Compelling Reasons Determination - DESC Ramstein Air Base Fuel Services Contract

SUMMARY

1. Recommend that the DLA Director sign the proposed compelling reasons determination at Tab 1 to authorize modifying Contract SPO600-08-C-5821 with AFH Fuel Services (AFH) to provide for increased hours of operation at Ramstein Air Base, Germany, for a period of six months.

2. Pursuant to FAR 9.405-1(b), the DESC contracting officer submitted a request for permission for DESC to add additional work to contract SPO600-08-C-5821, under which AFH Fueling Services, a joint venture that includes Agility, an affiliate of Public Warehousing Company, Inc. (PWC), provides services to operate, maintain, secure, and provide safety and environmental protection for aviation and ground fuel bulk storage operations at Ramstein Air Base, Germany. This request is to add weekend work required by an increase in requirements due to operations in the CENTCOM AOR, with an estimated cost of approximately $10,000 per month. The DESC request is at Tab 2.

3. BACKGROUND. On November 16, 2009, PWC was suspended from Government contracting and placed on the Excluded Parties List System; Agility has been suspended because it is an affiliate of PWC. FAR 9.405-1(b)(3) prohibits addition of new work to a contract with a suspended company unless the Agency Head finds that there are compelling reasons to authorize the work.

4. Recommendation. Director sign the proposed memorandum at Tab 1.

Director, Acquisition Management
Ext. 7-1645

2 Tabs
1. Proposed memorandum
2. DESC request
### STAFF SUMMARY SHEET

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**ORG SYMBOL:** J-72

**PHONE:**

**TRACKING #:** 08150

**SUSPENSE DATE:**

**DATE:**

### SUBJECT

Determination that Compelling Reasons Exist to Modify Contract SP0600-08-C-5821

### SUMMARY

1. Recommend that the Director, Acquisition Management, sign the attached SSS at Tab 1 to staff a proposed compelling reasons determination to the Agency Director for approval and signature.

2. This is in response to the DESC request at Tab 2 to expand the contract with AFH Fuel Services (AFH), which is a joint venture including Agility, a suspended company (affiliate of PWC), to provide for 24 hours/7 days a week support of Ramstein Air Base Refueling operations. This increased workload is due to Operation Enduring Freedom surge requirements. This is considered to be "new work" requiring a compelling needs determination pursuant to FAR 9.405-1 (h)(3).

3. Recommend that the Director, Acquisition Management, sign the proposed SSS at Tab 1 in order to forward the attached compelling reasons determination to the DLA Director for signature.

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**Chief, Acquisition Operations**

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**Tabs**

1. SSS for approval to DLA-D and proposed compelling reasons determination
2. DESC request
MEMORANDUM FOR COMMANDER, DEFENSE ENERGY SUPPORT CENTER (DESC)

SUBJECT: Compelling Reasons Determination, Contract SP0600-08-C-5821

AFH is the current contractor providing services to operate, maintain, secure and provide safety and environmental protection for aviation and ground fuel bulk storage operations at Ramstein Air Base (AB), Germany, under Contract SP0600-08-C-5821. AFH is a joint venture between Agility Logistics, Ferguson Williams, and Hammer. On November 16, 2009, Public Warehousing Company, Inc. (PWC), was suspended from Government contracting and placed on the Excluded Parties List System. Pursuant to Federal Acquisition Regulation 9.407-1(c), this suspension was extended to AFH as an affiliate of PWC, as defined in FAR 9.403 (“Affiliates”). Pursuant to FAR 9.405-1(b)(3), the DESC Contracting Officer requested permission for DESC to modify Contract SP0600-08-C-5821 in support of Ramstein AB to add additional workload in support of the operations of the Ramstein AB aviation and ground fuels storage operations.

For the reasons specified by the Contracting Officer, I find compelling reasons for DESC to modify contract SP0600-08-C-5821 to modify the contract to include the work described in the DESC request and increase contract funding by approximately $10,000 per month for this work. This authorization is effective for six months, and the contract modification based hereon must therefore terminate by its own terms at the end of six months. Any determination concerning continuation of this work past that time will depend on the facts and circumstances current at that time.

A. S. THOMAS
Vice Admiral, SC, USN