

**JUSTIFICATION REVIEW DOCUMENT**

**Description of Acquisition:** Modification to extend the contract performance period for HDEC02-07-D-0006 to provide the uninterrupted delivery of fresh fruits and vegetables to 29 commissary store locations assigned to the Defense Commissary Agency.

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

**Amount:** \$26,801,000

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

Contracting Officer  
Date: January 18, 2012

**PCO:** Sheila S. Norfus  
Telephone: (804) 734-8000, 4-8889

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:

**Director of Sales:** Christopher T. Burns

Telephone: (804) 734-8000, 4-8278

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



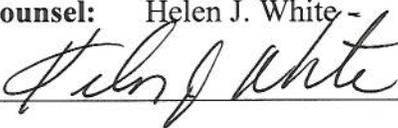
Date: \_\_\_\_\_

1-25-2012

**General Counsel:** Helen J. White

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

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



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

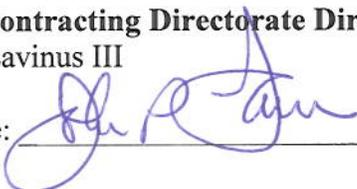
1-25-2012

**Resale Contracting Directorate Director:**

John P. Lavinus III

Telephone (804) 734-8000, 4-8547

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



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

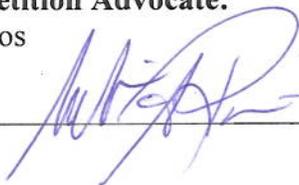
1-25-2012

**DeCA Competition Advocate:**

Melissa A. Rios

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

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



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

1/25/12

**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 HDEC02-07-D-0006 with Military Produce Group, LLC, located in Norfolk, VA for an additional 9 months, from March 1, 2012 to November 30, 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 uninterrupted delivery of a full line of USDA certified fresh fruits and vegetables for resale in 29 commissary store locations assigned to the Defense Commissary Agency (DeCA) The total amount of the contract modification action is estimated at \$26,801,000 for a 9 month additional contract performance period. The estimated total dollar value of the modification is based on the estimated quantities of High Volume Core Items (HVCI) that are expected to be delivered to the 29 commissary store locations over a 9-month timeframe between March 1, 2012, and November 30, 2012. (\$2,977,870 per month x 9 months = \$26,801,000).
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 or services will satisfy Agency requirements.
5. **Reason for Authority Cited:**

Contract HDEC02-07-D-0006 is scheduled to expire on February 29, 2012. The use of this authority is needed because the required supplies, services, and automated ordering systems are only available 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 29 commissaries. Interruption in the chain of supply would cause irreparable 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 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 proceeding 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 solicitation 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 irreparable 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.

Military Produce Group, LLC has been performing this contract successfully for the past four and one half years. Based on the past performance information provided by the stores covered under this contract Military Produce Group, LLC. is providing the produce required by the contract. Military Produce Group, LLC. is the only known source that is capable of supplying the USDA certified fresh fruits and vegetables under the contracted program to the 29 commissary store 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 29 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 March 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 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 6, 2011.

- 9. Other Factors:** As stated above, Military Produce Group, LLC. 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, Military Produce Group, LLC. 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:** Military Produce Group, LLC. is the only known source that is capable to provide a full line of fresh fruits and vegetables for the 29 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 has been solicited as a small business set-aside. It is anticipated that all future produce acquisitions within the United States and its Territories will also be competed on a 100% small business set-aside basis.

**Commissaries covered under contract HDEC02-07-D-0006**

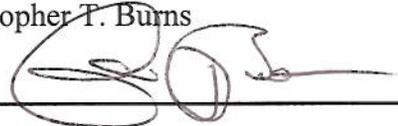
1. Aberdeen, PG, MD	11. Andrews AFB, MD	21. Annapolis NS, MD
2. ARDEC Picatinny Arsenal, NJ	12. Bangor ANGB, ME	22. Bolling AFB, DC
3. Carlisle Barracks, PA	13. C.E. Kelly, PA	23. Dahlgren NSWC, VA
4. Dover AFB, DE	14. Ft. Belvoir, VA	24. Ft Detrick, MD
5. Ft. Drum, NY	15. Ft Hamilton, NY	25. Ft Meade, MD
6. Ft. Myer, VA	16. Hanscom AFB, MA	26. Lakehurst NAES, NJ
7. McGuire AFB, NJ	17. Mitchel Field, NY	27. New London NSB, CT
8. Newport, RI	18. Patuxent River NAS, MD	28. Portsmouth NSY, NH
9. Quantico, MCCDC, VA	19. Saratoga Springs, NY	29. Tobyhanna AD, PA
10. Forest Glen, MD	20. West Point, NY	

**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

Signature: 

Date: 1-25-2012

**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: 

Date: 25 Jan 12

**APPROVAL**

Based on the foregoing justification, I hereby approve the procurement of the continuation of deliveries of fresh fruits and vegetables for the 29 commissaries covered under contract HDEC02-07-D-0006 for a 9-month contract performance extension, March 1, 2012 through November 30, 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: 1/30/12

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