

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION**Solicitation No.: R16PS00538****Project Name: Irrigation & Irrigation Equipment Maintenance Services at Planet Ranch**

In accordance with FAR 6.302, the proposed contractual action is pursuant to the statutory authority of 41 U.S.C. 253(c)(1) (41 U.S.C. 253(c)(1) - FAR 6.302-1- Only one responsible source and no other supplies or services will satisfy agency requirements.

1. Agency and Contracting Activity.

Department of Interior, Bureau of Reclamation, Lower Colorado Region, Acquisition and Assistance Management Office located in Boulder City Nevada.

2. Nature/Description of Action.

Subject solicitation will be issued on a sole source basis for the acquisition of irrigation and irrigation equipment maintenance services at Planet Ranch which is located in Arizona. This service contract will run for 12 months and contain one (1) 12 month option provision. During the base year's performance period, the contractor will irrigate 980 acres of farm land using several different types of irrigation systems that are on the site. The contractor will also be required to maintain the irrigation systems on the property so that they are up and running around the clock, seven days a week. The contractor will be required to perform routine maintenance and repairs, and to coordinate any difficult or major repairs on the irrigation systems with outside mechanics on an as needed basis. During the 12 month option period, only irrigation services will be needed for up to an additional 4 months. Maintenance on the irrigation equipment will not be required during the option year.

The field irrigation services will be awarded on a firm fixed price basis. However, the irrigation equipment maintenance and repair aspect of this requirement is unknown. The irrigation equipment on site is very old and may at times need minor repairs, major repairs or replacement. With this the case, this solicitation must have a time and materials line item. The time and material line item will have a ceiling cap not to exceed \$205,000 over the base year's performance period.

Fiscal Year 2016 funding in the amount of \$900,000 was provided under FBMS Purchase Requisition No. 0040256827 dated January 20, 2016 to fund 20 months of irrigation and irrigation maintenance services. However, to avoid losing the site's water rights to the State of Arizona, irrigation services had to be established to start at Planet Ranch on May 1, 2016. As there was insufficient time to accomplish a \$900,000 acquisition by May 1, 2016, a contract was awarded on an other than full and open competition basis using the Statutory Authority of 41 U.S.C. 253 (c)(2), FAR 6.302-2, Unusual and compelling urgency for just 8 months of irrigation and irrigation maintenance services at Planet Ranch. As a different PR was provided for the

Urgent and Compelling requirement. FBMS Purchase Requisition No. 0040256827 dated January 20, 2016 will be used to fund only 12 months of irrigation and maintenance services at Planet Ranch.

3. Description of Supplies/Services.

In December of 2015, Reclamation secured approximately 3,418 acres of land and 5,549 acres of yearly water use at Planet Ranch which is located in a remote area of Arizona. According to Arizona’s statute 45-189 - Reversion of Rights Due to Nonuse, water rights must be tried every 5 years. The Big Sandy River – Planet Ranch Water Rights Settlement Agreement (P.L. 113-223), states Reclamation’s Lower Colorado Region’s (LCR) Multi Species Conservation Program (MSCP) is responsible for ensuring that water rights are maintained at Planet Ranch. Planet Ranch’s last 5 year water right usage period started on December 15, 2011. To retain the water rights on this property, as of May 1, 2016, Reclamation must provide continuous irrigation services for a 20 month period. An award was made to Flint Farms on March 4, 2016 for eight (8) months of irrigation services at Planet Ranch. Irrigation started on May 1, 2016 and will end on December 31, 2016. At this time a follow on contract is needed for an additional 12 months of services to assure the retainage of water rights on the site.

There are several different types of irrigation systems at Planet Ranch. Some more complicated than others. Each system delivers water in a different way so the parts and components of each system are specialized and unique to each system. All of the systems are aged (installed in the 1980’s) and have not been operational for about 25 years. The system’s components may have motors, computer boards, canal gates, pipes, wheels, wheel line mover motors and ground wells. The systems used at Planet Ranch require employees with specialized knowledge to efficiently operate them. The equipment also requires routine service maintenance and will also need repairs both simple and complex. There is a need for irrigation services and repair services starting on January 1, 2017 that will run thru December 31, 2017. In January of 2018, Reclamation plans to start a new habitat construction project at Planet Ranch. It is anticipated that up to 4 additional months of irrigation services may be required in 2018 to stabilize land when construction starts. Maintenance of irrigation equipment will not be needed in 2018. Irrigation services will not be needed beyond 2018.

