

**JUSTIFICATION REVIEW DOCUMENT**

**DESCRIPTION OF ACQUISITION:** Flammable Liquids Storage Cabinets and Liquid Propane Storage Cabinets to be delivered to Defense Commissary Agency stores.

**STATUTORY AUTHORITY:** 10 U.S.C. 2304(c)(5), Authorized by Statute

**ESTIMATED CONTRACT AMOUNT:** \$286,000

<b>PREPARED BY:</b>	Trina Barnes Phone: x48348	Contract Specialist Date: 11/23/11
<b>PCO:</b>	Dessie Mills Phone: x48511	Contracting Officer Date: 11/23/11
<b>Technical:</b>	Rebecca Barefoot Phone: x48085	Supply Management Specialist Date: 11/28/11
<b>Requirements:</b>	Chris Coppler Phone: x48023	Chief, Equipment Division Date: 11/22/11

**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:** Helen White Phone: x48207  
Signature: Helen White Date: 11-29-11

**DeCA Competition Advocate:**  
Name: Melissa Rios Phone: x48680  
Signature: Melissa Rios Date: 12/1/2011

**Chief, Supply/Equipment Acquisition Division:**  
Name: Terri Kerby Phone: x48391  
Signature: Terri Kerby Date: 12/1/2011

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

- 1. CONTRACTING OFFICE:** Defense Commissary Agency  
Supply/Equipment Acquisition Division, LEAE  
1300 E Avenue  
Fort Lee, Virginia 23801-1800
- 2. TYPE OF CONTRACT ACTION:** A new Firm-Fixed Price contract awarded on a sole source basis to a Service Disabled Veteran Owned Small Business (SDVOSB), to A2Z Supply, Stevensville, MT is contemplated. The contract will cover the period March 1, 2012 – February 28, 2013, with four one-year option periods available. Funding will be provided on individual delivery orders. Payment will be made using Wide Area Work Flow (WAWF).
- 3. DESCRIPTION OF SUPPLIES/SERVICES:** The Defense Commissary Agency has a recurring requirement for flammable liquids storage cabinets and liquid propane storage cabinets to be used in Defense Commissary Agency stores worldwide. The estimated dollar value is \$286,000.
- 4. AUTHORITY CITED:** 10 U.S.C. 2304(c)(5), in accordance with FAR 6.302-5(a)(2)(i), Authorized or Required by Statute.
- 5. REASON FOR AUTHORITY CITED: FAR 19.1406 – Sole Source to Service-disabled Veteran-owned Small Business Concerns** states a contracting officer may award contracts to SDVOSB concerns on a sole source basis before considering small business set-asides provided the contracting officer does not have a reasonable expectation that offers would be received from two or more SDVOSB concerns; the anticipated award price of the contract, including options, will not exceed \$3.5 million; the requirement is not currently being performed by an 8(a) participant; the SDVOSB concern has been determined to be a responsible contractor with respect to performance; and the award can be made at a fair and reasonable price. The previous contract for this requirement was awarded to a service disabled veteran-owned small business (SDVOSB), A2Z Supply Corp., on a sole source basis. Market research for this equipment revealed two SDVOSB firms capable of providing this equipment. The incumbent, A2Z Supply Corp., and Stanton Sales and Service LLC were the two that were found. Several attempts were made to contact Stanton Sales, but no response was received.
- 6. EFFORTS TO OBTAIN COMPETITION:** Thorough market research was conducted to find additional sources in the SDOVSB category. A2Z Supply was the only responsive source that was found.
- 7. MARKET RESEARCH:** Market research conducted to determine if there are small business concerns available to provide flammable liquids storage cabinets and liquid propane storage cabinets for Defense Commissary Agency stores resulted in the following:

Research via the Dynamic Small Business Search using NAICS code 332999 and key words storage cabinets or metal cabinets revealed that there is no Hubzone 8(a) or 8(a) certified businesses available to fulfill this requirement. One Hubzone company, JTC Service Guam LLC, was found. This company is located in Guam which makes considering them for this requirement impractical since most of the deliveries under the contract will be made in the continental United States. Two service disabled veteran-owned (SDVOSB) small businesses were found, A2Z Supply Corp, the incumbent contractor, and Stanton Sales & Service LLC. Several attempts were made to contact Stanton Sales & Service by phone and email to determine if they provided the product of a small business and also to determine if they would be interested in this requirement. No response was received from them. Several small businesses were found, but according to their capabilities narratives they do not provide the required items.

Several small businesses were found using Thomas Register. A few of these companies were randomly contacted and it was found that they all provided the product of a large business.

Using the GSA website, three small businesses, including one 8(a), Pelican Sales, Inc., were found that appeared to provide the required storage cabinets. Since the contract for this requirement is currently being successfully performed by a SDVOSB, it was determined that to offer this award to Pelican Sales would cause an adverse impact on the incumbent contractor, A2Z Supply. This decision was based on a previous letter received from the Small Business Administration (SBA). This letter indicated that the SBA performs an analysis in accordance with the provisions set forth in Title 13 of the Code of Federal Regulations (13 C.F.R. & 124.504(c)), Adverse Impact, before accepting an offer on behalf of an 8(a) firm. According to this regulation, the SBA can accept an offer only if none of the following statements are true: 1.) No small business performed this requirement for at least 24 months; 2.) No small business was performing the requirement at the time this requirement was offered to the 8(a) Program, or the small business's performance of the requirement ended within 30 days of the procuring activity's offer of the requirement into the 8(a) Program; 3.) and the dollar value of the requirement that the small business is or was performing does not constitute 25 percent or more of its most recent annual gross sales (including those of its affiliates).

**8. OTHER FACTORS:** Preceding the current contract, this requirement was solicited on an unrestricted basis and awarded as Blanket Purchase Agreements under two vendor's GSA contracts. During market research for the current contract one SDVOSB was located that could provide the requirement. The decision to solicit the requirement as a sole source SDVOSB set-aside was made to increase agency goals in this category.

**9. INTERESTED SOURCES:** Through market research only two companies were found to meet the SDVOSB qualifications. Only one expressed interest. To date, no other sources have expressed an interest in this requirement.

**10. ACTION TO INCREASE/FOSTER COMPETITION:** We will continue to monitor sources and vendor databases for opportunities for future competitive solicitations in the SDVOSB set-aside category.

**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.

Name: Rebecca Barefoot Title: Supply Management Specialist

Signature Rebecca Barefoot Date 5 Dec 11

**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: Chris Coppler Title: Chief, Equipment Division

Signature [Signature] Date 5 Dec 11

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

I will ensure that the prices negotiated for this equipment will be fair and reasonable. This determination will be based on a comparison to current contract prices, the previous GSA purchase prices, current market prices and other commercially available sources.

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

NAME: Dessie Mills Title: Contracting Officer

SIGNATURE: Dessie L Mills Date: 11/23/2011

**APPROVAL**

Based on the foregoing justification, I hereby approve the issuance of solicitation HDEC04-12-R-0007 as a service disabled veteran-owned set-aside on a sole source basis to A2Z Supply Corp., Stevensville, MT pursuant to the authority of 10 U.S.C. 2304(c)(5), provided funds are available, or will be available, and provided that the services and property herein described have otherwise been authorized for acquisition.

APPROVED:

Dessie L Mills  
Dessie Mills  
Contracting Officer

Date 12/5/2011