

Justification for Other than Full and Open Competition - Amended

A. Justification

1. Contracting Office:

Defense Commissary Agency (DeCA), Acquisition Management Directorate, Resale Division, 1300 Eisenhower Ave, Fort Lee, VA 23801

2. Type of Contracting Action:

This Justification and Approval (J&A) authorizes the award of a sole-source, single-award indefinite delivery, indefinite quantity (IDIQ) contract for the supply of brand-name commercial products for resale in DeCA commissaries listed in Attachment B and associated full-line distribution of such goods. The intended awardee is Coastal Pacific Food Distributors (CPFD).

3. Description of the Supplies/Services:

DeCA requires contracts for the purchase of a broad range of resale goods for designated commissary locations. The principal purpose of this action is to furnish grocery and other resale items needed for commissary operations through a single contractor per commissary. The contract also includes incidental supply-chain functions necessary to support the furnishing of those goods. The period of performance consists of a five-year base period, five (5), one-year option periods, and up to five (5) one-year earned incentive periods for a total potential duration of up to 15 years if all options are exercised and incentive periods are awarded.

4. Authorities Cited:

(a) Pursuant to 10 U.S.C. § 2484(f), as implemented by FAR 6.103-5 under DoW Class Deviation DARS Tracking No. 2026-O0017 (Revolutionary FAR Overhaul Part 6, DFARS Part 206), DeCA may use other than full and open competition for the procurement of brand-name commercial products for authorized resale at DeCA commissaries.

(b) In addition, FAR 6.103-1 under DoW Class Deviation DARS Tracking No. 2026-O0017, and 10 U.S.C. § 3204(a)(1), supports this action because, for DoW, that authority extends to circumstances in which only a limited number of responsible sources can satisfy agency requirements. For the commissaries in Attachment B, CPFD is the only responsible source identified as capable of meeting the requirement within the required schedule and operational constraints.

5. Reasons for Authorities Cited:

Pursuant to the authority granted under 10 U.S.C. § 2484(f) and as justified under FAR 6.103-1, market research concluded that only CPFD possesses the requisite, pre-existing capabilities and infrastructure to supply brand-name products and provide the incidental delivery to the commissaries listed in Attachment B. While a small number of full-line distributors exist nationally, the substantial time and cost for any new entrant to replicate CPFD's unique qualifications would cause unacceptable schedule delays and a duplication of cost not expected to be recovered through competition. This finding, which validates the use of the cited authorities, is based on CPFD's unique qualifications as documented in the market research report.

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1) Physical Infrastructure: The multimillion-dollar capital investment to build or retrofit a national distribution network of secure, multi-temperature warehouses that meet DeCA's specific force protection and food handling standards.

2) Specialized Transportation Fleet: The need to acquire and maintain a dedicated fleet of multi-temperature trailers designed for the high-volume, long-haul, and delivery requirements specific to the covered commissaries in Attachment B.

Replicating this ecosystem would require an extensive implementation period. This delay is unacceptable as it would directly impede the fulfillment of DeCA's statutory mission under 10 U.S.C. § 2484(a).

6. Efforts to Obtain Competition:

DeCA has conducted extensive market research as discussed in Paragraph 8. Through its extensive market research, DeCA took significant steps to solicit from as many potential sources as practicable. Based on this research, DeCA concluded only CPFD has the necessary existing infrastructure, capability and readiness and network of commercial agreements required to fulfill this contract without unacceptable delays and duplication of costs.

7. Fair and Reasonable Cost Determination:

The Contracting Officer will ensure that contract terms, conditions and price are commensurate with the Government's need. Price reasonableness will be established in accordance with DoD Deviation 2026-00048 DFARS PGI 215.402-70(b). This action is exempt from the requirement for submission of certified cost or pricing data. The Government has information relevant to determining price reasonableness, including historical full-line distribution cost data for relevant brand-name commercial products for resale in, at, or by commissary stores. The Government may also consider current market information and obtain additional data from the offeror as necessary to support negotiations and the final price reasonableness determination. FAR 15.402 states that when certified cost or pricing data are not required, the contracting officer should use data available within the Government first and obtain additional data as necessary to establish a fair and reasonable price.