4. Statutory Authority Permitting Other than Full and Open Competition. (Check one)

	Authority	FAR Coverage	Application
<input checked="" type="checkbox"/>	41 U.S.C. 253(c)(1)	FAR 6.302-1	Only one responsible source and no other supplies or services will satisfy agency requirements

5. Demonstration of Contractor’s Unique Qualifications.

Prior to MSCP purchasing Planet Ranch, the property was owned by Freeport McMoRan Copper & Gold Bagdad Operations who utilized the site for their mining operation. This company did

not use water on the site so in June 2015, they hired Flint Farms to perform irrigation services. This was done to assure that the water rights on the site would be maintained until MSCP completed the land purchase and transferred it to Arizona Game and Fish.

Flint Farms was the only company that Freeport could find willing to perform irrigation services on the site. Flint Farms has employees living on site and performing irrigation services twenty four hours a day, seven days a week. The employees of Flint Farms are very familiar with the site, the wells and the various types of irrigation equipment on site. As Flint Farms, physical location is several hours from the site, the employees hired by Flint Farms live at Planet Ranch 5 days a week. The employees rotate their days off to assure that there is coverage seven days a week.

Planet Ranch is situated in a remote location, north of Parker Arizona, on the Bill Williams River. It is accessible by helicopter or by a 60 mile drive over unpaved, rough dirt roads that cross over washes. A sources sought notice was posted on February 2016 but no capability packages were received in response to the notification. It is believed that the remote site is why no one is interested in performing on this requirement.

At this time, Flint Farms is the only known contractor who is interested in and willing to perform irrigation services at Planet Ranch. In addition to being the only contractor willing to perform services at this site, Flint Farms has been performing irrigation services and repairs at Planet Ranch since June 2015 (for Freeport). They are familiar with the site and experienced performing the services required.

6. Description of efforts made to maximize competition.

The need for irrigation services at Planet Ranch is a new requirement for Reclamation. Reclamation currently has no local farmers/contractors near the site performing similar services. On February 3, 2016, a Sources Sought notice was published on the Federal Business Opportunities Site and on FedConnect. On February 12, 2016, which was the date set for the receipt of responses to the sources sought notice, no capability packages were received. Prior to the issuance of a solicitation, an announcement will be posted as required by FAR 5.2 regarding Reclamation's intent to solicit this requirement on a Sole Source Basis with Flint Farms. Responsible offerors will be invited to submit a capability statement, proposal or quotation that will be considered should additional services be required after the performance period on this requirement expires.

7. Determination of Fair and Reasonable Cost.

The Contracting Officer anticipates that fair and reasonable pricing will be obtained on this requirement. There are several contracts that Reclamation currently has where simple irrigation services are required at other conservation site locations. These rates can be used as a basis for price comparison purposes if they are adjusted to reflect the complexity of Planet Ranch's various methods of irrigation, the need to integrate the various systems and the challenges posed by the

remote site location. A firm fixed price will be established for irrigation services and for a service call rate. Although the service call rate itself will be fixed, it is not known how frequently repairs will be needed. Accordingly, the service calls and parts for repairs will be performed on a time and materials basis. Time and material repair costs will be capped at \$205,000 during the base year performance period. (They will not be required during the Option Period)

A Determination & Findings that approved the use of Time & Material line items on this acquisition was approved by the Chief of Contracting on February 8, 2016. Per that determination, the need for additional contract oversight was identified to ensure that any repair services and supplies received are necessary as well as received at fair and reasonable prices. The Contracting Officer's Representative (COR) will be responsible for oversight and will verify that Reclamation is only invoiced for supplies and services actually needed and received. The COR will have frequent communication with the contractor. Communication will be maintained via e-mail, site photographs from the contractor, phone calls and site visits to Planet Ranch. The contractor must notify the COR when equipment repairs are required. The contractor will have to explain to the COR, the nature of the equipment failure, their recommendation, the estimated time and material costs and how long the equipment will be down for. The COR will review the contractor's recommendations and provide necessary questions / feedback or concurrence to proceed. The COR will verify all receipts submitted by the contractor to assure that they reflect the parts and labor that were reviewed and approved by the COR.

8. Description of Market Research Conducted.

A Sources Sought Notice was posted on the Federal Business Opportunities Site and on FedConnect on February 3, 2016 that requested responses on or before February 12, 2016. No capable sources were identified as a result of the Sources Sought posting.

