



**DEPARTMENT OF THE NAVY**  
NAVAL FACILITIES ENGINEERING COMMAND SOUTHEAST  
JACKSONVILLE, FL 32212-0030

J&A Number: N69450-16-0207  
Contract Number: N69450-11-D-1257

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

1. **Contracting Activity:** The contracting activity is Naval Facilities Engineering Command Southeast (NAVFAC SE).
2. **Description of the Action Being Approved:** The action being approved under this Justification and Approval (J&A) is a modification to extend current contract N69450-11-D-1257 for a base period of six months, in accordance with Federal Acquisition Regulation (FAR) 52.217-8 (Option to Extend Services), and an additional extension under the current contract on a sole source basis for two three month option periods. This is an indefinite delivery, indefinite quantity (IDIQ) type contract for Ready Mix Concrete services at Naval Station (NAVSTA) Guantanamo Bay, Cuba. The contractor is Munilla Construction Management, LLC (MCM), 6201 SW 70<sup>th</sup> St 2<sup>nd</sup> Floor, Miami, Florida 33143.
3. **Description of Services:** The services to be performed include all labor, management, supervision, tools, materials, equipment, engineering, and transportation necessary to produce and deliver ready mix concrete, coarse and fine aggregates and materials testing services to specific sites as required for Guantanamo Bay, Cuba. The contractor shall maintain, repair, install, and alter ready mix concrete products to ensure optimal performance.

The bridge contract period of performance is for a six month base period and two three month option periods for a total not to exceed twelve months. This allows time to perform market research, finalize specifications, solicit a follow-on contract and, if required, conduct multiple rounds of discussions, request and receive funding, and provide the required 90-day mobilization phase-in time for the new contractor. The estimated dollar value for the twelve month bridge action includes up to \$1,400,000.00 of ready mix concrete services for both the NAVSTA and the construction contractors working on the Government contracts. This includes approximately [REDACTED] for anticipated Government task orders and [REDACTED] for anticipated Contractor requirements under Government contracts. This estimated cost was derived from the historical values ordered under the current period of performance and upcoming known Government requirements. The contract is funded by the following types of funds: Defense Health Program; Operations & Maintenance, Army; and Operations & Maintenance, Navy.

4. **Statutory Authority Permitting Other Than Full and Open Competition:** This acquisition will be negotiated pursuant to 10 USC 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:** It is critical to NAVSTA Guantanamo Bay's mission that services under this contract be maintained until a new contract can be competitively awarded. All required concrete ready mix services to be performed under the authority requested by this J&A are critical requirements which the Navy needs in order to continue its mission. The incumbent Contractor, MCM is presently the only known Contractor mobilized to Guantanamo Bay that can perform these

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Source Selection Information – FAR 2.101 and 3.104

services without interruption until the follow-on acquisition can be awarded. MCM possesses the manpower and skill levels to continue performance without a learning curve, a break in service, or any additional mobilization requirements. Award to any other source would result in substantial duplication of cost to the Government, exacerbate berthing and utility issues that are not expected to be recovered through competition, and result in unacceptable delays in fulfilling the agency's requirements.

A timely award of the re-procurement is not feasible at this time. Acquisition planning for the re-procurement of the ready mix concrete services contract began in November 2014. During acquisition planning, NAVSTA Guantanamo Bay requested an Indefinite Delivery Indefinite Quantity (IDIQ) paving contract, which could provide concrete and asphalt paving to the base in addition to providing materials to the contractors on base. However, the specific requirements were undecided since asphalt was not included in the previous contract. Subsequently, the acquisition planning for the changed requirement from services to construction began in March 2015. In May 2015, it became apparent that the seed project for the paving IDIQ would not be funded. In conjunction with the acquisition planning for the IDIQ, NAVFAC SE contacted Fleet Logistics Center (FLC) to discuss whether this was a supply requirement that should be procured by FLC Jacksonville. However, FLC articulated that they would not procure the contract as it is not considered a supply requirement, due to the fact that there is a technical specification which requires the contractor to batch, measure, mix, and transport the concrete prior to sale. In October 2015, Commander Navy Region Southeast (CNRSE) indicated they would fund a minimum guarantee for a follow-on ready mix concrete services contract and efforts on the procurement re-commenced. The follow-on contract has an anticipated award date of 31 August 2016.

