



DEPARTMENT OF THE ARMY
US ARMY MEDICAL RESEARCH ACQUISITION ACTIVITY
820 CHANDLER STREET
FORT DETRICK, MD 21702-5014

MCMR-AAP

05 February 2008

USAMRAA Policy 08-01

SUBJECT: Limited Source Justifications

1. PURPOSE. The purpose of this memorandum is to establish policy and guidelines for the creation, review, and approval of Limited Source Justifications (LSJ) as discussed in 8.405-6 of the Federal Acquisition Regulation (FAR).

2. APPLICABILITY.

a. This policy applies only to actions with a total value exceeding \$100,000, inclusive of all options or option periods.

b. This policy applies to contracting without full and open competition pursuant to FAR 8.405-6. Specifically, this policy applies to: orders placed against Federal Supply Schedules, including orders under blanket purchase agreements established under Federal Supply Schedules; orders placed with a required or specified source negating the competitive requirements of Defense Federal Acquisition Regulation Supplement (DFARS) 208.405-70(c); or orders placed that take exception to the multiple award fair opportunity process pursuant to FAR 16.505(b)(2)(i) through (iv).

c. This policy is intended to supplement the regulatory sites denoted above and to explain how they are implemented at this Activity. In the event of a conflict, the FAR or DFARS guidance governs.

3. GENERAL.

a. It shall be the policy of this Activity to promote the use of competitive procedures whenever and wherever possible. The procedures described herein represent an exception to standard process, not a customary way of doing business. The Activity is firmly supportive of Department of Defense and Army competition goals.

b. Exceptions to the use of competitive procedures must be based on sound market research. Market research is the combined responsibility of the requirements and contracting community.

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4. PROCEDURES.

a. Contracting officers and contract specialists shall formulate LSJs with the minimum inclusions denoted at FAR 8.405-6(g)(2). A sample is provided at Appendix A to this policy.

b. Contract specialists will record all LSJs in the J&A Log, located on the U.S. Army Medical Research Acquisition Activity (USAMRAA) shared ("R") drive. The J&A Log number will be the fiscal year, dash, and a three-digit sequential number beginning with 001 (e.g., 08-025). The contract specialist will complete the log entry by placing correct information in all columns provided. The log number should appear on the first page of the LSJ.

c. FAR 8.405-6(h) establishes approval levels for LSJs. LSJs for orders not exceeding \$550,000 shall be approved by the contracting officer. The Activity Special Competition Advocate (SCA) will use the J&A Log and reports from the Activity's automated contracting system to select LSJs not exceeding \$550,000 for periodic qualitative reviews.

d. LSJs for orders exceeding \$550,000 but not exceeding \$11,500,000 shall be approved by the SCA of the Activity or by any of the following:

(1) The Head of the Contracting Activity (HCA);

(2) An HCA designee who-

(a) If a member of the armed forces, is a general or flag officer;

(b) If a civilian, is serving in a position in a grade above a GS-15 under the General Schedule (or in a comparable or higher position under another schedule); or

(c) The Army Senior Procurement Executive.

All LSJs over \$550,000 must undergo a legal sufficiency review before being submitted for approval. The contract specialist will add a signature block for legal sufficiency review in all LSJs over \$550,000. See sample LSJ, attached.

e. LSJs for orders exceeding \$11,500,000 but not exceeding \$78,500,000 shall be approved by any of the following:

(1) The Head of the Contracting Activity;

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(2) An HCA designee who-

(a) If a member of the armed forces, is a general or flag officer;

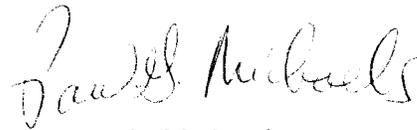
(b) If a civilian, is serving in a position in a grade above a GS-15 under the General Schedule (or in a comparable or higher position under another schedule); or

(c) The Army Senior Procurement Executive

All LSJs over \$11,500,000 must be reviewed by the SCA before being submitted for approval. The contract specialist will add a signature block for SCA review in all LSJs over \$11,500,000. See sample LSJ, attached.

f. LSJs for orders exceeding \$78,500,000 must be approved by the Army Senior Procurement Executive. Contact the SCA and the Activity Chief of Policy for instructions.

5. PROPONENT. The proponent for this policy is the USAMRAA Chief of Staff, acting as the US Army Medical Research and Materiel Command Special Competition Advocate.



Paul G. Michaels
Director

APPENDIX A
SAMPLE

Limited Source Justification

J&A Log Number 08-001

1. Identification of the agency and the contracting activity, and specific identification of the document as a "Limited Source Justification".

This is a Limited Source Justification for a U.S. Army Medical Research and Materiel Command (USAMRMC) acquisition conducted by the U.S. Army Medical Research Acquisition Activity (USAMRAA) under the authority of (**state one of the following**) the Multiple Award Schedule Program pursuant to 8.401 of the Federal Acquisition Regulation (FAR) **or** the fair opportunity process pursuant to 16.505(b)(1) of the Federal Acquisition Regulation (FAR).

