatment plant(s); services shall be performed on an as-required basis. The existing contract is a Firm Fixed Price Requirements type contract that will expire 30 November 2012. The proposed contract performance period will be extended for six months commencing on 01 December 2012 through 30 May 2013. The estimated total value of this contract is Euro 709,510.00 (\$979,850.00) based on the Fiscal Year 2013 Budget Exchange Rate (BER) of \$1.00 = Euro 0.7241.

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 and Services will Satisfy Agency Requirements" as implemented by Federal Acquisition Regulation (FAR) 6.302-1".

5. Rationale Justifying Use of Cited Statutory Authority

SE.MA.TER is the incumbent for the existing requirement. Only SE.MA.TER will be solicited for this procurement action in order to continue the provision of the necessary labor, equipment and personnel for breasting a barge alongside the ship to collect liquid waste, transport and load the waste onto the authorized tank-trucks at pier-side and then transport the waste to the authorized disposal treatment plant(s). The USS Mount Whitney, Commander Sixth Fleet's flagship, cannot withstand a disruption of services of the CHT removal and disposal services while in the port of Gaeta. Without the continuous operation of CHT removal services, there is a risk of major failure of the entire vessel system. Presently neither the Military Sealift Fleet Support Command (MSFSC) nor the Naval Facilities Engineering Command Europe Africa Southwest Asia (NAVFAC EURAFSWA) has an immediate contractual capability or on-hand U.S. Government resources to ensure that the CHT removal and disposal services are not interrupted. Presently the incumbent is the only source capable of meeting the Navy's requirements without causing unacceptable delays.

BACKGROUND:

The original contract N68171-05-D-0009 was awarded by NAVSUP FLCSI Naples office on 07 June 2009 to SE.MA.TER. At the time of award, SE.MA.TER submitted the best value offer in terms of technical, past performance and price. SE.MA.TER submitted an acceptable offer, received a "Very Good" rating on Past Performance, and the prices proposed were determined to be fair and reasonable based on adequate price competition. The contract was for a FFP Requirements type contract for a base year with two 12 month options. In April 2012, the requiring activity, NAVSUP Fleet Logistics Center Sites Naples, Gaeta, & Rome expressed the need for a follow-on contract. On 31 May 2012 the contract was extended for 6 months under FAR 52.217-8 Option to extend Services (Nov 1999). No other option is available and a "bridge" contract will be issued for six months. This extension is necessary to issue a new solicitation for the renewal of the CHT removal and disposal service.

Issuance of the Solicitation for CHT Removal and Disposal services contract has been delayed due to the following:

- a. An ongoing assessment of the CHT characteristics is being conducted to evaluate the feasibility to directly discharge from ships into the sewerage system of the City of Gaeta, thus eliminating the need for barge & tank-trucks services; or CHT discharged from ships via piping into a lift station and, from there, loaded on tank-trucks for off-site disposal, thus eliminating the need for barge services. Particularly:
  - 1) In April 2012 AcquaLatina (i.e.: the company managing the sewerage system of the City of Gaeta) was engaged to evaluate the feasibility of conducting a joint sampling event for assessing the CHT characteristics of the USS MT Whitney and/or other US Vessels visiting the Gaeta NATO POL Complex.
  - 2) On 10 July 2012 the performance work statement (PWS) was submitted to USS Mount Whitney for comments and review. On 1 August the PWS package was again submitted to the USS MT Whitney for comments and review. The USS Mount Whitney delayed in providing the requirement predicated on receiving testing results which could alter the CHT discharge and disposal method. The first testing was scheduled 30 July - 3 August, but did not take place. On 3 August contracts received the requirements package.
  - 3) AcquaLatina and the Italian Base Command (IBC) of the Gaeta NATO POL Complex performed the joint sampling event on 27 September 2012.
  - 4) Draft test results for the CHT samples collected on 27 September 2012 were received on 22 October 2012, and final test results were expected by 5 November 2012, but have not been received yet.
  - 5) As soon as the result of the tests are received, a meeting with all interested parties will be held at the Gaeta NATO POL Complex to evaluate these test results and best available/desired Courses of Action (COAs) for subsequent determinations as needed.

Because the requiring activity has been testing, sampling, and collecting data to evaluate different methods to discharge and dispose of CHT, it caused a delay in issuing a new solicitation. However, given the ongoing requirement for these services by the home ported flagship, the USS

MT Whitney and occasionally by other US vessels, the Navy cannot withstand a disruption in service. Therefore, a new contract will bridge the time between the expiration of the current contract and the award of the new contract with commencement of services anticipated on 01 June 2013.

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

Market research has been conducted for CHT removal and disposal services for potential sources in the area of Gaeta, Italy as well as in the rest of Italy. Market research indicates that there are sources to solicit for the upcoming requirement competitively. Feedback obtained from past market research of various sources indicated that there are enough local Italian contractors willing and capable of fulfilling the new long term requirement. The below listing identifies the potential sources:

- (1). SEMATER S.r.l. Gaeta – Italy
- (2). SPICAMAR S.r.l. Gaeta- Italy
- (3). NAVAL SERVICES S.r.l - Napoli Italy
- (4). BENEDETTO LOMBARDI S.r.l. - Gaeta Italy
- (5). ECO SERVIZI S.r.l.