NAVSTA Guantanamo Bay is a unique overseas facility extending over 28,821 acres at the southeastern tip of the sovereign island nation of Cuba. The mission of the station includes: (a) maintaining U.S. treaty obligations while projecting a military forward presence in the Caribbean; (b) maintaining port, airfield and staging areas to support U.S. contingency operations in the Caribbean; (c) providing logistical support to ships and aircraft conducting counter-drug operations in the Caribbean; (d) supporting the Global War on Terrorism and Operation Enduring Freedom; and (e) supporting the facility infrastructure requirements of the Joint Task Force (JTF) Guantanamo Bay.

There is no off-base support available at NAVSTA Guantanamo Bay. The activity is on a 24/7, 365-day cycle as a self-sustaining facility, producing its own potable water and generating its own electricity. Facility sustainment requirements can be steep and unpredictable on island due to the harsh tropical weather and the unpredictable political environment affecting base operations. The base relies on Construction and Service Contractors to maintain and repair the base facilities. Operating conditions are unique and challenging for Contractors including strict security requirements that mandate Contractors obtain clearances well in advance of arrival, no less than 30-days. All Contractor crews must be housed on base on a space available basis or on Contractor camps. All construction materials and equipment must be barged onto the installation. Contractors amortize these initial mobilization and staging costs over the life of their contracts.

Under Executive Order 13223, dated 14 September 2001, the base has accelerated pace in support of the Global War on Terrorism; thusly there has been an unanticipated increase in mission-critical facility infrastructure repair needs and sustainment requirements onboard the NAVSTA. Additionally, the impact of Hurricane Sandy began a recent trend of additional repair and maintenance work. Unexpected contingency requirements mostly associated with JTF continued this trend through 2014 and new DLA & Navy Family Housing maintenance and restoration projects continue to push this trend into the foreseeable future. Contractor construction projects, continued road repair and maintenance requirements

and other installation projects all require work necessitating the supply of ready mix concrete to NAVSTA Guantanamo Bay.

To date, the existing NAVFAC construction and service contractors already mobilized and performing work on projects do not have their own concrete batch plant mobilized in support of their contract mission. Therefore, the loss of a dedicated ready mix concrete batch plant would effectively shut down all construction operations and any future road repair. Each contractor would have to immediately mobilize a ready mix concrete plant in support of their operations, the cost of this effort and any impact to their schedules would require Government compensation. The cost for mobilization and startup of a new ready mix concrete batch plant is estimated to be [REDACTED] compared to approximately [REDACTED] for each follow-on task order against the current contract N69450-11-D-1257; to keep the plant on the installation and for maintenance of the equipment.

Additionally, not only will the cost of construction increase, this duplication in effort will lead to increased energy consumption and more berthing requirements onboard the installation. The current ready mix concrete plant used [REDACTED] ([REDACTED] in electricity and [REDACTED] in water and sewage) in utility consumption in FY14. If the installation now required seven concrete plants to be active the costs could well exceed [REDACTED]. Additionally, in FY14 Navy Gateway Inns and Suites reached capacity and a waitlist of one to two months after the 45-day security requirement is completed has now become a steady trend. The current batch plant is operated by a [REDACTED] additional batch plants for every Contractor would only exacerbate the berthing, utility and contracting capacity issues threatening to delay contract execution.

6. Description of Effort Made to Solicit Offers from as Many Offerors as Practicable: Upon approval of this J&A, the proposed action will be synopsisized on the Governmentwide Point of Entry (GPE) as a sole source extension of contract N69450-11-D-1257 to Munilla Construction Management, LLC. No additional market research was conducted because it is not practicable, for the reasons discussed in paragraph 5 above, for any company other than Munilla Construction Management, LLC, to provide the required services.

7. Determination of Fair and Reasonable Cost: The Contracting Officer has determined the cost to the Government for services covered by this J&A will be fair and reasonable. Based on historical data for similar services and independent Government estimates, NAVFAC SE anticipates competitive pricing for Ready Mix Concrete services. In addition, the contract includes specification 2.2.2 Sales to Contractors which states, "The Contractor performing under this contract shall sell ready mix concrete, coarse and fine aggregates and materials testing services to all Government contractors operating on the Naval Base at unit prices no higher than contained herein." No other firm-fixed price costs are to be associated with this modification.

