

JUSTIFICATION REVIEW DOCUMENT

DESCRIPTION OF ACQUISITION: Distributor Support for Guard/Reserve Sales for the Defense Commissary Agency (DeCA), Various US Locations

STATUTORY AUTHORITY: 10 U.S.C. 2304(c)(1), as implemented by FAR 6.302-1(b)(1)(ii), unique supplies or services available from a limited number of sources or from a limited number of suppliers with unique capabilities.

ESTIMATED CONTRACTS AMOUNT: The **estimated** cost for the base year award among the four contracts combined is \$600,000; total for base and four one-year options is \$3 million.

PERFORMANCE PERIOD: Base Period of March 1, 2014 through February 28, 2015; with four one-year option periods through February 28, 2019.

Contract Specialist: Barbara Wright
Phone Number: 804-734-8000x86093
Contract Specialist
Date/Initials: BFW 2/26/14

PCO: Loria Samples Hile
Phone Number: 804-734-8000x48630
Contracting Officer
Date/Initials: LSH 2/26/14

Technical: None

Requirements: Willie Watkins
Phone Number: 804-734-8000x48453
Chief, Business Dev/eCommerce
Date/Initials: WW 2/27/14

Reviews: We have reviewed this J&A and find the justification adequate to support other than full and open competition.

Program Manager: N/A

Legal Counsel: Ronald Horn
Phone: 804-734-8000x48116
Signature: HORN.RONALD.S.1030358674
Date: 2/26/2014

Chief of Contracting Office: Michael Shaffer
Phone: 804-734-8000x48681
Signature: SHAFFER.MICHAEL.G.1044850571
Date: 2/26/2014

DeCA Competition Advocate: Melissa Rios
Phone: 804-734-8000x48680
Signature: RIOS.MELISSA.A.NNE.1039282069
Date: 2/28/14

JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN COMPETITION

1. CONTRACTING OFFICE: Defense Commissary Agency, Enterprise Acquisition Division, Store Support Services Branch, 1300 E Avenue, Fort Lee, Virginia 23801-1800

2. TYPE OF CONTRACT ACTION: Several contract actions are contemplated for continuation of DeCA-wide Guard and Reserve sale support. It is anticipated that four indefinite delivery requirements type contracts with firm fixed pricing and fuel adjustment allowance will be awarded. If distributor support changes for a guard and reserve site sale, this justification and approval will be used as the exception to competition. The current contract(s) necessary to perform this effort will be for a base period of March 1, 2014 through February 28, 2015 and will include four one-year option periods which could run through February 28, 2019 if all options are exercised. Initial contracts will be awarded to the following distributors: C&S Wholesale Grocers Inc., Coastal Pacific Food Distributors Inc., Nash Finch Company dba MDV Norfolk Distribution Center and Supervalu Inc., dba Albertsons – SAVON #467. This effort will utilize Defense Working Capital Funds.

3. DESCRIPTION OF SUPPLIES/SERVICES: The Defense Commissary Agency Headquarters Guard and Reserve Team under Store Operations Division requires distribution of products and rental of the dry and refrigerated trailers at various Guard/Reserve sites located in the US to accommodate grocery offsite sales hosted by various commissaries. Some sales require backhaul of product to the host commissary. A listing of all known sale site locations is attached to this document, but actual sale locations and number of sales per location varies from year to year. Funding is provided as a lump sum by the program office. Previous years funding has been under \$600,000 for all events. FY13 contract cost was \$310,416.00, FY12 contract cost was \$496,221.00, and \$504,396 in FY11. The estimated cost for the base year and each option year is \$600,000, for an estimated total of \$3 million for the base period and four option years.

4. AUTHORITY CITED: Statutory Authority 10 U.S.C. 2304(c)(1), as implemented by FAR 6.302-1(b)(1)(ii), unique supplies or services available from a limited number of sources or from a limited number of suppliers with unique capabilities.

5. REASON FOR AUTHORITY CITED: Services are unique and available from a limited number of sources which can satisfy the Agency's requirements. These contracts will provide for the transportation of food manufacturers' products stored at these distribution warehouses to the Guard/Reserve site locations, include rental of refrigerated and dry trailer storage units during the period of the sale and back haul of the food products to the hosting Commissary location. The proposed contract awardees' have unique agreements with major U.S. food manufacturers for warehousing and distribution of their products sold in the DeCA commissaries. Product orders are placed electronically with the distributor and the distributors are required to assume full liability and responsibility for the product while in their possession. The U.S. food manufacturers' product costs to DeCA include the transportation costs from the distribution warehouse(s) to the commissaries and are determined by unique DoDAACs for delivery to the commissary address. The distributors cost for delivery to the Guard/Reserve sale sites is based on the difference in mileage from the normal delivery address to the sale site. It

would be difficult, if not impossible, for non-distributors to assume the same level of liability and responsibility, or absorb the extra cost of delivery from the manufacturers' warehouses to the sale sites.

6. EFFORTS TO OBTAIN COMPETITION: A notice of intent to award to limited sources was posted in FedBizOpps on December 6, 2013 with a closing date of January 6, 2014. DeCA received one inquiry to this notice. The inquirer asked for additional information regarding the program to determine if they could perform the services. DeCA provided the additional information and asked for feedback on whether the firm had the distinct capabilities required. No further response was received from the company; therefore, they were eliminated as a potential source. Price competition has been solicited among the distributors who have the capability to perform the requirement.

