Control No: SPN-LS2026-6

JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN COMPETITION

FOR

FY26-FY30 San Francisco District

Beneficial Use Site

Controlled by: Army
CUI Category: Source Selection
Distribution/Dissemination Control:
FED ONLY
POC: *MARY FRONCK, 415-238-2899*

SOURCE SELECTION INFORMATION SEE RFO 2.101 AND 3.104

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JUSTIFICATION REVIEW DOCUMENT FOR OTHER THAN FULL AND OPEN COMPETITION		
PROJECT: FY26-FY30 San Francisco District Beneficial Use Site		
AUTHORITY: RFO 6.103-1 Only One Responsible Source, 10 U.S.C. § 3204(a)(1)		
AMOUNT: (b) (4) [redacted]		
Prepared By/ Contracting Officer:	NAME Mary Fronck	TELEPHONE NO 415-238-2899
Requirements	NAME Alfred Paniccia	TELEPHONE NO 415-503-6981
	TITLE Program Manager	DATE
SIGNATURES ARE REQUIRED BELOW:		
I have reviewed this J&A and find the justification adequate to support other than full and open competition.		
Deputy for Small Business	SIGNATURE PARRA.STEPHANIE.NICHOLE.(b) (6) [redacted] (b) (6) Digitally signed by PARRA.STEPHANIE.NICHOLE.(b) (6) [redacted] (b) (6) Date: 2026.03.18 07:04:25 -06'00'	DATE
	NAME Stephanie Parra	TELEPHONE NO 505-342-3279
Project Manager	S (b) (6) [redacted] PANICCIA.ALFRED.(b) (6) [redacted] 2026.03.16 15:14:05 -07'00'	DATE
	NAME Alfred Paniccia	TELEPHONE NO 415-503-6981
Legal Counsel	SIGNATURE CARMODY.ALLISON.J.(b) (6) [redacted] (b) (6) [redacted] Digitally signed by CARMODY.ALLISON.J.(b) (6) [redacted] Date: 2026.03.17 06:53:43 -07'00'	DATE
	NAME Allison Carmody	TELEPHONE NO 415-503-6761
Senior Contracting Official	SIGNATURE CARRIZALES.R.COLETTE.(b) (6) [redacted] Digitally signed by CARRIZALES.R.COLETTE.(b) (6) [redacted] (b) (6) [redacted] Date: 2026.03.20 15:14:51 -07'00'	DATE
	NAME R. Colette Carrizales	TELEPHONE NO 916-213-4900
HQ Legal Counsel	SIGNATURE TRAMEL.ALEXANDRIA.POLK.(b) (6) [redacted] (b) (6) [redacted] Digitally signed by TRAMEL.ALEXANDRIA.POLK.(b) (6) [redacted] (b) (6) [redacted] Date: 2026.03.23 09:44:06 -05'00'	DATE
	NAME Alexandria P. Tramel	TELEPHONE NO (202) 740-7462

Control No: SPN-LS2026-6

Justification and Approval for Other than Full and Open Competition

1. Contracting Activity: US Army Corps of Engineers, San Francisco District (SPN), 450 Golden Gate Ave, San Francisco, CA 94102

2. Description of Action: In support of the San Francisco District's (SPN) FY26-FY30 Dredging Program, placement of dredged material at an approved, upland beneficial use site is required. Currently, there is only one approved upland beneficial use site available that can hold the amount of dredged material anticipated for SPN's Dredging Program: the Montezuma Wetlands Restoration Project (Montezuma), a privately owned site. Approval of this justification is requested to award a stand-alone Indefinite-Delivery, Indefinite Quantity (IDIQ) Single Award Task Order Contract (SATOC) to Montezuma Wetlands, LLC (hereafter referred to as Montezuma), a joint venture of Levine*FrickRestoration Corp. and the Zebra Funds. The IDIQ will establish fixed rates per cubic yard (CY) for offloading and placement of dredged material services at Montezuma. The IDIQ would enable SPN to issue task orders for the services as needed to meet its requirements for upland beneficial use placement. Civil Works Operations and Maintenance funds will be utilized for the task orders. Once these services are procured, SPN can then furnish the upland placement site to accept deliveries of dredged material from individual dredging contractors removed from the Federal channels under separate firm-fixed-price construction contracts with the SPN.

