DEPARTMENT OF THE NAVY
U.S. NAVSUP FLEET LOGISTICS CENTER SIGONELLA
PSC 812 BOX 28
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J&A No. 26-0038

JUSTIFICATION AND APPROVAL
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity.

Naval Supply Systems Command (NAVSUP)
Fleet Logistics Center Sigonella (FLCSI)
Rota Detachment

2. Description of the Action Being Approved.

This is a non-competitive action submitted for approval to issue a Firm Fixed-Price (FFP) Indefinite Delivery Indefinite Quantity (IDIQ) commercial contract to Telefonica de España (Telefonica) in support of Naval Computer and Telecommunications Area Master Station Atlantic (NCTAMS LANT) for mobile line telecommunication services at the Naval Station (NAVSTA) Rota, Spain. The ordering period is anticipated to be from 25 June 2026 to 24 June 2031. The estimated total dollar value is $2.5M.

3. Description of Supplies/Services.

As part of the U.S. Navy's operations at NAVSTA Rota, NCTAMS LANT Detachment Rota is the activity providing secure and reliable, classified and unclassified, voice, messaging, video and data telecommunications to surface, subsurface, air and ground forces in support of Command, Control, Communications and Intelligence (C4I) for real-world operations and exercises to U.S. Naval, Joint and Coalition operating forces worldwide. The NAVSTA Rota Base Communications Office (BCO) has more than [redacted] primary customers including but not limited [redacted] on base.

This requirement for reliable, uninterrupted, and responsive around-the-clock, commercial mobile telecommunications services at NAVSTA Rota and worldwide locations for official and approved unofficial (Class B-2) users. This includes the deployment and maintenance of approximately 2,500 devices and associated infrastructure for telecommunication services.

Estimated Value

Year / POP	EURO TOTAL	USD TOTAL
1 / 2026 – 2027	€445,110.36	$478,458.95
2 / 2027 – 2028	€454,012.57	$488,028.13
3 / 2028 – 2029	€463,092.82	$497,788.69
4 / 2029 – 2030	€472,354.67	$507,744.46
5 / 2030 – 2031	€481,801.77	$517,899.35
Total	€2,316,372.19	$2,489,919.58

The contract will be issued in local Euro currency. The estimated value in USD was calculated utilizing the current FY26 Budget Exchange Rate (BER) of $1.00 = €0.9303 and is anticipated to be funded with [redacted]

4. Statutory Authority Permitting Other Than Full and Open Competition:

The statutory authority permitting this sole source acquisition is 10 U.S.C. 3204(a)(1), Only one responsible source and no other supplies or services will satisfy agency requirements at FAR Part 6.103-1.

5. Rationale Justifying Use of Cited Statutory Authority.

Mobile telecommunications services at NAVSTA Rota are currently being provided under contract N6817121D6005. The contract was awarded to Telefoníca on sole source basis for the period of performance of 25 June 2021 through 24 June 2026.

The requirements of this contract require sources to have adequate infrastructure at NAVSTA Rota; this is primarily composed of cell towers, underground wiring, and Public Switched Telephone Network (PSTN) trunks consisting of Integrated Services Digital Network Primary Rate Interface (ISDN PRI) service. At the present time, Telefoníca owns, maintains and is the only source that has all the required infrastructure on base. Therefore, there are only two possible options for an alternative provider to deliver these services, both of which are heavily deterred by inherent market forces, as detailed below.

The first option is for an alternate provider to establish a completely new and independent infrastructure, which carries a high capital investment relative to the value of this contract. Based on the most recent calculations, an alternative provider would need to incur an initial capital investment of approx. [redacted] in hardware/equipment in order to establish an independent infrastructure. Note that this estimate does not include the construction efforts necessary to finalize connections to the provider's main switch, which could vary substantially based on the provider's infrastructure outside NAVSTA Rota. Considering the equipment and hardware alone is at least [redacted]% of the estimated value of this contract, this upfront investment poses a financial obstacle for other providers to develop an economical solution. Additionally, alternate providers will need to obtain authorization directly from the Spanish government in order to install and/or construct this infrastructure. It is unknown whether the Spanish government would agree, how long it would take for a decision, and if granted permission, how long it would take to install/setup the infrastructure.

The second option is for an alternative provider to establish an arrangement with Telefoníca in order to utilize its infrastructure, including cell phone repeaters. Telefoníca would have to permit use of its infrastructure to the alternative provider, which Telefoníca is not obliged to do. In fact, [redacted] Furthermore, one key performance risk in a telecommunications contract is the rapid restoration of service when a problem occurs. Based on the BCO's knowledge of third-party use of Telefoníca owned infrastructure in the civilian sector, complications have arisen from vendor coordination in the event of a service outage or degradation of service that hampers restoral efforts. For example, in April of 2025, the power systems of Spain and Portugal experienced a total blackout. Power systems remained functional on base through generators and services were restored well before the civilian sector, to include telecommunications services, which was a direct result of the telecommunications contract. Several "critical" base and customer functions depend on the services offered by this IDIQ contract. These include emergency personnel recalls, duty section management, base emergency information promulgation, and in many cases, first responder communication with emergency management personnel on scene. Contracting with a third party user of Telefoníca's assets complicates restoration efforts and jeopardizes mission accomplishment for not only the base, but also the customers supported by the BCO.