7. FAIR AND REASONABLE COST DETERMINATION: The services are considered to be of a commercial nature. DeCA receives competition on a regular basis for transportation contracts and trailer rentals, two of the main price components of this requirement. The prices submitted by C&S Wholesale Grocers Inc., Coastal Pacific Food Distributors Inc., Nash Finch Company dba MDV Norfolk Distribution Center and Supervalu Inc., dba Albertsons – SAVON #467 are determined to be fair and reasonable based on competition that DeCA receives for other transportation and trailer rental contracts. Comparative pricing among the four distributors was analyzed and was found to be fair and reasonable based on that comparison.

8. MARKET RESEARCH AND INTERESTED SOURCES: USTRANSCOM was contacted for any contracts DeCA could use in CONUS and Hawaii. The only potential resource is the Defense Transportation Coordination contract, which includes a fee of \$300,000 per shipment site and a monthly management fee based on shipment volume. In addition, the contract expires on October 16, 2014 with no plans within USTRANSCOM to renew the requirement. No other interagency or GSA contracts were found to satisfy the requirement. A notice of intent to award to limited sources was posted in FedBizOpps as mentioned in Paragraph (6) above.

9. ACTION TO INCREASE/FOSTER COMPETITION: Notice of DeCA's intent to award limited source contracts was posted on FedBizOpps. To date, current DeCA distributors C&S Wholesale Grocers Inc., Coastal Pacific Food Distributors Inc. (various distribution points), Nash Finch Company (various distribution points), and Supervalu Inc. (various distribution points) are the only available sources capable of providing these requirements at a fair and reasonable cost. Since DeCA's distributors have special agreements to handle the resale product, it is difficult to locate additional sources that are willing or able to handle the transportation needs. However, before any future requirement is solicited, we will post a Sources Sought or Request for Information notice on FedBizOpps, as well as requesting DeCA's transportation division perform additional market research to determine if there are new distributor companies available for this requirement.

10. OTHER FACTORS: Procurement history shows five limited sources Blanket Purchase Agreements (BPAs) were awarded to the DeCA Distributors mentioned in Paragraph (9) and to another distributor, Bethel Eckert Enterprises, Inc. HDEC05-08-A-0003 and HDEC05-08-A-0004 were issued on June 1, 2008; HDEC05-08-A-0005 and, HDEC05-08-A-0006 were issued

on June 5, 2008. HDEC05-08-A-0007, awarded to Bethel Eckert on June 6, 2013. Bethel Eckert closed in April 2013 and no longer provides distribution services to DeCA. The agreements were issued for a five-year performance period starting on their issue date and continuing through May 31, 2013. A six-month extension was exercised, continuing the period of performance through November 30, 2013. The previous BPAs were issued with the intent to compete individual calls for the Guard/Reserve sale sites. With the merger of several distributor companies, the product categories and distributor territories were greatly reduced and competition was not available for the majority of G/R sale sites. As a result, the new requirement strategy determined that the best approach is to award several indefinite delivery indefinite quantity (IDIQ) contracts with all sources available.

Subcontracting Competition: There are no subcontracting possibilities in accordance with FAR 19.705-2(b)(1) as each distributor maintains all in-house capabilities for this service. Distributors either use their own trucks and drivers or use drivers and companies already under contract with them for providing service to all of the distributors' customers, including DeCA.

11. TECHNICAL CERTIFICATIONS: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Not Applicable

12. REQUIREMENTS CERTIFICATION:

I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

NAME: Willie Watkins

SIGNATURE: WATKINS.WILLIE.E.1095018153
Digitally signed by WATKINS.WILLIE.E.1095018153
DN: cn=US, ou=U.S. Government, ou=DoD,
ou=HRL, ou=DECA,
cn=WATKINS.WILLIE.E.1095018153
Date: 2014.02.27 12:29:45 -0500

TITLE: Chief, Business Development/eCommerce **DATE:** 2/27/14

13. FAIR AND REASONABLE COST DETERMINATION AND CONTRACTING OFFICER CERTIFICATION:

I hereby determine that the anticipated cost for this contract action will be fair and reasonable based on competition received among the four distributors and pricing received on other competitive actions for similar items such as quotes received in response to DeCA solicitations for Refrigerated and Dry Holiday Trailers, and transportation at various commissaries, and prior pricing for these sales under Blanket Purchase Agreements. I determine that sufficient justification exists to issue four limited-source Indefinite Delivery Requirements contracts for distribution support for DeCA's Guard and Reserve sales hosted by various commissaries. I certify that this J&A is accurate and complete to the best of my knowledge and belief.

NAME: Loria Samples Hile

SIGNATURE: SAMPLES.HILE.LORIA.A.1202014.930
Digitally signed by SAMPLES.HILE.LORIA.A.1202014.930
DN: cn=US, ou=U.S. Government, ou=DoD,
ou=HRL, ou=DECA,
cn=SAMPLES.HILE.LORIA.A.1202014.930
Date: 2014.02.26 16:51:13 -0500

TITLE: Contracting Officer **DATE:** 2/26/14

APPROVAL

Based on the foregoing justification, I hereby approve the procurement of Distributor Support Services for the DeCA Guard and Reserve sales provided by various commissaries on an other than full and open competition basis pursuant to the authority of 10 U.S.C. 2304(c) (1), provided funds are available, or will be available, and provided that the services and property herein described have otherwise been authorized for acquisition.

APPROVED:

RIOS.MELISSA.ANN
E.1039282069

Digitally signed by RIOS.MELISSA.ANNE.1039282069
DN: c=US, o=U.S. Government, ou=DoD, ou=PKI,
ou=DECA, cn=RIOS.MELISSA.ANNE.1039282069
Date: 2014.02.28 10:42:43 -0500

Date 2/28/14

Melissa Rios
DeCA Competition Advocate