

JUSTIFICATION AND APPROVAL
USTRANSCOM JUSTIFICATION FOR
OTHER THAN FULL AND OPEN COMPETITION
GLOBAL CONTAINER MANAGEMENT CONTRACT (GCM)

1. CONTRACTING ACTIVITY

United States Transportation Command, Directorate of Acquisition, Specialized Transportation and Support Division, 508 Scott Drive, Building 1900W, Scott AFB IL 62225-5357.

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

Approval is requested to allow a sole source award for global container management services as performed currently under contract W81GYE-10-C-0012 for a period of seven months and eight days (21 February 2014 – 30 September 2014) in accordance with Federal Acquisition Regulation (FAR) 6.302-2.

3. DESCRIPTION OF THE SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS

As a component of the United States Transportation Command (USTRANSCOM), the Military Surface Deployment & Distribution Command (SDDC) has a requirement for operational and management support as part of the G3 global deployment and redeployment mission. The estimated value is This requirement is currently being met by the Global Container Management (GCM) program, under which the contractor is responsible for the following container management functions: gathering data and updating container data records to reflect current status, location, and condition of DoD-sponsored shipments; generating management information reports; supporting retrograde/redeployment of DoD containerized shipments; tracking container deliveries; ensuring timely empty and return of containers to the proper destination; generating delivery reports to monitor deliveries; researching unresolved ownership containers; identifying the location of transportation equipment; maintaining accurate records and reports to track the DoD container fleet; maintaining records of trends and improvements of container management activities; and conducting in-depth analysis to identify opportunities for detention reduction. The requirement specifically supports Operation Enduring Freedom (OEF) by providing container management support for the Afghanistan drawdown for which requirements are most immediate.

Currently, this requirement is supported through a firm-fixed price contract and is performed by Global Support Services, LLC (GSS).

4. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION

10 USC 2304(c)(2) as implemented by FAR 6.302-2 – Unusual and Compelling Urgency.

5. DEMONSTRATION THAT THE NATURE OF THE ACQUISITION REQUIRES USE OF THE AUTHORITY CITED

The current GCM contract was awarded by SDDC in August 2010 as a sole source Small Business Set-Aside under the 8(a) Program. The value of the current contract is approximately \$3.3M, including the 6-month extension. The contract's 6-month extension clause was exercised on 24 August 2013 by SDDC and is set to expire 20 February 2014. On 1 November 2013, contract administration authority was transferred to USTRANSCOM.

On 10 October 2013, a Multifunctional team (MFT) meeting was held, in which plans for a new consolidated effort were discussed. On subsequent occasions TCAQ met with SDDC to discuss the need for a follow-on requirement and the acquisition process for a sole source 8(a) award. SDDC requested the follow-on combine the GCM contract services with the AIDPMO contract, under which the GCM services would be phased out almost entirely during the first year of contract performance due to the drawdown in Afghanistan. After further discussions, TCAQ projected an award date of 20 February 2014 to ensure mission support with no interruption in service. On 17 January 2014, the Small Business Administration (SBA) provided notification to TCAQ indicating the anticipated sole source awardee, GSS, no longer qualified for an award under the 8(a) Program, despite all Government resources [System for Acquisition Management (SAM), Small Business Dynamic Search (SBDS)] indicating GSS was eligible for award under the 8(a) program. On 21 January 2014, TCAQ requested SBA reconsider its decision based upon the current certifications and reporting in SAM and SBDS. On 23 January 2014, SBA denied the request and re-confirmed their decision. On 24 January 2014, TCAQ requested SBA suggest alternate 8(a) contractors to fulfill the requirement; however, no alternate contractors were provided.

Although substantial measures had been taken by TCAQ towards making the acquisition an 8(a) award, due to the changed circumstances—which were beyond TCAQ's ability to control—an 8(a) award without a break in service was no longer possible. Similarly, a full and open competition could not be accomplished without incurring a break in service. Thus, the Agency's need for continued GCM program support could only be acquired through a sole source award.

Furthermore, the Government's need for operational and management support on the GCM program is both unusual and compelling. The need is urgent for the following reasons:

1. The work performed is essential to accomplishing the DoD mission in Afghanistan. The GCM services enable: base closures in Afghanistan to take place without delay; an accounting of critical container assets in Afghanistan directly supporting the drawdown of forces; reduction of containers in Afghanistan to meet Federally mandated guidance and

requirements; reduction of unnecessary costs for sustainment cargo entering Afghanistan¹; and accountability of container assets, including a DoD container fleet in Afghanistan with an estimated value of \$400M.²

