# JUSTIFICATION REVIEW DOCUMENT

**Description of Acquisition:** Modification to extend contract DECA02-02-D-0016, with MD/VA Milk Producers Cooperative Assn Inc, to provide uninterrupted dairy products to the grocery departments for 7 Virginia stores in the East Area of the Defense Commissary Agency.

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

**Original Amount:** $17,381,178.00
**New Total Amount:** $59,656,842.00

**Prepared by:** Diane V. Moore — Contract Specialist
Telephone: (804) 734-8000, ext 4-8922 — Date: May 16, 2012

**CO:** Trista P. Robinson — Contracting Officer
Telephone: (804) 734-8000, ext 4-8892 — Date: May 16, 2012

**PCO:** Sheila S. Norfus — Contracting Officer
Telephone: (804) 734-8000, ext 4-8889 — Date: May 16, 2012

**Signatures are required below:**

**Requirements: Chief, Semi-Perishable/Perishable Divisions**
Joyce B. Chandler — Telephone: (804) 734-8000, 4-8238
Signature: Joyce B. Chandler Date: 5/22/2012

**Director of Sales:** Christopher T. Burns — Telephone: (804) 734-8000, 4-8278
Signature: _____ Date: 5-22-12

**Assistant General Counsel:** James F. Hayes — Telephone: (804) 734-8000, 8-6189
Signature: _____ Date: 5/18/12

**Director, Resale Contracting Directorate:**
John P. Lavinus III — Telephone (804) 734-8000, 4-8547
Signature: _____ Date: 5/21/2012

**DeCA Competition Advocate:**
Melissa A. Rios — Telephone: (804) 734-8000, 4-8680
Signature: _____ Date: 5/23/12

# JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN COMPETITION

1. **Contracting Office:** Defense Commissary Agency (DeCA), Resale Contracting Directorate (MPR), Fort Lee, Virginia.

2. **Type of Contract Action:** Modification of contract DECA02-02-D-0016 with MD/VA Milk Producers Cooperative Assn Inc. The proposed modification will extend the period of performance 5 months from its current expiration date of June 02, 2012 to October 31, 2012. The contract type is a requirements type. The Resale Stock Fund Activity, Defense-Wide working Capital Fund, provides funding.

3. **Description of Supplies/Services:** This action will provide uninterrupted dairy products to the grocery departments in the 7 Virginia store locations within the East Area of the Defense Commissary Agency.

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:**

   The original estimated total contract value for DECA02-02-D-0016 was $17,381,178.00 (confirmed by contract obligations information) for a period of August 1, 2001 through July 31, 2002. The contract amount was subsequently extended until June 2, 2012 with a new estimated contract value of $57,720,523.00.

   The dairy contract re-solicitation was delayed due to other priority solicitations, such as fresh fruits and vegetables and meat program buys, and other priority deadlines. The dairy contract performance periods were extended several times to maintain the supply of dairy until sufficient time and resources could accomplish the follow-on solicitations. The Agency also determined that formal requirement type contracts, with certain desired pricing outcomes when compared to commercial markets, should be implemented for all store locations. The dairy requirements have been difficult to define as the requirement evolved significantly since the previously solicitation. Therefore, when the actual re-procurement of DeCA's dairy contracts began, there were many issues, concerns and discoveries that were not considered in the initial requirement planning phase. This created bottleneck delays with multiple solicitations at varying stages of the acquisition process. In addition, line item structure varies significantly regionally dependant on potential offerors. As such, creating a fair and equal evaluation of the requirements for each solicitation has necessitated several adjustments to the requirements based on regional line items. These delays, together with the implementation of the mandatory DoD Source Selection Plan and concerns with the offeror's ability to comply with DeCA's Resale business systems, has pushed back the projected award date.

The proposed 5 month modification would increase the estimated contract value by $1,936,319.00 for a new total estimated contract amount of $59,656,842.00, and extend the contract performance period until October 31, 2012. The estimated contract extension amounts were derived by using the contract obligation information by month, multiplied by the appropriate number of months in the period of performance, to equal the total extension amount. The projected award date is September 28, 2012 with a performance start date of November 1, 2012, which would provide the awarded contractor a 30-day transition period.

MD/VA Milk Producers Cooperative Assn Inc has been performing this contract successfully for the past 11 years. Based on the past performance information provided by the stores covered under this contract, MD/VA Milk Producers Cooperative Assn Inc is providing products required by the contract. They are the only known source that is available to service these commissary stores for this extension period.

6. **Efforts to Obtain Competition:** A pre-solicitation notice was published on FedBizOpps on May 24, 2011, identifying the government's intention to procure dairy products for the seven Virginia commissaries covered under the subject contract. Solicitation HDEC02-11-R-0006 was issued in June 2011 on a full and open competitive basis, which resulted in the receipt of multiple proposals.

7. **Fair and Reasonable Price Determination and Contracting Officer Certification:** The Contracting Officer (KO) has determined that that anticipated cost to the Government for the five month contract extension will be fair and reasonable based on comparison of prices in the commercial markets located in VA and the indication that the prices under the current contract are in accordance with the contract requirements. The contractor has agreed to maintain the current pricing during the extension period.

8. **Market Research:** Extensive market research conducted on the subject contract included previous acquisition history, search of the Small Business Administration's Dynamic Small Business database, an exhaustive search of the Central Contractor Registration database and voluntary requests for the solicitation. Market research for the follow-on requirement was conducted the same. No additional market research will be conducted for this contract modification action and no other firms will be solicited since the required dairy products are essentially only available from the incumbent contractor during the extended time frame required.

9. **Other Factors:** As stated above, MD/VA Milk Producers Cooperative Assn Inc is the only source that is able to provide the continuation of performance for the extended performance period. As the incumbent contractor, MD/VA Milk Producers Cooperative Assn Inc has the existing infrastructure in place to continue deliveries. Given the average 30 day transitional period necessary for a new contractor to be prepared to start performance, it is not possible to award this requirement to another contractor for the extension period.

10. **Interested Sources:** MD/VA Milk Producers Cooperative Assn Inc is the only known source that is capable of providing the requirements and has the necessary logistics in place to provide the required delivery.

11. **Action to Increase/Foster Competition:** The follow-on acquisition has been solicited on a full and open competition basis and it is anticipated that all future acquisitions will be competed on a full and open basis.

12. **Commissary locations covered under contract DECA02-02-D-0016:**

- Fort Eustis, Virginia
- Fort Lee, Virginia
- Langley AFB, Virginia
- Little Creek Navphibase, Virginia
- Norfolk NB, Virginia
- Oceana NAS, Virginia
- Portsmouth NNSY, Virginia

**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: Christopher T. Burns Director of Sales Directorate

Signature: _____ Date: 5-22-12

**Fair and Reasonable Price Determination and Contracting Officer Certification:**

I hereby determine that the prices for these contract actions are fair and reasonable. I certify that this J & A is accurate and complete to the best of my knowledge and belief.

Name: Trista P. Robinson Contracting Officer

Signature: Trista P. Robinson Date: 18 May 2012

**APPROVAL**

Based on the above mentioned justification, I hereby approved the five month extension from June 02, 2012 until October 31, 2012, for the continuation of deliveries of dairy products for 7 Virginia store locations covered under contract DECA02-02-D-0016, 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 products herein described have otherwise been authorized for acquisition.

**APPROVED:**

Signature: _____ Date: 5/24/12

Joseph H. Jeu
Head of the Contracting Activity
Director and Chief Executive Officer
Defense Commissary Agency