

**JUSTIFICATION REVIEW DOCUMENT**

**Description of Acquisition:** Modification to extend the term of contract HDEC02-06-D-0014 to provide for the uninterrupted delivery of Fresh Fruits and Vegetables to 34 commissary store delivery locations assigned to the Defense Commissary Agency (DeCA).

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

Est.Amount: \$11,123,084.64

**Prepared By:** Sarah E. Saunders  
Telephone (804) 734-8000, 48889

Contracting Officer  
Date: November 1, 2011

**PCO:** Sarah E. Saunders  
Telephone: 804-734-8000, 4-8899

Contracting Officer  
Date: November 1, 2011

**Technical/ Requirements:** Kelly L. Fletcher  
Telephone: 804-734-8000, 4-8110

Commissary Management Specialist  
Date: November 1, 2011

**Signatures are required below:**

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

**Program Manager:** Kelly L. Fletcher

Phone: 804-734-8000, 4,8110

Signature:  Date: 11-1-11

**Deputy General Counsel:** Helen J. White

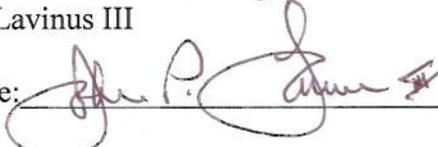
Phone: 804-734-8000 ext 4,8207

Signature  Date: 11-15-11

**Chief of Resale Contracting Directorate:**

John P. Lavinus III

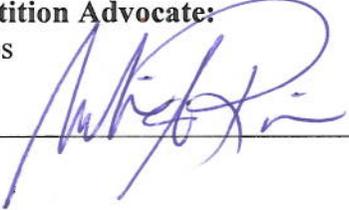
Phone: 804-734-8000 ext 4,8547

Signature:  Date: 11-15-11

**DeCA Competition Advocate:**

Melissa A. Rios

Phone: 804-7834-8000 ext 4,8680

Signature:  Date: 11-16-11

## 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, Defense Commissary Agency, located at 1300 E. Avenue, Fort Lee, Virginia 23801-1800.

**2. Type of Contract Action:** Contract modification action to extend the term of contract HDEC02-06-D-0014 with Military Produce Group, LLC, (MPG), located in Norfolk, Virginia for an additional 4 months, from November 30, 2011 to March 31, 2012. The contract type is a requirements contract. Funding is provided by the Resale Stock fund 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 34 commissary store locations assigned to the Defense Commissary Agency (DeCA). The total amount of the contract modification action is estimated at \$11,123,084.64 for a 4-month 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 34 commissary store locations over a 4-month timeframe between December 1, 2011, and March 31, 2012 (\$2,780,771.16 per month x 4 months = \$11,123,084.64).

**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:** The use of this authority is necessary because the required supplies are available only from the current contractor for the timeframe required. Award to any other source for this 4-month timeframe would result in unacceptable delays in fulfilling the agency's requirements.

The 34 military commissaries rely on the current contract as the primary source of supply to provide a full line of USDA certified fresh fruits and vegetables. Failure to extend the contract will cause produce deliveries to cease and the stores under contract will not have a guaranteed source to provide a full line of produce. As a result, the Agency will suffer inevitable and irrevocable damages in the form of lost sales and reduced operating funds. The negative impact associated with these damages will affect DeCA's mission to fully provide the commissary benefit to military members and their families. The commissary benefit is a cornerstone of the military quality of life. Failure to render the commissary benefit will impact the morale and welfare of our armed forces, ultimately affecting the individual military member's focus and performance of their defense mission. As such, a 4-month contract extension is a logical and reasonable course of action, contrary to alternative contractual actions. To re-compete the requirements for the short 4-month extension period would be a significant duplication of the acquisition efforts tied to the follow-on requirement thus far.

For this short, 4-month extension period, MPG is the only contractor with an operational contractor-owned web ordering system who can guarantee just in time deliveries of a full line of USDA

certified fresh fruits and vegetables to the affected 34 commissary store under contract. The contract modification is necessary to ensure produce deliveries are uninterrupted and to avoid mission failure after November 30, 2011, until a new contract award is made. The four-month extension is needed to finalize the acquisition processes associated with issuing a source selection decision. Award of the follow-on contract is expected by February 29, 2012.

**6. Efforts to Obtain Competition:** A pre-solicitation notice was published on the FedBizOpps government website on October 18, 2010, identifying the government's intention to procure a primary source to provide a full line of FF&V to the 34 stores covered under the subject contract. This requirement was exclusively reserved for participation by small business firms and was issued as a 100% small business set-aside. Solicitation HDEC02-11-R-0001 was posted to the FedBizOpps government website and was issued on February 7, 2011. The solicitation subsequently closed on March 23, 2011. 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 Price Determination and Contracting Officer Certification:** Based on the percentage of savings that has been achieved over time, the contractor has the ability to meet the minimum percentage of patron savings required under contract for the 4-month extension timeframe. As contracting officer, I therefore determine the 42% guaranteed minimum percentage of patron savings for this contract modification action is fair and reasonable.

**8. Market Research:** Market research conducted for the follow-on acquisition 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. No additional market research will be conducted for this contract modification action and no other firms will be solicited since the required supplies are essentially only available from the incumbent contractor during the timeframe required.

**9. Other Factors:** Since it is not practicable under the circumstances to obtain the limited competition required when using this authority, no other sources were sought and no other sources have expressed an interest in this requirement.

**10. Interested Sources:** As stated above, Military Produce Group, LLC is the only source that is able to provide for the delivery of a full line of fresh fruits and vegetables that are needed for the four month extension period. As the incumbent contractor, MPG has the infrastructure in place to continue to provide the contractor web-ordering system that provides the stores with just-in-time deliveries that are paramount to the success of the program buy under contract. Given the average 30 day transitional period and the associated start-up costs necessary for a new contractor to be prepared to start performance, it is not possible to award this requirement to another contractor for this short, four month extension timeframe.

**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 will also be competed on a 100% small business set-aside basis.

**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: Kelly L. Fletcher

Commissary Management Specialist

Signature: Kelly Fletcher

Date: 11-1-11

**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: 15 Nov 11

**APPROVAL**

Based on the foregoing justification, I hereby approved the procurement of the continuation of deliveries of fresh fruits and vegetables for the 34 commissaries covered under contract HDEC02-06-D-0014 for a 4-month extension, December 1, 2011, through March 31, 2012, on an other than full and open competition basis pursuant to the authority of 10 U.S.C. 2304(3)(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: Melissa A. Rios  
Melissa A. Rios  
Competition Advocate

Date: 11-16-11