



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

JUSTIFICATION AND APPROVAL
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 (NAVFAC SE). The contracting office is Public Works Department, Facilities Engineering and Acquisition Division (FEAD), U.S. Naval Base, Guantanamo Bay, Cuba.

2. Description of the Action Being Approved.

FEAD Guantanamo Bay proposes to procure, through other than full and open competition, a paving and resurfacing construction contract to repair an estimated 6.5 miles of damaged roads on the Naval Base with an estimated not-to-exceed value of \$860,289.00. The previous contract N69450-08-D-1273 provided U.S. Naval Base Guantanamo Bay with paving and resurfacing services and was awarded to KNIK Construction Co. Inc., 18000 International Blvd. Suite 800, Seattle, Washington 98188.

3. Description of Supplies/Services.

The work to be performed includes all labor, supervision, engineering, tools, parts, materials, equipment, supplies and transportation required for a paving and resurfacing type project to provide secure paving construction and alterations for site-work to ensure damaged roads are fully functional and operational.

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.

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FEAD Guantanamo Bay believes it is in the best interest of the Government to use other than full and open competition to procure a sole-source negotiated firm fixed price contract in the estimated amount of \$860,289.00. KNIK Construction Co. Inc. is the one responsible source that can provide the required services to the Navy:

- a) KNIK was awarded a firm fixed price IDIQ paving contract on 02 September 2008 for the NTE amount of \$50M and four option periods, each having a NTE of \$10M. That vehicle has recently expired and is no longer available. Due to unexpected and inordinate amounts of rainfall during the months of July through October, portions of the main roads have experienced significant damage from erosion and washout. KNIK still has all equipment and materials aboard the base but will be demobilizing in January of 2012 per the terms of the original contract. The contractor has agreed to honor the line item pricing under the original competed contract. This single contract action provides paving repair, via a one and half inch lift over milled paving on existing roadways that have experienced the most damage. The use of KNIK Construction Company provides the best value to the Government as all materials and equipment required for the identified work are already aboard U.S. Naval Base Guantanamo Bay. It would not be in the best interest of the Government to require a contractor to mobilize on Guantanamo Bay for this one specific project.
- b) Cost Benefit: Award to any other source would result in substantial duplication of costs to the Government that is not expected to be recovered through competition. Full performance and start-up costs for any contractor other than KNIK Construction Co. Inc. would include: mobilization of paving equipment and paving materials; base access; clearances; development of work plans; quality control plans; safety plans; establishment of any necessary subcontractor agreements; hiring qualified employees; and demobilization. These costs would significantly impact the cost to the Government and reduce the base's ability to complete all needed repairs.

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 paving services, soliciting and mobilization of another contractor is not possible as it is a limited competitive environment. No other contractor on island has the services readily available for use. No other source is available to fill the requirement.

7. Determination of Fair and Reasonable Cost. In addition to an independent government estimate developed from numerous years of historical data, the contractor's original line item pricing was based on competition evidencing the contractor's proposal to be determined a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition. For solicitation of a sole source paving and construction contract no additional market research was conducted because it is not practicable, for the reasons discussed in section five above, for any company other than KNIK Construction Co. to provide the required services. The Naval Base is located in Cuba, 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 and there are no additional paving projects planned in the immediate future.

CERTIFICATIONS AND APPROVAL