

JUSTIFICATION REVIEW DOCUMENT

**Description of Acquisition:** Modification to extend contract HDEC09-09-D-0007, with Danish Butter Export / ARLA Foods Trading A/S, to provide uninterrupted Fresh Shell Eggs to the DeCA Commissaries in Germany, Belgium, The Netherlands, Italy and the United Kingdom of the Defense Commissary Agency in Europe.

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

**Original Estimated Amount:** Euro 5,665,927.23 \$ 7,542,691.97

**New Estimated Total Amount:** Euro 5,885,927.23 \$ 7,835,571.37

**Prepared by:** Hans-Otto Amthor Contract Specialist  
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Telephone: (49) (0) 631 3523 128 Date: June 08, 2012

**PCO:** Jari K. Aaltonen Contracting Officer  
Telephone: (49) (0) 631 3523 231 Date: June 08, 2012

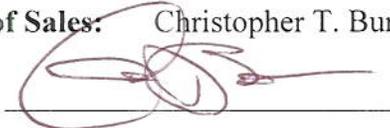
**Signatures are required below:**

**Requirements: Chief, Semi-Perishable/Perishable Divisions**

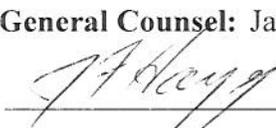
Joyce B. Chandler Telephone: (804) 734-8000, 4-8238

Signature:  Date: 18 June 2012

**Director of Sales:** Christopher T. Burns Telephone: (804) 734-8000, 4-8278

Signature:  Date: 18 June 2012

**Assistant General Counsel:** James F. Hayes Telephone: (804) 734-8000, 8-6189

Signature:  Date: 6/14/12

**Director, Resale Contracting Directorate:**

John P. Lavinus III Telephone (804) 734-8000, 4-8547

Signature:  Date: 6-14-12

**DeCA Competition Advocate:**

Melissa A. Rios Telephone: (804) 734-8000, 4-8680

Signature:  Date: 6/18/12

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

1. **Contracting Office:** Defense Commissary Agency (DeCA), Acquisition Management (MPRU), DeCA EUROPE, Germany.
2. **Type of Contract Action:** Modification of contract HDEC09-09-D-0007 with Danish Butter Export / ARLA Foods Trading A/S. The proposed modification will extend the period of performance 1 month from its current expiration date of July 01, 2012 to August 05, 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 Shell Eggs to the DeCA Commissaries in Germany, Belgium, The Netherlands, Italy and the United Kingdom of the Defense Commissary Agency in Europe.
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 (base year, 2 one-year options) for HDEC09-09-D-0007 was \$ 7,542,691.97 for a period of July 6, 2009 through July 01, 2012. The contract amount is subsequently extended until August 05, 2012 with a new estimated contract value of \$ 7,835,571.37.

The fresh shell egg contract review has been delayed due to DOD review at HQ's, scheduling of the executive briefing with Mr. Jeu and other priority deadlines. The shell eggs requirements have been difficult to define as the requirement changed significantly since the previously solicitation due to force reductions and store closures. Therefore, when the actual re-procurement of DeCA's fresh shell eggs contracts began, there were several issues, concerns and analysis of data that were not considered in the initial requirement planning phase. This created a delay with solicitation issuance and subsequent evaluations and award.

The proposed 1 month modification would increase the estimated contract value by \$ 292,879.40 for a new total estimated contract amount of \$ 7,835,571.37, and extend the contract performance period until August 05, 2012. The estimated contract extension amount was derived by using the contractor information of sales by month to equal the total extension amount. The projected award date is in July 2012 with a performance start date of August 6, 2012, which would provide the awarded contractor a 30-day transition period.

Arla Foods Trading A/S has been performing this contract successfully for the past 20 years. Based on the past performance information provided by the stores covered under

this contract, Arla Foods Trading A/S 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:** Solicitation HDEC09-12-R-0002 was issued on March 30, 2012 to nine potential sources within Europe, which resulted in the receipt of two proposals.
7. **Fair and Reasonable Price Determination and Contracting Officer Certification:** The Contracting Officer (KO) has determined that the anticipated cost to the Government for the one month contract extension will be fair and reasonable based on comparison of prices in the commercial markets located in Europe 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 European Business database's, an exhaustive search of the Central Contractor Registration database for European businesses of similar nature 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 shell eggs are essentially only available from the incumbent contractor during the extended time frame required.
9. **Other Factors:** As stated above, Arla Foods Trading A/S is the only source that is able to provide the continuation of performance for the extended performance period. As the incumbent contractor, Arla Foods Trading A/S 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:** Arla Foods Trading A/S 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 HDEC09-09-D-0007:**

Ansbach, Bamberg, Baumholder, Bitburg, Garmisch, Grafenwoehr, Heidelberg, Hohenfels, Illesheim, Mannheim, Patch Barracks (Stuttgart-Vaihingen), Ramstein, Robison Barracks (Stuttgart), Schweinfurt, Sembach, Spangdahlem, Vilseck, Vogelweh, Wiesbaden.

Chievres – Belgium, Schinnen - The Netherlands, Rota – Spain, Souda Bay – Greece,  
Ankara – Turkey, Izmir – Turkey, Incirlik – Turkey, Lajes Field – Azores, Cairo – Egypt

England- Alconbury, Croughton, Fairfield, Lakenheath, Mildenhall, Menwith Hill

Italy- Aviano, Vicenza, Livorno, Naples, Sigonella,

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: \_\_\_\_\_

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: Jari K. Aaltonen

Contracting Officer

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

Date: 19 June 2012

APPROVAL

Based on the above mentioned justification, I hereby approved the one month extension from July 01, 2012 until August 05, 2012, for the continuation of deliveries of shell eggs for to the DeCA Commissaries in Germany, Belgium, The Netherlands, Italy and the United Kingdom of the Defense Commissary Agency in Europe covered under contract HDEC09-09-D-0007, 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: \_\_\_\_\_

Melissa A. Ries  
Competition Advocate

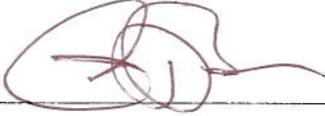
Date: 6/19/12

**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: 18 June 2012

**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: Jari K. Aaltonen

Contracting Officer

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

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

**APPROVAL**

Based on the above mentioned justification, I hereby approved the one month extension from July 01, 2012 until August 05, 2012, for the continuation of deliveries of shell eggs for to the DeCA Commissaries in Germany, Belgium, The Netherlands, Italy and the United Kingdom of the Defense Commissary Agency in Europe covered under contract HDEC09-09-D-0007, 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:  \_\_\_\_\_  
Melissa A. Rios  
Competition Advocate

Date: 6/19/12