

**JUSTIFICATION REVIEW DOCUMENT Control No. HDEC05-12-18 AMEND 0001**

**Description of Acquisition:** Rental Exchange of Blades, Grinder Plates, and Knives Purchasing

**Statutory Authority:** 10 U.S.C. 2304(c) (1) **Amount:** ~~\$160,000.00~~ \$568,240

**Prepared by:** Typed Name: Michael G. Shaffer Title: Contracting Officer

Telephone No. 804-734-8000x86180 Date: 07/30/2012

**PCO:** Typed Name: Michael G. Shaffer Title: Contracting Officer

Telephone No. 804-734-8000x48681 Date: 07/30/2012

**Technical:** Typed Name: Doug Thomas Title: Supply Management Specialist

Telephone No. 804-734-8000 x48012 Date: 07/30/2012

**Requirements:** Typed Name: Doug Thomas Title: Supply Management Specialist

Telephone No. 804-734-8000 x48012 Date: 07/30/2012

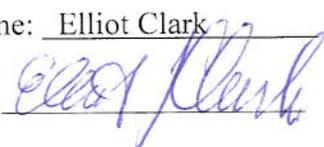
**Signatures Are Required Below:**

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

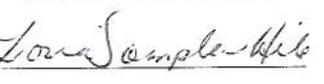
**Program Manager:** Typed name: N/A Phone: \_\_\_\_\_  
(If none, show N/A)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

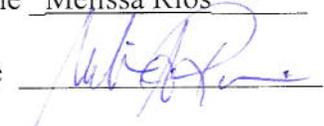
**Legal Counsel:** Typed name: Elliot Clark Phone: 804-734-8000

Signature  Date: 07/30/2012

**Chief of Contracting Office:** Typed name Loria Samples Hile Phone: 804-734-8000x48640

Signature  Date: 07/30/2012

**DeCA Competition Advocate:\*** Typed name Melissa Rios Phone 804-734-8000x48680

Signature  Date: 07/30/2012

**JUSTIFICATION AND APPROVAL Control No. HDEC05-12-18 AMEND 0001**

**FOR OTHER THAN FULL AND OPEN COMPETITION**

1. **Contracting Office** – This action is made on behalf of the Revenue, Supplies and Headquarters Support Branch of the Defense Commissary Agency located at 1300 E. Avenue, Ft. Lee, Virginia 23801-1800.

2. **Type of Contract Action** – 2 month extension on the recently awarded six month interim award to provide a rental exchange of blades and grinder plates along with knives for purchasing. This 2 month extension is from July 1, 2012 to August 31, 2012. The original acquisition was conducted as a competitive acquisition on an unrestricted basis. The payments and purchases are being made using Defense Working Capital Funds authorized by individual store Government Purchase Cards (GPC). The total estimated expenditures for this 2 month extension are \$160,000.00. The previous 6 month interim contract's expenditures were \$408,240.00 and with the additional 2 month extension, the expenditures now total \$568,240.00.

3. **Description of Supplies/Services** – This service is to lease sharp Government knives and blades necessary for the operation of grocery store equipment located at commissaries across the United States. Knives and blades that are unable to be sharpened are purchased vice leased.

4. **Authority Cited** – The authority cited for this extension is 6.302-1 “Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements”. The statutory citation for this is 10 U.S.C. 2304(c)(1).

5. **Reason for Authority Cited** – Only one firm had been identified as capable of performing this service until recently. Only one firm can meet DeCA's need on a short term basis for this requirement due to the large initial investment required by the contractor and the increased production requirements. A new short term contract would require prohibitively large outlay of cash for a new contractor for a short term contract. If a firm would decide to compete, it would be at a substantial duplication of cost and operational impact to the Government. A long term contract is required to provide firms an opportunity to amortize the inventory of rental products and to provide for a smooth transition if service providers change. A long-term contract will be solicited and awarded for a base period with four one year option periods in FY 2012.

6. **Efforts to Obtain Competition** – Obtaining competition for this requirement has been daunting. Hundreds of vendors were researched and the large majority was determined as not viable for this effort. Countless market research hours have been expended to maximize competition. A sources sought notice was posted to fbo.gov with many respondents, but none that could provide the product and service coverage in the extensive geographic area required other than the incumbent contractor. It was discovered that firms in this industry are almost exclusively commercial and are not typically reached through Government notices through the Federal Business Opportunities website (www.fbo.gov). The two previous known firms that were identified as capable of performing this requirement merged thus restricting much of the

competitive market. Extensive market research has been conducted in order to discover more competitors to include yellow page searches and a database search with Dun and Bradstreet. Many possible companies were found and information was requested from these firms to identify capability in order to develop a viable acquisition strategy. This market research took an extensive amount of time due to the exhaustive market searches required and the volume of data to analyze; however, DeCA now has the required information to develop an acquisition strategy based on the market information gained. Since receiving the commercial market information, the agency has been revising the requirement to adjust to current commercial market capabilities and to change the demand and usage models in order to save money. For these reasons and the logistical and financial obstacles of completing a short term contract for leased items, it has been determined to extend the current contract in order to make a contract award. The Government is currently in the process of evaluating proposals in response to a competitive solicitation. An award is anticipated in early August 2012.

7. **Fair and Reasonable Cost Determination** – The price of the leased items have stayed in compliance with the contract and are still determined as fair and reasonable.

8. **Market Research** – As mentioned before, great lengths have been taken to identify and notify competitors of DeCA’s requirement and how best to solicit this service.

9. **Other Factors** – Due to the market research and the discovery of new efficiency models, the requirement is being revised.

10. **Interested Sources** – There are no other sources with the capabilities to provide these services on a short-term period. Firms require at least a year commitment to provide these services.

11. **Actions to Increase/Foster Competition** – The contracting office has made numerous attempts to foster the most competition available through advertising in fbo.gov, word of mouth and personal contacts with vendors discovered through an exhaustive search. A competitive requirement has been solicited and is currently being evaluated.

**Technical 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.

Typed Name: Doug Thomas Title: Supply Management Specialist

Signature:  Date: 07/30/2011

**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.

Typed Name: Doug Thomas Title: Supply Management Specialist

Signature:  Date: 07/30/2011

**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. I certify that this J&A is accurate and complete to the best of my knowledge and belief.

Name: Michael G. Shaffer Title: Contracting Officer

Signature:  Date: 07/30/2011

**APPROVAL**

Based on the foregoing justification, I hereby approve the procurement of the Rental Exchange of Blades, Grinder Plates, and the Purchasing of Knives 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:

Name: Michael G. Shaffer Title: Contracting Officer

Signature:  Date: 07/30/2011