Reclamation received two inquiries on this requirement as follows;

Scott Payne from Kirk Engineering located in Sheridan, Montana contacted the contract specialist and indicated that his company was interested in offering on this requirement. However, Kirk Engineering was recently evaluated under a simplified acquisition for irrigation services at Beal Lake and was rated overall unacceptable for performing on that requirement. Kirk Engineering is in the business of designing irrigation systems and providing irrigation consultation services. They have no actual experience in performing irrigation services, operating the various types of irrigation equipment or in repairing and maintaining irrigation systems and wells. It was pointed out to Kirk Engineering that their lack of experience performing irrigation services made it highly unlikely that they would be determined capable to perform on this requirement. The company did not submit a capability package.

Juliet McKenna of Montgomery & Associates located in Tucson, Arizona wanted to know if

ground water hydrogeology, well construction and /or well field modeling services were a part of this requirement. She was advised that those types of services were not required under this solicitation. Montgomery & Associates did not submit a capability package.

Reclamation has contracts for irrigation services with Revised Cibola Irrigation District, located in Cibola, Arizona, River Bottom Farms also in Blythe, CA, Arizona and Chairel Custom Hay, located in Blythe, CA. Gail Iglitz, the Contracting Officer's Representative contacted these contractors by phone in February 2016 and they all indicated that they were not interested in this requirement due to the remote location of the site and the need for services to run 24/7.

9. Any Other Supporting Facts.

Under the Big Sandy River – Planet Ranch Water Rights Settlement Agreement (P.L. 113-223), Reclamation's MSCP was named in December of 2015 as being responsible for carrying out any activity necessary to implement the Big Sandy River- Planet Ranch Agreement. MSCP is required to provide continuous irrigation services at Planet Ranch thru December 2017 to preserve the sites water rights. Failure to do so will result in the loss of water rights and prevent MSCP from creating a conservation habitat on this site.

10. Listing of Interested Sources.

No capability statements were submitted as a result of the Sources Sought Notice. Although two inquiries were received (Montgomery & Associates located in Tucson, Arizona & Kirk Engineering) neither submitted capability statements. Neither contractor is capable of performing on this requirement.

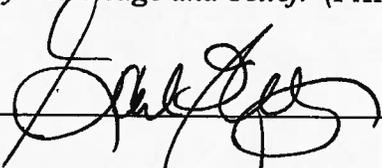
11. Actions Taken to Remove Barriers to Competition.

On this acquisition, the biggest obstacle for obtaining adequate price competition is the fact that the performance site location is located in a remote location that is not easily accessible. This is not a barrier that can be easily overcome. The land in this area is not desirable for housing or farming and therefore not likely to ever be commercially developed.

In addition to this, there will only be a limited need for irrigation services at Planet Ranch in 2018 and none at all after 2018. During 2018 to 2022, MSCP will design and construct fish ponds that will satisfy the water use rights on the site so that they will no longer be subject to being repossessed by the State of Arizona. Once the habitat is established, no services will be needed at the site.

If irrigation services were to be required on a long term basis, it is possible that more contractors might be interested in providing services at Planet Ranch. However, given the short term nature of this requirement and the remote performance location, obtaining additional contractors willing to work at this site is highly unlikely.

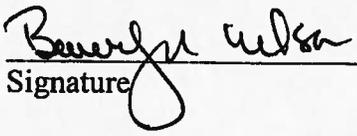
REQUESTING OFFICE REPRESENTATIVE CERTIFICATION: *All supporting data provided and the contents of this justification are complete and accurate to the best of my knowledge and belief. (FAR 6.303-2(c))*

Signature  Date 5/26/16

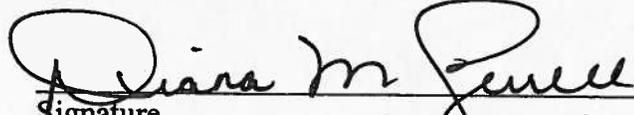
CONTRACTING OFFICER (CO) CERTIFICATION: (≤\$25K)

Signature  Date 6/3/16

CHIEF of the CONTRACTING OFFICE CONCURRENCE (CCO): (> \$25K)

Signature  Date 6/6/16

BUREAU COMPETITION ADVOCATE: (> \$650K)

Signature  Date 6/13/16
 Diana M. Terrell