

**JUSTIFICATION REVIEW DOCUMENT**

**Description of Acquisition:** Modification to extend contract HDEC02-06-D-0004 with Diamond Head Seafood to provide for uninterrupted operation of seafood market operations at Hickam AFB, Kaneohe Bay, Pearl Harbor NB, and Schofield Barracks, Hawaii.

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

Est. Amount: \$858,422.07

**Prepared by:** Ellen M. Robinson  
Telephone (804) 734-8000, 48939

Contract Specialist  
Date: November 18, 2011

**PCO:** Phyllis A. McGowan  
Telephone (804) 734-8000, 48900

Contracting Officer  
Date: November 18, 2011

**Technical/ Requirements:** Leslie Simpson  
Telephone (804) 734-8000, 48446

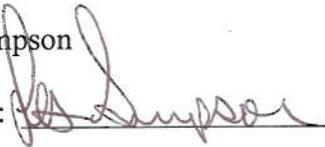
Commissary Management Specialist  
Date: November 18, 2011

**Signatures are required below:**

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

**Program Manager:** Leslie Simpson

Telephone: (804) 734-8000, 48446

Signature: 

Date: 11-18-11

**Legal Counsel:** Helen J. White

Telephone: (804) 734-8000, 48116

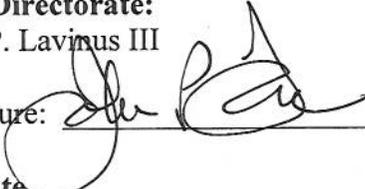
Signature: 

Date: 11-25-11

**Chief, Resale Contracting Directorate:**

John P. Lavinus III

Telephone: (804) 734-8000, 48547

Signature: 

Date: 11-30-11

**DeCA Competition Advocate**

Melissa A. Rios

Telephone: (804) 734-8000, 48680

Signature: 

Date: 11/30/11

**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 HDEC02-06-D-0004 with Diamond Head Seafood. The modification will extend the period of performance for option year three from its current expiration of November 30, 2011, to February 29, 2012, a 90 day extension. 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 operation of seafood markets at Hickam AFB, Kaneohe Bay, Pearl Harbor NB, and Schofield Barracks, Hawaii commissaries. The estimated total value of the 90 day period is \$858,422.07.
- 4. Authority Cited:** 10 U.S.C. 2304(c)(1), in accordance with FAR 6.302-1, only one responsible source and no other supplies or services will satisfy Agency requirements.
- 5. Reason for Authority Cited:** Contract HDEC02-06-D-0004 is scheduled to expire on November 30, 2011. Due to long term shortages of resources within the division to handle the work load compounded by two protests on other procurements, the solicitation, HDEC02-10-R-0012 was issued July 28, to accommodate the follow-on procurement. After the release of the solicitation it became necessary to extend the closing date from August 31, 2011, to September 8, 2011, to address questions by offerors regarding the requirement items specifications and to change the language in the solicitation to clarify the items specifications. An extension of this contract is now crucial to ensure continuation of the services provided under the contract. Anticipated award for the follow-on procurement is January 15, 2012, with a start date for performance on March 1, 2012.

In the absence of a contract extension, seafood market operations will cease in the stores utilizing this contract. Inevitable and irrevocable damages to the Agency in the form of sales lost and reduced operating funds will negatively impact the Agency mission to provide a benefit to military members and their families. The commissary benefit is a cornerstone of the military quality of life. Failure to render this benefit will lead to a reduction in the morale and welfare of our armed forces, ultimately affecting the individual military member's focus and performance of their defense mission. Therefore, it is essential that DeCA provides fully operational commissary stores, to include the seafood market operations, and that DeCA takes appropriate action to maintain the current source of those operations.

Diamond Head Seafood has been performing this contract successfully since 2006. Based on the past performance information provided by the stores covered by this contract, Diamond Head is providing the products and services required by the contract. Diamond Head Seafood is the only

known source that is available to operate the seafood markets in these commissary stores for this extension period.

**6. Efforts to Obtain Competition:** A synopsis of the follow-on requirement (solicitation HDEC02-10-R-0012) was posted on the FedBizOpps website on December 28, 2010, identifying the government's intention to re-solicit for seafood market operations at the 4 commissaries covered under contract HDEC02-06-D-0004. This requirement was issued based on full and open competitive procedures that resulted in the receipt of multiple proposals. As required by FAR 5.2, the proposed contract modification action will be posted in FedBizOpps. Additionally, this justification will be made available for public inspection, after the completion of the contract modification, in accordance with FAR 6.305.

**7. Fair and Reasonable Cost Determination and Contracting Officer Certification:** I hereby determine the anticipated cost for this contract action to be fair and reasonable. The basis of this determination is a favorable comparison of prices between the seafood markets operations covered by the contract and the prices in the commercial supermarkets located in Hawaii. This comparison indicates that prices maintained under the current contract are in accordance with contract requirements. The pricing under the contract has remained consistent throughout the life of this contract and the contractor has agreed to maintain the current pricing during the extension period.

**8. Market Research:** Market research conducted on the subject contract included previous acquisition history and available internet databases and internet sites for identifying potential interested contractors.

Market research conducted for 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. Additional research efforts included an internet search for publications to identify top seafood wholesale companies in the U.S. In accordance with FAR 6.303-2 (8), no additional market research will be conducted for this contract modification action and no other firms will be solicited since the required services are essentially only available from the incumbent contractor during the timeframe required.

**9. Other Factors:** As stated above, Diamond Head Seafood is the only known source that is able to provide the continuation of services required for the 90 day extension period. As the incumbent contractor, Diamond Head Seafood already has the existing infrastructure in place to continue the necessary seafood market operations. 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 this extension period.

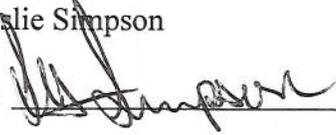
**10. Interested Sources:** Diamond Head Seafood is the only known source that is capable of providing the supplies and services for operation of the 4 commissaries covered under the existing contract.

**11. Action to Increase/Foster Competition:** Market research actions as described in paragraph 8 above resulted in competitive proposals from multiple companies on both the current and the follow-on procurement.

**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.

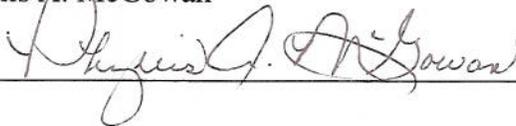
Name: Leslie Simpson Commissary Management Specialist

Signature:  Date: 11-18-11

**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: Phyllis A. McGowan Contracting Officer

Signature:  Date: 11/21/2011

**APPROVAL**

Based on the foregoing justification, I hereby approve the procurement of the continuation of services of seafood market operations for the 4 commissaries covered under contract HDEC02-06-D-0004 for a 90 day extension, December 1, 2011, through February 29, 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 property herein described have otherwise been authorized for acquisition.

APPROVED:

Signature:  Date: 11/30/11

Melissa A. Rios  
DeCA Competition Advocate