

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

**Defense Transportation Coordination Initiative  
HTC711-07-D-0032**

**1. CONTRACTING ACTIVITY.**

The contracting agency is the United States Transportation Command (USTRANSCOM), Directorate of Acquisition, Specialized Transportation & Support Division, USTRANSCOM/TCAQ-R, 508 Scott Drive, Building 1900W, Scott AFB, IL 62225.

**2. NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED.**

This justification for other than full and open competition (J&A) supports the modification of contract HTC711-07-D-0032 to allow an additional period of performance of six months (17 Oct 14 – 16 Apr 15). This J&A seeks approval of a contract extension in accordance with Federal Acquisition Regulation (FAR) Clause 52.217-8, Option to Extend Services. This clause is included in the contract; however, the pricing for the extension period was not evaluated at the time of award.

**3. DESCRIPTION OF SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS (INCLUDING ESTIMATED VALUE).**

The Military Surface Deployment and Distribution Command (SDDC) is the requiring office which represents the surface transportation needs of the Defense Transportation Coordination Initiative (DTCI) program, including program oversight and Contracting Officer Representative (COR) duties. SDDC has a continued requirement for transportation coordination services in support of Defense Logistics Agency (DLA) shipper sites as the requirement is defined in the Performance Work Statement (PWS). This requirement is currently supported by Menlo Worldwide Government Services LLC (Menlo) under contract HTC711-07-D-0032, which was awarded by USTRANSCOM TCAQ in August 2007.

Due to the complexity, volume, and dollar value of the new requirement, more time is required to complete the replacement acquisition than is remaining on the existing contract. As a result, the current contract needs to be extended for six months, through 16 April 2015, to meet DLA's needs and avoid service interruption. The extension is within scope of the contract.

The current value of the contract is \$1.8B. This extension has an estimated value of \$8.3M which is based upon the current prices of Management Services and Award Fee under the contract. The estimated value of Transportation for the current contract period is \$313.6M, and as of August 2014 the actual Transportation costs are only \$130.9M. The estimated value of Transportation for this extension is . Considering the actual and estimated costs of Transportation are substantially lower than originally estimated, the total estimated value of Transportation will not be revised. The Contracting Officer intends to extend the current

contract by unilateral modification for the entire six-month period as allowed by the terms of the contract.

**4. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION.**

10 USC 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. DEMONSTRATION THAT THE NATURE OF THE ACQUISITION REQUIRES USE OF THE AUTHORITY CITED.**

Based on the customer's requirements for this six-month extension, only the incumbent contractor, Menlo, is capable of providing the services needed during this period. Performance of the service in the PWS requires the contractor to establish interoperability between the contractor's transportation management system (TMS) and multiple government shipping systems. Under the current contract, Menlo was required to establish these system connections at the enterprise level and at each shipper site. Menlo subcontracted with One Network Enterprises to provide the software and system licensing necessary to support the DTCI contract. While another contractor could obtain the software and licensing from One Network Enterprises, a contractor other than Menlo would not have the knowledge of the multiple government systems and site-unique characteristics to implement a new system before the expiration of the current contract on 16 Oct 2014. In addition to the complex system connectivity, the TMS must meet the DoD Cybersecurity Certification standards. Assuming Menlo would agree and that it is allowed by the agreement between Menlo and One Network Enterprises, another contractor could propose to subcontract to Menlo for the use of the current TMS as established. However, the government cannot require Menlo to subcontract with another company and this approach requires a duplication of services and, consequently, would cause the government to unnecessarily increase its costs. This means that a new contractor would have to pay Menlo for the management and use of the TMS which is not a current cost. Additional costs would also be incurred for establishing connections with the One Network TMS and a new contractor's TMS, as well as system accounts and access for a new contractor's employees to perform the transportation coordination services of the PWS. There could also be negative impacts to service since the new contractor would not have a direct contract with One Network Enterprises. This approach would require verification of compliance with Cybersecurity Certification standards further increasing costs. Considering the risks identified and the increases in costs, this approach is cost prohibitive.

**6. DESCRIPTION OF EFFORTS MADE TO ENSURE THAT OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS PRACTICABLE.**

The extension will be exercised in accordance with FAR 52.217-8. This action will not be synopsisized based on the exception identified in FAR 5.202(a)(11): The proposed contract action is made under the terms of an existing contract that was previously synopsisized in sufficient detail to comply with the requirements of FAR 5.207 with respect to the current proposed action. Based on the information described in paragraph five of this document, it is in the government's

best interest to extend the current contract to avoid substantial duplication of cost. The follow-on acquisition will be competed on a full and open basis and will be synopsised in accordance with FAR 5.201(b)(1)(i).

**7. DETERMINATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE.**

In accordance with FAR Clause 52.217-8, continued services will be at the prices specified in the current contract. The current contract was competed on a full and open basis, with pricing through 16 October 2014. At the time of contract award, prices were determined to be fair and reasonable based on competition and market research indicates that the existing pricing is lower than comparable rates for transportation. Therefore, the anticipated cost to the government will be fair and reasonable.

