DEFENSE LOGISTICS AGENCY
ENERGY
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J&A Tracking Number: 26-0040

Justification for Other than Full and Open Competition
Bulk Fuel Services at United States Army Garrison Fort Campbell, KY, SP0600-05-C-5516

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 War (DoW). This justification and approval (J&A) is for the award of a nine-year extension (one four-year option period and five one-year option periods) by modification under the authority found at Federal Acquisition Regulation (FAR) 6.103-1(b), *Only One Responsible Source*, on contract SP0600-05-C-5516. The purpose of this service contract is to provide contractor-owned, contractor-operated (COCO) fuel services on leased Government property at the United States Army Garrison Fort Campbell in Kentucky. This justification will result in a modification that will require the contractor, TRC Government Services, LLC (TRC), to continue providing COCO fuel storage services, including operation, maintenance, and fuels management services in accordance with the terms and conditions of the contract.

The original contract, SP0600-05-C-5516, was competitively awarded with a five-year base period from February 1, 2006, through January 31, 2011, three five-year options extending from February 1, 2011, through January 31, 2026, and month-to-month extensions not to exceed six months. As such, the performance period for these crucial services will cease on July 31, 2026. Through this justification, the new performance period proposed will extend the services by one four-year option extending from August 1, 2026, through July 31, 2030, and five one-year option periods extending from August 1, 2030, through July 19, 2035. The total estimated value of the four-year option period is [redacted] The four-year extension will be funded with fiscal year (FY) 2026 defense working capital funds (DWCF) through purchase request number, 7017498212. The five one-year options will be funded at the time of award. The total contract value is increased from [redacted]

2. Nature and/or description of the action being approved (FAR 6.104-1(a)(2)):

This extension for COCO services is being conducted using procedures under FAR 6.103-1(b), *Only One Responsible Source*. This J&A will extend the contract by modification from August 1, 2026 through July 19, 2035 in accordance with Section 881 of the National Defense Authorization Act for Fiscal Year 2018 as codified in 10 U.S.C. § 2922, as amended. [redacted] The execution of this modification will not exceed the statutory limitation of 30-years.

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(SP0600-05-C-5516 TRC Government Services LLC)

3. Description of supplies or services required to meet the agency's need (including estimated value) (FAR 6.104-1(a)(3)):

The mission at Fort Campbell is dependent upon the fuel services provided under this contract by TRC, as the Army installation requires constant and continuous, high-quality fuels management services to support base operations. These services are critical to the support of military air and ground operations at Fort Campbell.

Under this contract, the fuel operations at this fuel facilities must be timely and safe to conduct receipt, storage, and issuance of petroleum products using the appropriate controls to ensure adequate fuel quality, inventory accuracy and environmental compliance in accordance with DLA Energy guidance, the highest industry standard, and best commercial practice and complying with federal, state, and local guidelines and regulations. Overall, the contractor is responsible for providing retail and bulk fuel services including receipt, storage, handling, and issue of F-24, JP-8, commercial gasoline, E85 alternative fuel, and commercial diesel. The contractor will supply all personnel, equipment, material and facilities necessary to support these fuel services at Fort Campbell. COCO fuel services at Fort Campbell encompass the management, operation, maintenance, product quality surveillance, inventory control and accounting, security, safety, and environmental protection. The estimated value of this action is [redacted]

4. Identification of the statutory authority permitting other than full and open competition (FAR 6.104-1(a)(4)):

This J&A is based upon the authority of 10 U.S.C. §3204(b)(B) for highly specialized services, as implemented by FAR 6.103-1(b), *Only One Responsible Source*. The services sought are highly specialized and available only from TRC for this extension. A new award for a new contractor would result in substantial duplication of costs to the Government that is not expected to be recovered through competition.

5. Demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires using the authority cited (FAR 6.104-1(a)(5)):

This action is required to ensure the uninterrupted performance of critical performance-based fuel services at Fort Campbell in Kentucky as all military operations, training, and readiness rely heavily on fuel support. [redacted] A new contractor would need preparation time prior to beginning performance to acquire the infrastructure and permits and be willing to obtain all associated risks of the facilities and any environmental concerns to fulfil the contract. Furthermore, a new contractor would require time to develop and implement operations, training plans and time to train personnel. The existing TRC workforce is trained and immediately available to conduct operations without interruption. TRC is currently the only known responsible source with the ability to meet the agency's requirement for COCO fuel facility

storage and maintenance services for an additional four-year base period with five one-year option periods without substantial duplication of costs or delays in obtaining such services.

