

JUSTIFICATION REVIEW DOCUMENT

Description of Acquisition: Modification to extend the contract performance period for HDEC02-06-D-0015 to provide the uninterrupted delivery of fresh fruits and vegetables to 9 commissary store locations assigned to the Defense Commissary Agency.

Statutory Authority: 10 U.S.C. 2304(c)(1)

Amount: \$8,511,000

Prepared by: Sarah E. Saunders
Telephone: (804) 734-8000, 4-8899

Contracting Officer
Date: January 18, 2012

PCO: Sheila S. Norfus
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Contracting Officer
Date: January 18, 2012

Technical/ Requirements: Bridget A. Bennett
Telephone: (804) 734-8000, 4-8200

Commissary Management Specialist
Date: January 18, 2012

Signatures are required below:

Reviews: I have reviewed this J & A and find that the justification is adequate to submit to the approving official to support other than full and open competition:

Program Manager: Bridget A. Bennett

Telephone: (804) 734-8000, 4-8200

Signature: Bridget A. Bennett

Date: January 20, 2012

General Counsel: Helen J. White

Telephone: (804) 734-8000, 4-8116

Signature: Helen J. White

Date: 1-20-12

Resale Contracting Directorate Director:

John P. Lavinus III

Telephone (804) 734-8000, 4-8547

Signature: John P. Lavinus III

Date: 1-20-12

DeCA Competition Advocate:

Melissa A. Rios

Telephone: (804) 734-8000, 4-8680

Signature: Melissa A. Rios

Date: 1/24/12

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

1. **Contracting Office:** This action is made on behalf of the Sales, Marketing & Policy Group, Resale Contracting Directorate (MPR), Defense Commissary Agency (DeCA), located at 1300 E. Avenue, Fort Lee, Virginia 23801-1800.
2. **Type of Contract Action:** Contract modification action to extend the performance period of contract HDEC02-06-D-0015 with Spokane Produce, located in Washington for an additional 9 months, from February 1, 2012 to October 31, 2012. The contract type is a requirements contract. Funding is provided by the Resale Stock Fund Activity of the Defense Working Capital Fund (DWCF).
3. **Description of Supplies/Services:** This action will provide for the uninterrupted delivery of a full line of USDA certified fresh fruits and vegetables for resale in 9 commissary store locations listed on page 4 that are assigned to the Defense Commissary Agency (DeCA). The total amount of the contract modification action is estimated at \$8,511,000 for a 9 month additional contract performance period. The estimated total dollar amount of the modification is based on the estimated quantities of High Volume Core Items (HVCI) that are expected to be delivered to the 9 commissary store locations over a 9-month timeframe between February 1, 2012 to October 31, 2012. (\$945,671 per month x 9 months = \$8,511,000).
4. **Authority Cited:** 10 U.S.C. 2304(c)(1), in accordance with FAR 6.302-1(a)(2)(ii), only one responsible source and no other supplies and services will satisfy Agency requirements.
5. **Reason for Authority Cited:**

Contract HDEC02-06-D-0015 is scheduled to expire on January 31, 2012. The use of this authority is needed because the supplies required are only available only from the current contractor for the timeframe required.

The current contractor is the primary source of supply to provide delivery of a full line of USDA certified fresh fruits and vegetables to the 9 commissaries. Interruption in the chain of supply would cause irrevocable damage to store operations and would negatively impact DeCA's mission to fully provide the commissary benefit to the military members and their families as well as lost sales for the Agency.

This contract is one of five contracts expiring in the January and February 2012 timeframe. Due to several delays with earlier procurements, and reassignment of key personnel, we experienced a backlog of procurement actions. The Agency also went through lengthy litigation proceedings on other non-brand name resale solicitations, the outcome of which impacted the solicitation documents, as well as the rating and evaluation criteria for all solicitations within the division. The milestones for the new FF&V solicitations also have to be staggered in order to ensure the availability of the

technical team members, as they are already assigned to other solicitation requirements and additional subject experts are not available. These actions are necessary to ensure a successful solicitation process.