Notwithstanding these market barriers, the Government conducted extensive market research, described in Section 6, and found that there are currently no alternative sources for this requirement. Accordingly, Telefoníca has been determined to be the only available source that is capable of performing this requirement.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

The Government started its most recent market research efforts by first reviewing past market research efforts for this exact requirement. During the market research phase of previous contract N6817116D6001, the Contracting Officer (KO) and BCO conducted market research and a determination was made to compete the requirement based on a review of at least two capable sources providing the required service in the commercial marketplace and expressed interest in the requirement. Competitive solicitation N6817116T6006 was issued, which resulted in two (2) proposals from Telefonica and [redacted], with only Telefonica's proposal found to be awardable in accordance with the evaluation criteria set forth in the solicitation. [redacted]

During the market research phase for the current contract (N6817121D6005), a Sources Sought notice was posted on EuroNECO and beta.gov on December 18, 2020 with a deadline of January 9, 2021, asking interested parties to respond to a questionnaire that contained key considerations for competitors to address in order to demonstrate competitive viability. Upon closing, no responses were received. Nor did direct contact with [redacted] produce interest in the

requirement. Since the telecommunications industry is ever evolving, a DD2579 was submitted for approval to fully compete the requirement, regardless of the non-responsive market. The DD2579 was rejected on the basis that the market research did not justify a competitive environment. Therefore, it was determined to pursue a sole source acquisition with Telefoníca, as they were the only source that was reasonably available.

Similar to the aforementioned market research intent, a Sources Sought notice in accordance with DFARS PGI 206.103-170 was posted to NECO and Sam.gov on 19 December 2025 with a response date of 12 January 2026, asking interested parties to respond to a questionnaire that contained key considerations for competitors to address in order to demonstrate competitive viability. Only one viable response was received from Telefoníca. The other two responses, from [redacted], provided capability statements with generic statements that did not address any aspect of the PWS, nor did they submit the questionnaire and respond to key considerations as required by the sources sought. The Government also attempted to contact [redacted] the only interested party in the past ten years, via e-mail and direct telephone call with no response to either communique.

Accordingly, the Government issued a synopsis in SAM.gov on 17 February 2026 stating that after consideration of the market research results, the Government intended to issue this contract on a sole source basis to Telefoníca. The notice provided a copy of the Performance Work Statement and asked parties that disagreed with the decision to contact the Contract Specialist and Contracting Officer no later than 23 February 2026. At closing, no interested parties contacted the Contract Specialist or Contracting Officer to express disagreement with the Government's decision.

7. Determination of Fair and Reasonable Cost.

The Contracting Officer has determined the anticipated cost to the Government of the supplies and services covered by this J&A will be fair and reasonable.

8. Actions Taken to Remove Barriers.

As this is a follow-on for supplies and services previously awarded on a non-competitive basis, in accordance with DFARS PGI 206.104-71, the prior J&A, # 21-0173 is included for determining whether the planned actions to remove any barriers to competition were completed. Approval of this J&A signifies the approval authority has made the determination required by DFARS PGI 206.104-72.

The Government had previously initiated actions to remove barriers to future competition by reasonably facilitating other sources' efforts to achieve capability as documented in the previous J&A. The Government posted a sources sought, directly contacted potentially interested parties, and posted a notice of intent to sole source, all with no responses. Industry interest to conduct technical interchanges, site visits, and signal studies are currently non-existent.

The Government will continue to monitor the market to facilitate industry exchanges on a yearly basis by posting notices to the GPE and will consider competing a new contract if or when a viable competitor emerges.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

[redacted] [redacted] [redacted] [redacted]

(Signature) (Name) (Phone Number)

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

[redacted] [redacted] [redacted] [redacted]

(Signature) (Name) (Phone Number)

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

[redacted] [redacted] [redacted] [redacted]

(Signature) (Name) (Phone Number)

COMPETITION ADVOCATE APPROVAL

Upon the basis of the above justification, I hereby approve, as the Competition Advocate, the solicitation of the proposed procurement(s) described herein using other than full and open competition, pursuant to the authority of 41 U.S.C. 1901 and 10 U.S.C. 2304(f), as implemented in FAR

[redacted] [redacted] [redacted] [redacted]

(Signature) (Name) (Phone Number)