DEFENSE LOGISTICS AGENCY
ENERGY
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J&A Tracking Number: 25-0025

Justification for Other than Full and Open Competition

1. Summary/Introduction:

The Defense Logistics Agency (DLA) Energy, a Major Subordinate Command of DLA, is the contracting activity for bulk petroleum products and services for the Department of Defense (DoD). This Justification and Approval (J&A) is for the acquisition of marine dock fuel unloading services and ancillary facilities for receiving, protecting, and shipping U.S. Government-owned Turbine Aviation Fuel, Grade Jet-A and transferring it via the Government-owned pipeline to MacDill Air Force Base (AFB), FL. The existing contract SPE60321C5015, awarded May 28, 2021, was for a four-year base period, one one-year option period, and a six-month extension option to Chevron U.S.A. Inc. (Chevron) The following justification for solicitation SPE60325R0523 is presented to support the decision to award a new contract to Chevron with a four-year base performance period beginning on June 01, 2026 through May 31, 2030, one five-year option from June 01, 2030 through May 31, 2035, and a six-month extension option from June 01, 2035 through November 30, 2035. The estimated total dollar value for this acquisition is [redacted]

2. Nature and/or description of the action being approved (FAR 6.303-2(b)(2)):

The action being approved is a J&A authorizing other than full and open competition for the procurement of fuel dock services for a four-year base period, one five-year option period and a six-month extension option. This procurement is being conducted in accordance with the procedures outlined in FAR 6.302-1 (Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements) and will be awarded as a follow-on contract utilizing the Defense Working Capital Fund for fiscal year 2024. The use of other than full and open competition is necessary to maintain the critical and uninterrupted flow of Jet-A fuel to MacDill Air Force Base (AFB), home to U.S. Central Command (CENTCOM). Market research indicates that only one vendor, Chevron Inc., has the infrastructure and experience to meet the requirements of this solicitation.

Any interruptions in these services could result in mission failure, and as such, the agency cannot afford the risks associated with a lapse in coverage. If contractual services at Port Tampa cease, the impact would be immediate and severe, disrupting the receipt and transfer of critical military fuel (Jet-A) to MacDill AFB, FL which is home to U.S. Central Command (CENTCOM).

3. Description of supplies or services required to meet the agency's need (including estimated value) (FAR 6.303-2(b)(3)):

The current contract was solicited using full and open competition and was awarded to Chevron on May 28, 2021, the sole offeror with the capability of fulfilling the requirement.

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The proposed service is a follow-on requirement for fuel dock services and ancillary facilities capable of receiving and offloading government owned Jet-A fuel from government contracted tankers or barges at a rate of 6,500 barrels per hour for tankers and 2,000 barrels per hour for barges, on a 24 hours per day, seven days per week basis. This fuel will be transferred from Chevron's facility, via a government-owned pipeline to MacDill AFB, FL. The requirement is for a four-year base performance period beginning on June 01, 2026, through May 31, 2030, one five-year option from June 01, 2030, 2030 through May 31, 2035, and a six-month extension option from June 01, 2035, through November 30, 2035. The estimated total dollar value for this acquisition is [redacted].

4. Identification of the statutory authority permitting other than full and open competition (FAR 6.303-2(b)(4)):

This J&A is based upon the authority of 10 U.S.C. §3204(a)(1) as implemented by Federal Acquisition Regulation 6.302-1. The services required by the agency are only available from only one responsible source and no other type of service will satisfy the agency's requirements.

5. Demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the authority cited (FAR 6.303-2(b)(5)):

The Port Tampa Dock Services contract covers fuel services at the Port of Tampa, Florida, specifically unloading government-owned fuel (Jet-A) from tankers/barges and transferring it to the DFSP Tampa facility on MacDill AFB, FL via pipeline. This contract requires an annual throughput of 500,000 barrels of Jet-A, supporting bulk petroleum needs for DLA Energy customers in the Tampa area. A single, reliable method for transferring fuel from the port to the DFSP is critical to ensuring a consistent and uninterrupted supply. Chevron owns a proprietary pipeline, which, given the existing infrastructure at the Port of Tampa and MacDill AFB, provides the only currently feasible and cost-effective mode of delivery. While alternative receipt methods were explored, their implementation would require significant capital investment for new infrastructure construction, lengthy permitting processes, and potential disruptions to ongoing operations. For example, constructing a new pipeline alongside the existing one would involve extensive environmental impact assessments, rights-of-way acquisitions, and potential impacts to local businesses and residents. These factors, coupled with the long lead times associated with such a project, make them impractical for meeting the immediate need for fuel delivery. Furthermore, Chevron currently owns the land between the dock at Port of Tampa and MacDill AFB, representing the only accessible point to tie into current and planned pipeline infrastructure upgrades, further limiting other potential vendors from accessing the existing infrastructure. DLA Energy engaged in market research to expand the available competition, as more fully discussed in Paragraph 6; however, those efforts yielded no interested and capable alternative vendors.

The market research performed led the government to explore an alternate mode of transportation via tank trucks delivered directly to DFSP Tampa, but the analysis estimated that [redacted] would be needed to fulfill the requirement. This is not a viable solution for a few reasons. First, the current infrastructure at DFSP Tampa, and the surrounding roadways, is

not designed to accommodate that volume of truck traffic. The increased congestion would create significant delays in fuel delivery, impede base operations, and strain existing resources. Second, other limitations exist, including the manning needed to support approximately six trucks per day delivering to three tanks. This would require a significant increase in personnel to oversee deliveries, conduct inspections, and ensure security protocols are followed. Third, these fuel deliveries will also require a minimum of eight-hour settling time for the product once delivered. When accounting for the settling time of the product, the limited capacity of the storage tanks, and the downtime for preventative maintenance such as tank cleaning, the option to deliver via tank truck cannot provide the necessary throughput and reliability and is therefore not a viable option. It would jeopardize the integrity and reliability of the fuel supply to MacDill AFB, which is critical to national security.

6. Description of the efforts made to ensure that offers are/were solicited from as many potential sources as is/was practicable, including whether a notice was or will be publicized as required by Subpart 5.2 and, if not, which exception under 5.202 applies (FAR 6.303-2(b)(6)):

On March 25, 2025, DLA Energy posted a sources sought notice to the System for Award Management (SAM) in order to gain a better understanding of the market and the potential sources that could satisfy the fuel dock services requirement. The sources sought notice remained open for fifteen days, requiring interested vendors to submit capability statements outlining their ability to satisfy the requirement. DLA Energy received inquiries from four firms: BHPE LLC, D&O Technologies LLC, Deltek and Maytag Aircraft LLC. BHPE LLC stated their interest in the program but failed to submit capability statements. The email received from BHPE LLC appeared to be a restatement and was similar to responses received on other procurements. D&O Technologies LLC's response inquired about the need for materials i.e. piping, tanks and related equipment, which isn't a part of DLA Energy's requirement. Deltek inquired about the status of the current contract to determine if it is a follow-on or a new requirement but failed to submit a capability statement. Lastly, Maytag Aircraft LLC inquired about the application of the Atlantic Land and Improvement Company Terminal Tariff Number One which was originally included in the Performance Work Statement but has since been removed. Maytag Aircraft LLC did not respond to the notice by the closing date and failed to submit a capability statement. The responses received from the sources sought notice failed to show a qualified pool of vendors to perform a competitive acquisition.
Based on the responses received from the sources sought notice, DLA Energy issued a notice of intent to sole source on June 23, 2025. This notice was posted to SAM for fifteen days with a closing date of July 08, 2025. DLA Energy received no responses to the posted notice.

7. Determination by the contracting officer that the anticipated cost to the Government will be fair and reasonable (FAR 6.303-2(b)(7)):

The Contracting Officer anticipates that the cost to the Government will be fair and reasonable. This determination is based on the following: first, the requested services are follow-on services to those currently sourced under an existing contract that was previously determined to be fair and reasonable in accordance with FAR 15.404-1(b)(2)(v), through comparison of proposed

prices with independent Government cost estimates (IGCE). Second, to account for the time lapse since the original pricing, the current costs under that existing contract were escalated to arrive at the future cost projection by applying the Consumer Price Index (CPI). This CPI-based escalation provides a standardized and widely accepted method for accounting for inflation and ensuring that the proposed price reflects the anticipated increase in the cost of labor, materials, and other relevant expenses over the contract period. Finally, in accordance with FAR 15.402(a)(2), the Contracting Officer will further validate the fairness and reasonableness of the proposed cost by requesting, if necessary, data other than certified cost or pricing data, prioritizing data available within the Government and from sources other than the offeror. This multi-faceted approach, combining historical price analysis, CPI escalation, and ongoing market research, ensures a fair and reasonable price for the government, particularly given the limited storage requirements and minimal manpower involved in this service.