In the absence of a contract extension, the commissaries would not receive shipments of fresh fruits and vegetables. Fresh fruits and vegetables are a destination category and a primary reason military shoppers visit the commissaries. Any interruption in the supply of fresh fruits and vegetables would cause inevitable damages to the Agency in the form of lost sales, reduced operating funds, and high customer dissatisfaction which ultimately would impact the Agency's ability to provide the quality of life for the military members and their families.

Spokane Produce has been performing this contract successfully for the past five years. Based on the past performance information provided by the stores covered under this contract, Spokane Produce is providing the produce required by the contract. Spokane Produce Company is the only known source that is capable of supplying the USDA certified fresh fruits and vegetables to the 9 commissary stores on this requirement.

6. **Efforts to Obtain Competition:** A pre-solicitation notice is scheduled to be published on the FedBizOpps government website in February 2012, identifying the government's intention to procure a full line of fresh fruits and vegetables to the 9 commissary store locations covered under the subject contract. This requirement will be exclusively reserved for participation by small business firms and will be issued as a 100% small business set-aside. The solicitation is scheduled to be issued and posted to the FedBizOpps government website in February 2012 and is scheduled to close in April 2012. This justification will be made available for public inspection, after the completion of the contract modification to extend contract performance with the incumbent contractor, in accordance with FAR 6.305.
7. **Fair and Reasonable Cost Determination and Contracting Officer Certification:** The Contracting Officer (KO) has determined that the anticipated cost to the Government for the contract modification for the nine month extension will be fair and reasonable based on cost and/or price analysis of the contractor's proposal. Based on the percentage of savings that has been achieved over the current contract performance period, the incumbent contractor has demonstrated the ability to meet the minimum percentage of patron savings required under the proposed contract performance extension. The incumbent contractor has agreed to continue meeting the minimum percentage of patron savings required under the proposed contract performance extension.
8. **Market Research:** Market research conducted for the subject contract and the follow-on requirement included previous acquisition history, a search of the Small Business Administration's Dynamic Small Business database, and a search of the Central Contractor Registration database. The Small Business Coordination Record (DD Form 2579) was submitted and approved on October 29, 2011.

9. **Other Factors:** As stated above, Spokane Produce is the only known source that is able to provide the fresh fruits and vegetables for the 9 month extension period. As the incumbent contractor, Spokane Produce already has the existing infrastructure in place, and the web-based ordering system to continue the necessary just-in-time deliveries. Given the average 30 day transitional period necessary for a new contractor to start performance, it is not possible to award this requirement to another contractor for this extension period.
10. **Interested Sources:** Spokane Produce is the only known source that is capable of providing the fresh fruits and vegetables to the 9 commissaries under the existing contract. However, if any companies express interest in the new requirement, they will be added to the necessary mailing lists.
11. **Action to Increase/Foster Competition:** The follow-on acquisition will be solicited as a small business set-aside. It is anticipated that all future produce acquisitions will also be competed on a 100% small business set-aside basis.

Commissaries covered under contract HDEC02-06-D-0015:

1. Whidbey Island, WA
2. Bangor NBK, WA
3. Bremerton, WA
4. Smokey Point, WA
5. McChord AFB, WA
6. Ft. Lewis, WA
7. Fairchild, WA
8. Malmstrom AFB, MT
9. Mountain Home AFB, ID

Technical/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: Bridget A. Bennett Commissary Management Specialist

Signature: Bridget A. Bennett Date: 20 Jan 12

Fair and Reasonable Price Determination and Contracting Officer Certification:

I hereby determine that the price 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.

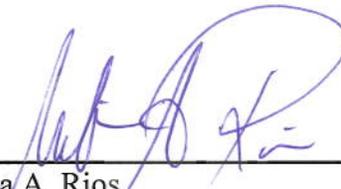
Name: Sarah E. Saunders Contracting Officer

Signature: Sarah E Saunders Date: 20 Jan 12

APPROVAL

Based on the foregoing justification, I hereby approved the procurement of the continuation of deliveries of fresh fruits and vegetables for the 9 commissaries covered under contract HDEC02-06-D-0015 for a 9 month contract performance extension, February 1, 2012 through October 31, 2012, 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 products herein described have otherwise been authorized for acquisition.

APPROVED:

Signature:  Date: 1/24/12
Melissa A. Rios
Competition Advocate
Defense Commissary Agency