

JUSTIFICATION REVIEW DOCUMENT

DESCRIPTION OF ACQUISITION: Electrical Utility Service for the Harrison Village Commissary, Indiana

STATUTORY AUTHORITY: 10 U.S.C. 2304(c)(1), Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements, as implemented by FAR 6.302-1.

ESTIMATED CONTRACT AMOUNT: The estimated cost for the base year award is \$130,200 for a 12-Month Base Period of March 1, 2013 through February 28, 2014; Base and nine one-year options, at an estimated cost of \$1,637,700.

Contract Specialist: Barbara Wright Telephone Number: 804-734-8000x86093 Contract Specialist Date: 12-5-12

PCO: Loria Samples Hile Telephone Number: 804-734-8000x48630 Contracting Officer Date: 12-5-12

Technical: Kyle Seiling Telephone Number: 804-734-8000x48062 General Engineer Date: 12/14/12

Requirements: None

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: Ronald Horn Phone: 804-734-8000x48116
Signature: [Signature] Date: 12/13/12

Chief of Contracting Office: Michael Shaffer Phone: 804-734-8000x48681
Signature: [Signature] Date: 12/12/2012

DeCA Competition Advocate: ~~Melissa Rios~~ ERNIE FAVALE Phone: 804-734-8000x48680
Signature: [Signature] Date: 12/18/12

JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN COMPETITION

- 1. CONTRACTING OFFICE:** Defense Commissary Agency
Enterprise Acquisition Division
Store Support Services Branch
1300 E Avenue
Fort Lee, Virginia 23801-1800
- 2. TYPE OF CONTRACT ACTION:** The type of action contemplated is a new utility contract; rates will be in accordance with rates regulated under the Indiana Utility Regulatory Commission per Title 170 of the Indiana Administrative Code, and indefinite quantity, which will fluctuate depending on actual usage. This effort will utilize DWCF funding.
- 3. DESCRIPTION OF SUPPLIES/SERVICES:** The Harrison Village Commissary currently receives electrical utility services from Indianapolis Power & Light Co., on DeCA contract HDEC05-08-C-0002 and the fourth option period expires after February 28, 2013. Estimated cost for the base year award is \$130,200 for a Base period of performance March 1, 2013 through February 28, 2014. The Base and nine one-year option periods will be \$1,637,700 in total with contract performance ending midnight February 28, 2023. FAR 41.205(d)(2) allows for a utility contract for more than one year, but not more than ten years. Historically, Indianapolis Power & Light Co. has never signed a bilateral contract or any modification on the current contract. Due to the lack of response from the company, a ten-year contract is warranted as a means of lowering the Government's burden. The subsequent awarded state regulated utility contract will be reviewed annually as required by FAR. If a change in market conditions occurs, such as deregulation by the State of Indiana, a new contract will be solicited among State authorized providers, if more than one provider is available.
- 4. AUTHORITY CITED:** Statutory Authority 10 U.S.C. 2304 (c) (1), as implemented by FAR 6.302-1, Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.
- 5. REASON FOR AUTHORITY CITED:** The State of Indiana, under the Indiana Utility Regulatory Commission, regulates electrical utility companies within the State borders. The State of Indiana Code, IC 8-1-2.3 "Electricity Suppliers' Service Area Assignments", Sec. 3, mandates that only one utility company can service an existing municipal area. The Harrison Village area is served by Indianapolis Power & Light Co. and is the only source available to provide the services, as indicated by the State of Indiana Code.
- 6. EFFORTS TO OBTAIN COMPETITION:** There is no competition for this service, as indicated in Paragraph 5, there is only one possible electrical utility service provider in the Harrison Village Commissary area, Indianapolis Power & Light Co., as authorized by the State of Indiana.

7. MARKET RESEARCH: Market research was conducted and indicated that there are no other electrical utility providers in the Harrison Village area who can supply this service to the Harrison Village Commissary. Duke Energy, which has a GSA Areawide Public Utility contract for some areas of the State of Indiana, was contacted and verified that they do not provide electrical utility services to the Harrison Village geographic area. An interagency contract search did not find any interagency contracts for this area and this company. As also indicated in Paragraphs 5 and 8, State of Indiana law prohibits competition for electrical utility services.

8. ACTION TO INCREASE/FOSTER COMPETITION: As stated under Paragraph 5, State of Indiana Code, IC 8-1-2.3 "Electricity Suppliers' Service Area Assignments", Sec. 3, mandates that only one utility company can service an existing municipal area. Therefore, Indiana State law prohibits competition for this service.

9. INTERESTED SOURCES: To date, Indianapolis Power & Light Co. is the only available source capable of providing this specific service at the Harrison Village commissary.

10. OTHER FACTORS: Indianapolis Power & Light Co. was awarded the previous contract for this service at this commissary location, HDEC05-08-C-0002 and the period of performance for the base and four option years was March 1, 2008 through February 28, 2013. This contract was awarded as a sole source, under Statutory Authority 10 U.S.C. 2304 (c) (1), as implemented by FAR 6.302-1, Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.

Subcontracting Competition: There are no subcontracting possibilities in accordance with FAR 19.705-2(b)(1) as Indianapolis Power & Light Co. maintains all in-house capabilities for this service.

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: Kyle Seiling

Title: General Engineer

Signature



Date

12/14/12

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.

Not Applicable

13. 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 based on regulations established by the State of Indiana Code, IC 8-1-2.3 "Electricity Suppliers' Service Area Assignments", Sec. 3, and the Indiana Utility Regulatory Commission under Title 170 of the Indiana Administrative Code; and in accordance with DFARS 241.201(3) which states "Rates established by an independent regulatory body – (iii) are a valid basis on which prices can be determined fair and reasonable." I determine that sufficient justification exists to issue a sole source solicitation for the natural gas services for the Harrison Village Commissary. I certify that this J&A is accurate and complete to the best of my knowledge and belief.

NAME: Loria Samples Hile

TITLE: Contracting Officer

SIGNATURE: Loria Samples Hile

DATE: 12/11/12

APPROVAL

Based on the foregoing justification, I hereby approve the procurement of electrical utility services for the Harrison Village Commissary 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:

Loria Samples Hile

Date 12/11/12

Loria Samples Hile
Contracting Officer