8. Description of the market research conducted and the results or a statement of the reason market research was not conducted (FAR 6.303-2(b)(8)):

In compliance with FAR Part 10, DLA Energy conducted thorough market research to identify potential sources and alternative solutions for this requirement. This research encompassed several key elements. First, a Sources Sought notice, followed by a later Intent to Sole Source notice, was posted via SAM.gov. Despite these efforts, no capability statements were received in response, indicating a lack of readily available qualified alternative sources. Second, DLA Energy relies on ongoing market research performed by DLA Energy's Requirements and Inventory Control Branch (FENBB), which regularly analyzes available transportation modes for receiving products at end locations such as MacDill AFB. This analysis included an examination of using tank trucks as an alternative to the existing pipeline delivery system.

The FENBB analysis concluded that approximately [redacted] would be required to ship the necessary product from the berth to its final destination at MacDill AFB. This volume of truck traffic was deemed infeasible for multiple reasons. While at first glance adding offloading headers might appear to be a viable solution, the upfront costs, extensive permitting requirements, and the major impact to existing operations render it impractical. Specifically, the construction of offloading headers would necessitate a significant capital investment, require detailed environmental impact studies, and would cause an extended shutdown of operations, thereby compromising critical fuel supply to MacDill AFB. Furthermore, DFSP Tampa does not have the existing infrastructure to accommodate tank truck deliveries. Beyond the absence of offloading headers, the facility lacks sufficient space for truck staging and maneuvering, as well as the necessary personnel to manage and inspect such a high volume of deliveries. This lack of infrastructure, coupled with the high volume of truck traffic, makes the truck transportation option not only cost-prohibitive but also logistically unfeasible, significantly increasing the risk of delays and disruptions to the fuel supply chain. Therefore, the market research clearly indicated that the existing Chevron pipeline is the only currently viable and reliable solution for meeting this critical fuel delivery requirement.

9. Any other facts supporting the use of other than full and open competition, such as (FAR 6.303-2(b)(9)):

(i) Explanation of why technical data packages, specifications, engineering descriptions, statements of work, or purchase descriptions suitable for full and open competition have not been developed or are not available.

Not applicable.

(ii) When 6.302-1 is cited for follow-on acquisitions as described in 6.302-1(a)(2)(ii), an estimate of the cost to the Government that would be duplicated and how the estimate was derived.

Not applicable.

(iii) When 6.302-2 is cited, estimated cost, or other rationale as to the extent and nature of the harm to the Government.

Not applicable.

10. A listing of the sources, if any, that expressed, in writing, an interest in the acquisition (FAR 6.303-2(b)(10)):

BPHE LLC, D&O Technologies LLC, Deltek, and Maytag Aircraft LLC. all appeared to express interest in this acquisition by submitting clarifying questions, but all vendors failed to submit the requested capability statement which outlines their ability to satisfy the requirement.

11. Actions that may be taken to remove or overcome barriers to competition before any subsequent acquisition for the supplies or services are required (FAR 6.303-2(b)(11)):

There are no known actions that will allow DLA Energy to overcome the competition barriers for this requirement.

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I hereby certify that the data which forms the basis for this justification is accurate and complete to the best of my knowledge and belief.

[redacted]

[redacted]

[redacted]

I hereby certify that the data which forms the basis for this justification is accurate and complete and that the purchase request covers only the minimum requirements to satisfy the needs of the Government.

[redacted]

I have reviewed and concur with this Justification

[redacted]

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I have reviewed and hereby recommend that this Justification be approved:

Approved:

[redacted]