2. SDDC personnel are not available to perform the tasks performed by the GCM contractor. Due to budgetary constraints, SDDC has been unable to fill existing vacancies and is operating at . The container management workload, however, has not decreased but rather has increased due to the drawdown in Afghanistan. In addition, DoD has mandated a 25% cut in personnel Army-wide and SDDC is anticipating container management personnel will be cut by up to . Accordingly, SDDC does not have the personnel to perform GCM contractor-supported requirements without jeopardizing other aspects of the GCM mission.
3. Containers must be removed from Forward Operating Bases (FOBs) prior to closure. Failure to properly account for, document, and execute the removal (or proper transfer) of the containers will delay identification and proper documentation of containers and may cause diplomatic challenges with the host nation. Such delays lead to improper decision processing for containers and can result in additional costs in excess of \$4K per container. With more than 40K containers remaining in Afghanistan, the Government's potential liability for unnecessary additional costs could exceed \$160M. The support provided by the GCM contractor is an essential asset to the decision making process and is key to ensuring correct and cost effective decisions are made.
4. Failure to either properly account for or make correct decisions with regard to containers during the drawdown will result in an increase in costs and a loss of containers. For example, system data regarding container ownership is often incorrect and without the support provided by the GCM contractor, the DoD will incur the cost of returning a container to CONUS only to learn it is not a DoD container. The DoD then must incur the additional costs of (a) purchasing the wrongly identified and shipped container or (b) return the container to its owner and purchase a new container to replace the lost container. The GCM contractor positively impacts this process and produces cost avoidance by ensuring ownership is correct, monitoring FOB closures, and coordinating/advising throughout the container decision process. All of which are critical to ensuring the correct containers are moved.
5. The retrograde and transfer of containers is in direct support of DoD requirements to execute transition out of Afghanistan. Supporting the drawdown in Afghanistan, which is currently underway and expected to continue in the immediate future, consists of steady retrograde container transfer and disposal. SDDC's requirement to support USCENTCOM AOR entails complex work and in-depth knowledge of DoD transportation systems that would otherwise require extensive training of Government personnel and/or new contractor personnel. A

¹ The contractor has directly contributed to a cost avoidance of over \$23M since 2010, and will support efforts in 2014 with a project cost-avoidance well in excess of \$450K.

² The need for accountability of container assets has been cited in recent GAO and Army Audit Agency reports. GSS work has also been instrumental in providing data supporting an ongoing GAO audit that won't conclude until well after the end of the current GSS contract.

lapse in service would result in the loss of availability of uniquely qualified and capable contractor personnel who provide essential support to the GCM program.

Therefore, award of a sole source contract to the current GCM contractor, GSS, is necessary in order to avoid direct financial and operational injury to the Government. The GCM contractor performs an essential portion of the overall GCM mission. Diverting the already over-stretched DoD civilian workforce to address these contractor-supported requirements would only result in mission loss for the GCM program as well as other areas.

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

The proposed contract for GCM services was to be executed in accordance with FAR Part 19 as a sole source award under the 8(a) Program and would have phased-out GCM services almost entirely in the first year of contract performance. As detailed in section 5 above, the intended 8a sole source set-aside became no longer viable less than a month before the new contract was to begin. Soliciting proposals from additional sources would seriously injure the government and is therefore not practicable due to the need for uninterrupted services (to avoid serious financial and operational injury as detailed above). In this case, if a contract were to be awarded to any entity other than the incumbent, a training requirement (lasting a minimum of 7 weeks) would be necessary for new contractor employees. As noted above, SDDC personnel are neither available to train contractor personnel nor to provide augmentation staffing while contractor personnel receive training. Such a training requirement would necessarily interrupt contract services. Accordingly, with less than 3 weeks remaining before performance start, it was determined the only suitable acquisition strategy was to solicit a proposal from the current GCM contractor. In addition, per FAR 5.202(a)(2) subject acquisition is exempt from the FAR 5.201 publication requirement.

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

The Government developed an IGCE in preparation of the follow-on 8(a) procurement identifying prices expected to be paid for GCM services. The Government also has access to GSA schedule rates appropriate for the performance of subject services, as well as prices historically paid by the Government for the same services. Accordingly, the anticipated cost to the Government will be fair and reasonable because there is substantial and accurate information available to conduct price analysis and negotiation.

8. DESCRIPTION OF THE MARKET RESEARCH CONDUCTED AND THE RESULTS

Market research was completed for the original acquisition and prior to execution of this J&A. The Government determined the requirements of the combined GCM and AIDPMO contracts could be met by one or more 8(a) vendors and noted the current GCM contract was awarded under the 8(a) Program. The Government also noted the overall workload for the combined contracts (GCM and AIDPMO) is expected to decrease by approximately 70% over the course of the next period of performance (3 years), with the GCM services being largely phased out or

incorporated into AIDPMO support functions by the end of year one. The Government concluded the GCM requirement is a commercial requirement which can be performed by an 8(a) small business and appropriately developed its acquisition strategy based on this information.

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

None.

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

No sources, other than GSS, have expressed interest in the GCM requirement.

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

USTRANSCOM's original intent was to combine the GCM and AIDPMO requirements into a single contract, under which GCM contract support would be largely phased-out as the Government's requirement for GCM services decreases. Because the need for GCM services is immediate with anticipated and nearly absolute reduction during the time of this sole source award, any residual GCM services will be included in a follow-on contract, for which no barriers to competition are known or anticipated.

12. CONTRACTING OFFICER CERTIFICATION

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

JONATHAN BRUNICK
Contracting Officer

19 MAR 2014
DATE

13. TECHNICAL/REQUIREMENTS PERSONNEL CERTIFICATION

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

MARK LARUE
Program Manager, SDDC

19 MAR 2014
DATE

CONTRACTING ACTIVITY: USTRANSCOM

PROGRAM: Global Container Management Contract (GCM)

AUTHORITY: FAR 6.302-2, Unusual and Compelling Urgency

ESTIMATED CONTRACT COST:

TYPE OF J&A: Individual

REVIEW AND APPROVAL:

Office of the Staff Judge Advocate

19 March 2014
DATE