Although sources exist for the provision of CHT removal and disposal the continuous need for these services by the home ported flagship, the USS MT Whitney and the short-term requirement, maximum six months, it is in the best interests of the Government to issue a “bridge” contract extending the period of performance to the incumbent contractor for these mission critical services. Phasing in a new contractor at this time would jeopardize the mission and would not support continuity of required services. This proposed contract will have a period of performance from 01 December 2012 until 31 May 2013.

The follow-on competition is anticipated to resume along the following timeline:

<b>Action</b>	<b>Anticipated Date</b>
Pre-solicitation Local CRB	21 December 2012
Issuance of Solicitation	3 January 2013
Receipt of Proposals	4 February 2013
Technical Evaluation of proposals	15 February 2013
Pre-Negotiation CRB	21 February 2013
Discussions	22 February 2013
Revised Proposals	27 February 2013
Technical Evaluation of the Revised Proposals	4 March 2013
Post-Negotiation - CRB	19 March 2013
Contract Award	9 April 2013
Contract Effective Date	1 June 2013

## 7. Determination of Fair and Reasonable Cost

The previous six-month option extension under FAR 52.217-8 was estimated in the amount of Euro 507,715.00 based on the ship schedule for the USS Mount Whitney and the time that the Flagship was expected to be in its home port (Gaeta).

The current estimate was calculated based on the actuals from the contractor's quarterly reports (June-October 2012) to obtain the total estimated amount of Euro 709,510.00 for the bridge contract. The contractor has agreed that the prices will remain unchanged.

The Contracting officer will determine the price fair and reasonable in accordance with FAR 15.802(b), "The Contracting Officer shall ensure that all supplies and services ordered under the ensuing contracts are procured at a fair and reasonable price."

The determination of the price reasonableness and fairness will be made in accordance with FAR 15.404-1(b)(ii) Comparison of the proposed prices to historical prices paid, whether by the Government or other than the Government, for the same or similar items

The price for this requirement will be compared to the price under the current contract N68171-05-D-0009 that was determined fair and reasonable based on adequate competition.

Under the previous contract award SE.MA.TER submitted the best value offer in terms of technical, past performance and price. SE.MA.TER submitted an acceptable offer, received a "Very Good" rating on Past Performance and the prices proposed were determined to be fair and reasonable based on adequate price competition. SE.MA.TER had the lowest price for Option Year Two of the acceptable bidders. The prices established under the Option Year Two are Firm fixed prices and applied to the six month option period exercised in accordance with FAR 52.217-8 from 1 June 2012 – 30 November 2012. The Contracting Officer anticipates the prices proposed under this effort will also be fair and reasonable.

The current contract's ordering/performance period and value are summarized as follows:

Period	Dates		Contract Estimated Value
Base	08 June 2009-31 May 20 10		Euro 1,324,700.00
Option 1	01 June 2010-31 May 2011		Euro 1,378,150.00
Option 2	Option 2 01 June 2011 - 31 May 2012		Euro 1,433.000.00
		Total	Euro 4,135,850.00
6-mth ext	01 June 2012-30 Nov 2012		Euro 507,715.00
	Ex. Rate 0.7241	\$6,412,878.00	Euro 4,643,565.00

The estimated amount of this J&A is Euro 709,510.00 (\$979,850.00) and is based on data from a 6 month period under this contract.

8. Actions to Remove Barriers to Future Competition

NAVSUP Fleet Logistics Center Sigonella will ensure compliance with the FAR, DFARS and NMCARS, and guidance to conduct full and open competition for the new requirement. The new anticipated solicitation for a long term contract will be uploaded in EuroNECO for 30 days and solicited to potential contractors identified through market research to ensure widest dissemination and encourage maximum competition.

9. Contracting Point of Contract

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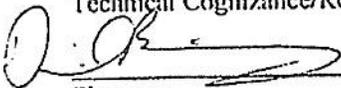
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J&A Number: 13-002

**CERTIFICATIONS AND APPROVAL  
TECHNICAL/REQUIREMENTS CERTIFICATION**

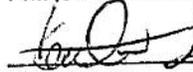
I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein are complete and accurate to the best of my knowledge and belief.

Technical Cognizance/Requirements Cognizance:

 David Bonifacio, LEAP, SEUR 626-4142 13 Nov 12  
Signature Name (Printed) Phone No. Date

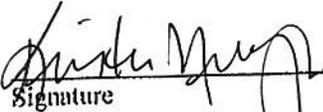
**LEGAL SUFFICIENCY REVIEW**

I have determined this Justification is legally sufficient.

 Keith Down 626-4145 13 Nov 12  
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 \$650K, the Contracting Officer's signature below also represents approval of the J&A/LSJ.

 Kristin Umbaugh 626-3743 13 Nov 12  
Signature Name (Printed) 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.

 Antonio B. Arroyo 626-4150 13 Nov 12  
Signature Name (Printed) Phone No. Date