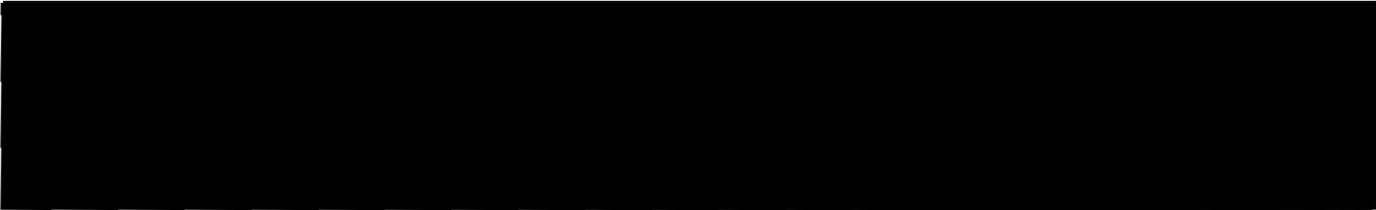
8. Actions to Remove Barriers to Future Competition: The re-procurement of the ready mix concrete services may be solicited under full and open competition or included in the current Guantanamo Bay Base Operations Support Services contract if approved under FAR Part 6. The follow-on contract start date is 1 December 2016, if all options are exercised under this bridge action. The command will take all reasonable measures to proceed with the follow-on procurement as expeditiously as possible. In addition, in the future, larger construction contracts will include a requirement to mobilize a concrete batch plant to help increase competition at NAVSTA Guantanamo Bay. There are currently no additional actions required to remove barriers to future competition.

CERTIFICATION AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

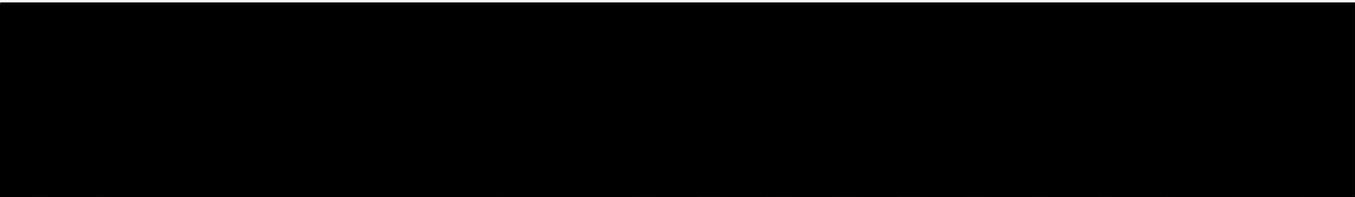
I certify that the facts and representation under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein are complete and accurate to the best of my knowledge and belief.

Technical Cognizance:



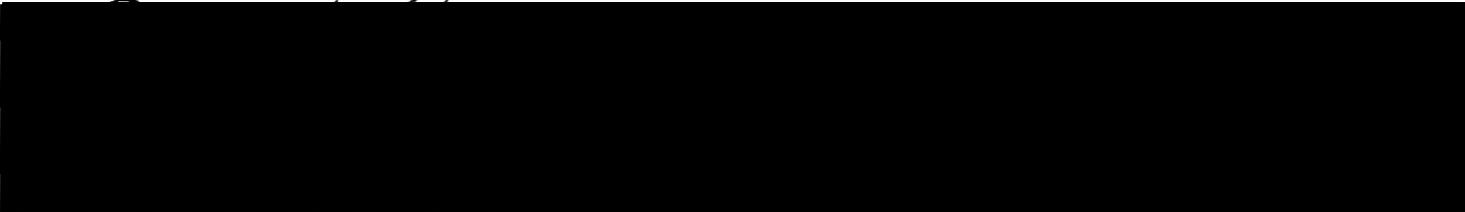
LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.



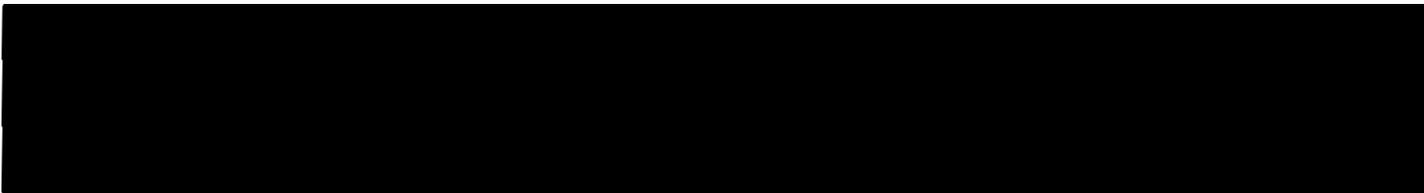
CONTRACTING OFFICER CERTIFICATION

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



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.



APPROVING OFFICIAL (NFAS 6.304)

Upon the basis of the above Justification, I hereby approve the proposed contract actions described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304(c)(2) as implemented by FAR 6.302-2, only one or limited number of responsible sources and no other supplies or services satisfy agency requirements.