2. Nature and/or description of the action being approved.

The action being approved is the award of a firm-fixed-price task order against a Federal Supply Schedule contract utilizing Research and Development (R&D) funds **or** The action being approved is the award of a firm-fixed-price task order against indefinite delivery contract W81WXH-08-D-9999 utilizing Research and Development (R&D) funds.

3. A description of the supplies or services required to meet the agency's needs (including the estimated value).

The contraction of malaria among American soldiers deployed throughout the world is steadily increasing. This protozoan parasite spread disease must be slowed. In an effort to resolve this situation, the Department of Defense has selected the USAMRMC to spearhead the effort to study the epidemiology of this disease to ascertain why it has increased substantially in the past five years, to recommend better preventive measures, to develop educational classes and seminars to apprise soldiers of the disease, and to engage in immediate research to develop a more comprehensive, effective vaccine. To assist in the accomplishment of this monumental task, the USAMRMC will engage the services of a contractor to provide many facets of the scientific and administrative support services needed. The estimated value of the services required during the base year and the four option periods believed needed to complete the effort, is \$13,000,000.

4. Identification of the justification rationale (see 8.405-6(a) and (b) or 16.505(b)(2)(i)-(iv)) and, if applicable, a demonstration of the proposed contractor's unique qualifications the required supply or service.

In accordance with FAR 8.405-6(b)(1), only one source is capable of providing the needed services due to the specialized nature of the work. That firm is Petrore and Bane Associates (P&BA). P&BA is uniquely qualified to perform these highly technical services in the required explicit detail and with unwavering accuracy. This conclusion was solidified by the conducted market research detailed in Paragraph 6 herein.

5. *A determination by the ordering activity contracting officer that the order represents the best value consistent with FAR 8.404(d) or FAR 16.505(b)(4).*

The award of the task order to P&BA represents the best value to the Government in that the labor mixed proposed has vast experience in malaria research and supporting administrative areas, the past performance record of the firm and its proposed personnel is impeccable, the level of effort agreed upon is appropriate, and the firm's technical approach in response to the Government's Statement of Work is excellent.

6. *A description of the market research conducted among schedule holders and the results or a statement of the reason market research was not conducted.*

Personnel within the Headquarters, USAMRMC and the USAMRAA, collaboratively engaged in an all out market research undertaking to find firms with federal supply schedules capable of providing the broad range of scientific and administrative services required. This exhaustive research included interviewing some of the world's foremost military and civilian medical researchers, perusing a plethora of malaria based journals and periodicals, conducting an intense search of contract Statements of Work with firms with whom GSA has negotiated contracts that fall in the category of scientific and administrative services, and querying the President's Panel of Malaria Experts. The result of this market research was that P&BA was the only firm with certified, experienced, qualified medical and administrative malaria trained personnel to carry out the cadre of services needed to meet the mission.

7. *Any other facts supporting the justification.*

P&BA has been repeatedly heralded and chronicled within the scientific and print industry as the pre-eminent source on the subject of malaria based on its research, development, and educational achievements. No other firm in the scientific and administrative support industry can at this time approach the quality and exactness that P and BA brings to the furtherance of the fight against malaria.

8. A statement of the action, if any, the agency may take to remove or overcome any barriers that lead to the restricted consideration before any subsequent acquisition for the supplies or services is made.

At this time, there are no planned subsequent acquisitions for the required services beyond the anticipated five years of this task order. However, it is probable that if there were a subsequent acquisition for these services, P&BA would again have to be retained on a less than competitive basis to ensure the scientific validity of the services rendered.

9. The ordering contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief.

I certify that this justification for the acquisition of scientific and administrative support services is accurate and complete to the best of my knowledge and belief.

Name/Title: Samuel Smith, Contracting Officer

Date: December 31, 2007

10. Evidence that any supporting data that is the responsibility of technical or requirements personnel (e.g., verifying the Government's minimum needs or requirements or other rationale for limited sources) and which form a basis for the justification have been certified as complete and accurate by technical or requirements personnel.

I hereby certify that the requirements for the provision of scientific and administrative support services related to this malaria project as depicted in the Statement of Work of this task order are complete and accurate.

Name/Title: Peter Pryor, PhD, Chief, Division of Malarial Studies, USAMRMC.

Date: December 31, 2007

11. Legal Sufficiency Review.

I hereby find this Limited Source Justification to be legally sufficient for the purpose of acquiring scientific and administrative support services.

Name/Title: Dorothy Donaldson, Attorney Advisor, USAMRMC

Date: January 2, 2008

12. ***Special Competition Advocate Review.***

I hereby find this Limited Source Justification to be compliant with statute and regulation and therefore eligible for approval.

Approval

Based on the foregoing justification, I hereby approve the procurement of services to provide scientific and administrative support to the USAMRMC in its pursuit of its Department of Defense assigned task to study the causes of the increased incidences of malaria contraction among American soldiers, to develop additional preventive measures in resisting the disease, to develop a new malaria vaccine, and to educate American soldiers worldwide in the prevention and treatment of this disease.

Brigadier General Terrance Thompson, HCA, USAMRMC

Date: January 4, 2008

Signature: _____.