**8. DESCRIPTION OF THE MARKET RESEARCH CONDUCTED AND THE RESULTS.**

Extensive market research was conducted in accordance with FAR Part 10 for the original acquisition and prior to the exercise of each of the option years under the contract. The most recent market research on contract price was conducted in October 2013 prior to the last option year. This market research compared transportation rates of the contract to other contracted transportation rates and revealed the prices on contract were fair and reasonable. This extension will be in accordance with FAR 52.217-8 Option to Extend the Term of the Contract, which will cause the current rates on contract to be extended. Recent Request For Information responses indicated implementation of a transportation management system could take between 4 and 24 months. Therefore, no other company will be able to test and implement a new transportation management system by the expiration of the current contract, 16 Oct 2014. As a result, additional market research was not conducted.

**9. OTHER FACTS SUPPORTING THE USE OF OTHER THAN FULL AND OPEN COMPETITION.**

In late 2012, SDDC informed TCAQ that a replacement acquisition was not required as all shippers under the contract would return to utilizing voluntary tenders for their transportation requirements in lieu of a third party logistics (3PL) company through a FAR-based contract. However, in December 2013, DLA determined the services of a 3PL company were required as utilizing tenders would have a negative mission impact on DLA's large volume sites. Since DLA's mission supports the Military Services, any negative impact to DLA will have a negative impact on the missions of the Military Services which is unacceptable. The Military Services determined they no longer have a need for 3PL support and will continue with the use of tenders.

TCAQ and DLA formed a multifunctional team to begin the process for a replacement acquisition in early 2014. The team has been operating under a compressed timeline but despite their efforts, it will not be possible to award a new contract before the current contract ends.

**10. A LISTING OF THE SOURCES, IF ANY, THAT EXPRESSED, IN WRITING, AN INTEREST IN THE ACQUISITION.**

None.

**11. A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES REQUIRED.**

TCAQ is currently working on the follow-on competitive procurement. This extension will allow the continuity of service until a new contract is awarded. Market research conducted through three requests for information (RFIs) indicates that many companies are interested in competing for the follow-on acquisition. The government anticipates issuing a solicitation for the follow-on acquisition in Fall 2014 and does not anticipate any barriers to competition.

**12. CONTRACTING OFFICER CERTIFICATION.**

I certify that the data supporting this use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

\_\_\_\_\_  
DENISE E. CAMERON  
Contracting Officer

30 Sep 14  
DATE

**13. TECHNICAL AND REQUIREMENTS PERSONNEL CERTIFICATION.**

I certify the data provided above supporting this use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

GROVER P. BEASLEY  
Deputy Director, Strategic Requirements Directorate, SDDC

1 Oct 14  
DATE

**CONTRACTING ACTIVITY:** United States Transportation Command, Specialized Transportation & Support Division, TCAQ-R  
USTRANSCOM/TCAQ-D, 508 Scott Drive, Building 1900W, Scott AFB IL 62225-5357

**PROGRAM/PROJECT:** Defense Transportation Coordination Initiative (DTCI)

**AUTHORITY:** FAR 6.302-1, Only one responsible source and no other supplies or services will satisfy agency requirements.

**ESTIMATED VALUE OF EXTENSION:**

**TYPE OF J&A:** Individual

**REVIEW:**

\_\_\_\_\_  
DENISE E. CAMERON  
Chief, Surface Transportation Branch

10 Oct 14  
\_\_\_\_\_  
DATE

\_\_\_\_\_  
CHARLES M. BURTON, JR.  
Chief, Specialized Transportation and Support Division

2 Oct 14  
\_\_\_\_\_  
DATE

\_\_\_\_\_  
WILLIE J. MCALISTER  
Office of the Staff Judge Advocate

6 Oct 2014  
\_\_\_\_\_  
DATE

\_\_\_\_\_  
JEFFERY T. BEYER  
Chief, Business Support & Policy Division

8 Oct 14  
\_\_\_\_\_  
DATE

\_\_\_\_\_  
MICHELLE M. MENDEZ  
Competition Advocate

8 Oct 14  
\_\_\_\_\_  
DATE

**CONTRACTING ACTIVITY:** United States Transportation Command, Specialized  
Transportation & Support Division, TCAQ-R  
USTRANSCOM/TCAQ-D, 508 Scott  
Drive, Building 1900W, Scott AFB IL 62225-5357

**PROGRAM/PROJECT:** Defense Transportation Coordination Initiative (DTCI)

**AUTHORITY:** FAR 6.302-1, Only one responsible source and no other supplies or services  
will satisfy agency requirements.

**ESTIMATED VALUE OF EXTENSION:** :

**TYPE OF J&A:** Individual

**APPROVED:**

\_\_\_\_\_  
TAMARA D. THOUVENOT  
Head of the Contracting Activity

9 Oct 14  
\_\_\_\_\_  
DATE