8. Market Research:

In accordance with FAR Part 10, the Government conducted extensive market research to determine the most suitable acquisition strategy to meet the agency's needs. The objective of this research was to solicit information from as many potential sources as is practicable and to identify the full extent of commercial capabilities available in the marketplace. The multi-phased approach included a third-party analysis to define the Government's minimum requirements, a broad market survey of all known industry participants via a Request for Information (RFI), and direct engagement with interested parties through multiple listening sessions. This market research concluded that the national grocery distribution market is highly consolidated, and while several sources expressed initial interest, it confirmed that only the proposed awardee possessed the existing infrastructure and specialized capabilities to meet the agency's full requirements without introducing unacceptable cost and schedule risk. Other potential sources were determined not to meet the Government's minimum needs based on documented limitations.

9. Other Factors:

DeCA commissaries are statutorily required to operate similarly to a commercial grocery store. Market research confirmed that only a small number of companies in the grocery industry can provide the

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necessary full-line distribution capabilities. DeCA's unique requirements—including advanced electronic data interchange, mandated patron savings, and the geographic location of its commissaries—further narrow the pool of qualified contractors. The research also supported a two-region strategy as the most feasible approach identified to achieve scale, reduce complexity, and align with existing commercial distribution patterns.¹ This approach avoids a "patchwork" of regional distribution patterns, which would prevent the use of large-scale commercial distribution centers, create disparate pricing models, and complicate administration. The contemplated regional division aligns with established commercial distribution patterns and geographical logistics realities.

For the commissaries in Attachment B, only CPFD was found to possess the requisite, pre-existing capabilities and infrastructure necessary to perform the contract successfully. The substantial time and cost for a new entrant to replicate this infrastructure would not be recovered through competition, validating the use of the cited authorities.

10. Interested Sources:

- (a) C&S Wholesale Grocers, LLC (C&S) and SpartanNash Company (acquired by C&S)
- (b) Coastal Pacific Food Distributors, Inc.
- (c) United Natural Foods, Inc.
- (d) Associated Wholesale Grocers, Inc.
- (e) DHL Supply Chain
- (f) KeHE Distributors, LLC

11. Actions to Increase/Foster Competition:

DeCA will periodically re-evaluate the marketplace through sources sought notices and other market research tools to assess if new vendors emerge who have developed the capabilities necessary to meet DeCA's stringent requirements. The defined contract structure provides future opportunities to recomplete this requirement should the market evolve and other viable sources become available.

Approved by the Senior Procurement Executive on September 26, 2026.

¹ A separate Justification for Other than Full and Open Competition has been issued by DeCA for the other region.

ATTACHMENT B
Delivery Points

Zone Name	Store DoDAAC	Store Name
JAPAN	HQCWAC	SASEBO
JAPAN	HQCWAD	KADENA AB
JAPAN	HQCWG7	CAMP ZAMA
JAPAN	HQCWHD	ATSUGI NAF
JAPAN	HQCWHE	CAMP KURE
JAPAN	HQCWHF	MISAWA AB
JAPAN	HQCWHH	SAGAMIHARA
JAPAN	HQCWHJ	IWAKUNI MCAS
JAPAN	HQCWHK	YOKOSUKA NFA
JAPAN	HQCWHL	YOKOTA AB
JAPAN	HQCWHM	CAMP COURTNEY MCB
JAPAN	HQCWHN	CAMP FOSTER MCB
JAPAN	HQCWHP	CAMP KINSER MCB
JAPAN	HQCWJ4	HARIO VILLAGE
KOREA	HQCWG2	CHINHAE
KOREA	HQCWG4	CAMP HUMPHREYS
KOREA	HQCWG8	KUNSAN AB
KOREA	HQCWG9	OSAN AB
KOREA	HQCWGX	CAMP CARROLL
KOREA	HQCWGY	CAMP CASEY
KOREA	HQCWHB	DAEGU
KOREA	HQCWHY	ANDERSEN AFB
KOREA	HQCWHZ	OROTE
KOREA	HQCWJS	K-16 AIR BASE
HAWAII	HQCWHU	HICKAM
HAWAII	HQCWHV	KANEOHE BAY MCBH
HAWAII	HQCWHW	PEARL HARBOR
HAWAII	HQCWHX	SCHOFIELD BARRACKS
ALASKA	HQCWGC	EIELSON AFB
ALASKA	HQCWGD	ANCHORAGE AREA