Historically, newly awarded contracts for similar services have required preparation periods of up to 24 months after contract award and prior to the start of COCO fuels storage services, which would cause untenable delays and potential mission failure. The installation of new storage tanks and associated fuel facilities infrastructure is a primary element of the startup costs for a new COCO fuels services contractor. TRC's existing storage tanks are in place and remain in good working condition with a serviceable state expected to last through the option periods. For example, the initial costs was [redacted] Award of a contract to a new service provider at Fort Campbell would result in similar duplication of costs, as an incoming service provider would incur similar start-up costs in the course of establishing new COCO fuel facilities. The Government has already incurred the start-up costs associated with the existing COCO services contract with TRC. Award to another contractor would result in several million dollars of duplicative startup costs that will not be recovered through price competition. This modification allows the Government to maximize the value of the start-up and infrastructure costs expended during the base period of the contract. As such and in accordance with FAR 6.103-1(b), TRC is currently the only known responsible source with the ability to meet the agency's requirements without substantial duplication of costs or delays in obtaining services.

While the Government will ultimately need to re-procure these services using full and open competition at the conclusion of the maximum 30-year period allowed under 10 U.S.C. §2922, as amended, it is in the Government's best interest to avoid this premature duplication of costs by taking advantage of the maximum commercial viability of the existing COCO facilities and continuing services under the current contract. By extending the current contract as authorized by 10 U.S.C. §2922, the Government will avoid the interruption of services, will maximize the value that has already been invested in the currently available COCO facilities by extending its use, and will be saving on start-up costs that would be incurred if a new contract was awarded.

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 5.1 and, if not, which exception under 5.101(b) applies (FAR 6.104-1(a)(6)):

A sources sought notice was posted to the System for Award Management (SAM.gov) on September 18, 2025, to determine the capability of other sources to provide the required services.

7. Determination by the contracting officer that the anticipated cost to the Government will be fair and reasonable (FAR 6.104-1(a)(7)):

The Contracting Officer anticipates that the pricing for the contractor's monthly usage charge will align with the IGCE. The Independent Government Cost Estimate (IGCE) projects an initial

monthly usage charge of [redacted] This increase is largely due to inflation on supplies and equipment.

The Contracting Officer expects to determine the pricing of the extension to be fair and reasonable after entering negotiations. The Contracting Officer will evaluate the offer in accordance with FAR 15.404-1(b)(5), comparison of proposed pricing with the IGCE and FAR 15.404-1(b)(2), comparison of proposed prices to historical prices paid. If necessary, the Contracting Officer will request data other than certified cost or pricing data to support the fair and reasonable pricing determination.

8. Description of the market research conducted and the results or a statement of the reason market research was not conducted (FAR 6.104-1(a)(8)):

DLA Energy conducted market research previously that indicates COCO fuel services of the type under this requirement are available commercially. The DLA Energy contracting team's market research included a sources sought notice which was posted on September 18, 2025, on the SAM website to determine if there were additional firms who would offer on this requirement. As a result, five responses were received and reviewed by DLA Energy's program managers who are technical experts. It was determined that none of them could meet the Government's requirement.

Two of the respondents did not have any fuel experience with bulk petroleum products while the other three respondents did not fully understand the requirement as they proposed unrealistic timelines to procure a new site and build a new facility. Historical data indicates that it can take up to 24 months for a contractor to deploy, construct, and commission a COCO facility. In contrast, these three respondents' proposals had timeframes that ranged anywhere from 90 to 120 days, which is significantly less than what has been experienced at new COCO facilities. An award to any new contractor would therefore result in an interruption of essential fuel services, posing a significant risk of mission failure.

9. Any other facts supporting the use of other than full and open competition, such as (FAR 6.104-1(a)(9)):

(i) When 6.103-1 is cited for follow-on acquisitions as described in 6.103-1(c)(2), an estimate of the cost to the Government that would be duplicated and how the estimate was derived.

The cost of duplication to the Government would be in the establishment of a new COCO facility on Ft. Campbell as a contractor other than TRC is not permitted to assume control and management of the existing facility established by TRC at Ft. Campbell. An estimate of duplicated cost was derived from the IGCE prepared for this action and past modifications from contract SP0600-05-C-5516. Pricing for the establishment of the current COCO facility was amortized and included in the monthly usage charge for the five-year base period. [redacted] The first option period was executed through modification P00016 and the monthly usage

[redacted]
contract SPE603-19-C-5011, and thus duplication of costs of several million dollars is to be expected for the establishment of any new COCO facility.

(ii) When 6.103-2 is cited, estimated cost, or other rationale as to whether and how much the Government would be harmed.

Not Applicable.

10. A listing of the sources, if any, that expressed, in writing, an interest in the acquisition (FAR 6.104-1(a)(10)):

DLA Energy FESAB elicited five responses from interested companies in response to the sources sought notice posted on September 18, 2025, as follows: [redacted]

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 6.104-1(a)(11)):

There are no immediate barriers to competition for the COCO services at Fort Campbell, however, the Government would incur significant duplication of costs and an incompatible timeline for the immediate requirement. While the Government fully intends to obtain maximum competition for the follow-on requirement, TRC is the only responsible and immediately-available source that can provide these essential services without interruption. Therefore, a modification to the existing contract will be executed on or before July 31, 2026, with performance beginning on August 1, 2026.

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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]

Approved:

[redacted]