ALASKA	HQCWGE	FORT GREELY
ALASKA	HQCWGG	FORT WAINWRIGHT
ALASKA	HQCWJ1	KODIAK
NORTHWEST	HQCWGH	MOUNTAIN HOME AFB
NORTHWEST	HQCWGL	MALMSTROM AFB
NORTHWEST	HQCWGM	BANGOR NBK
NORTHWEST	HQCWGN	BREMERTON NBK
NORTHWEST	HQCWGP	FAIRCHILD AFB
NORTHWEST	HQCWGQ	FORT LEWIS
NORTHWEST	HQCWGR	MCCHORD FIELD
NORTHWEST	HQCWGU	WHIDBEY ISLAND NAS
NORTHWEST	HQCWJ3	SMOKEY POINT
NORTHERN CALIFORNIA	HQCKL1	MCCLELLAN
NORTHERN CALIFORNIA	HQCKL2	MOFFETT FIELD
NORTHERN CALIFORNIA	HQCKLK	BEALE AFB
NORTHERN CALIFORNIA	HQCKLR	ORD COMMUNITY
NORTHERN CALIFORNIA	HQCKLV	LEMOORE NAS
NORTHERN CALIFORNIA	HQCKMC	TRAVIS AFB
NORTHERN CALIFORNIA	HQCKMF	FALLON NAS
NORTHERN CALIFORNIA	HQCKMJ	FORT HUNTER LIGGETT
NORTHERN CALIFORNIA	HQCKMU	BRIDGEPORT MCMWTC
SOUTHERN CALIFORNIA	HQCKL8	SAN DIEGO NB
SOUTHERN CALIFORNIA	HQCKLH	YUMA PG
SOUTHERN CALIFORNIA	HQCKLM	CAMP PENDLETON MCB
SOUTHERN CALIFORNIA	HQCKLU	IMPERIAL BEACH
SOUTHERN CALIFORNIA	HQCKM5	YUMA MCAS
SOUTHERN CALIFORNIA	HQCKMA	SAN ONOFRE
SOUTHERN CALIFORNIA	HQCKMP	EL CENTRO NAF
SOUTHERN CALIFORNIA	HQCKMQ	MIRAMAR MCAS
SOUTHERN CALIFORNIA	HQCKMR	NORTH ISLAND NAS
ARIZONA NEW MEXICO	HQCKLB	DAVIS-MONTHAN AFB
ARIZONA NEW MEXICO	HQCKLC	FORT HUACHUCA
ARIZONA NEW MEXICO	HQCKLF	LUKE AFB
FRONT RANGE	HQCKM7	HILL AFB

FRONT RANGE	HQCKMH	DUGWAY PG
CENTRAL CALIFORNIA	HQCKL6	PORT HUENEME
CENTRAL CALIFORNIA	HQCKLL	BARSTOW MCLB
CENTRAL CALIFORNIA	HQCKLP	EDWARDS AFB
CENTRAL CALIFORNIA	HQCKLQ	FORT IRWIN
CENTRAL CALIFORNIA	HQCKLW	LOS ANGELES SFB
CENTRAL CALIFORNIA	HQCKLY	MARCH ARB
CENTRAL CALIFORNIA	HQCKM6	CHINA LAKE NAWS
CENTRAL CALIFORNIA	HQCKMD	TWENTYNINE PALMS MCAGCC
CENTRAL CALIFORNIA	HQCKME	VANDENBERG SFB
CENTRAL CALIFORNIA	HQCKMG	NELLIS AFB