3. Description of Supplies/Services: Over the next five (5) years, SPN anticipates awarding eight (8) to ten (10) individual contracts per year to private dredging companies in order to dredge about two million (2M) cubic yards (CY) of sediment per year from the San Francisco Bay Area and including Sacramento and Stockton Deep Water Ship Channels. At least a portion, if not the entire 2MCY will need to be placed at a permitted, upland beneficial use site. Each year, the amount to be placed upland will depend on funds availability, environmental considerations, logistics, and other factors. The subject procurement would be to obtain offloading and placement services at an approved, upland beneficial use site to meet that requirement for each year of the FY26-FY30 Dredging Program. The estimated value of the services is (b) (4). The price per cubic yard will be established during negotiations with Montezuma for the IDIQ. The current estimate is between (b) (4) [redacted] per cubic yard. Those rates will be utilized to issue task orders associated with each dredging contract.

4. Authority Cited: 10 United States Code (U.S.C.) § 3204(a)(1), as implemented by Revolutionary Federal Acquisition Regulation (FAR) Overhaul (RFO) 6.103-1(b), only one responsible source, and no other supplies or services will satisfy agency requirements.

5. Reason for Authority Cited: In support of the FY26-FY30 Dredging Program, placement of dredged material at an approved upland beneficial use site is necessary to achieve the Chief of Engineers' goal of beneficially using at least 70% of sediment that is

dredged by the District on an annual basis. Placement at an approved upland beneficial use site may also be required for a given year to comply with the Dredging Program's biological opinion. Up until FY26, there have been two approved upland beneficial use sites available to meet this need. However, due to the amount of dredged material from prior years' dredging filling the second site to capacity, the District now faces a sole source environment for placement of dredged material. Currently, there is only one site available that can hold the amount of dredged material anticipated to require upland placement over the course of the next 5 years, the Montezuma Wetlands Restoration Project, a privately owned initiative that aims to replenish wetlands through beneficial use of the volumes of cubic yards of sediments that are dredged annually from San Francisco Bay Area ports, harbors and channels

Justification: There are currently only two permitted placement sites for dredged material in the Bay Area: Montezuma Wetlands Restoration Project and Cullinan Ranch Restoration Project. Montezuma Wetlands has the capacity to receive dredged material from the FY 26-30 Dredging Program even if the SPN determines all 2MCY are to be placed upland. Cullinan Ranch, on the other hand, no longer has capacity. The site notified SPN in August 2025 that they could only accept approximately 400,000-600,000 cubic yards before the site would be completely full and not able to accept more material. Since August 2025, that amount has been placed at Cullinan Ranch – it is no longer accepting material.

A third site, the Hamilton Wetlands Bel Marin Keys placement site is currently in the planning and design stage, but funding has been limited and it is not expected to be brought online for at least another five (5) years. Once Bel Marin Keys becomes operational, sole-sourcing to Montezuma Wetlands will no longer be needed. Montezuma Wetlands is, therefore, the only site in the Bay Area capable of receiving the anticipated amount of dredged material from the various dredging episodes over the FY26 to FY30 timeframe.

Initial market research began in February 2025 to discover if there are other sites available to receive dredged material as it was anticipated the capacity at Cullinan could max out after the FY25 dredging season. At that time, no sites were identified. Further market research was conducted in November 2025. Again, no feasible alternative sites were identified as a result of this market research (see Paragraph 8 Market Research).

The Corps' navigation and dredging mission is to provide safe, reliable, and environmentally sustainable waterborne transportation systems (channels, harbors, and waterways) to facilitate commercial shipping, national security, and recreation. As the requirement for placement at upland beneficial use sites applies to the entire Navigation Dredging Program, rather than merely one project, deferment for five years when the next site will become operational is not an alternative. The Dredging Program includes federal navigation channels that must be dredged on annual or biannual cycles. Dredging these channels at their authorized frequency is essential to avoid loss of critical commerce and maintain the safety of navigable waterways in the San Francisco Bay Area.

As a result, the Dredging Program projects cannot be deferred in an effort to avoid the sole source environment.

Alternatives:
An alternative to using Montezuma Wetlands is to place the dredged material in the ocean. This does not meet the Chief of Engineers' goal of beneficially using at least 70% of the dredged material on an annual basis. It is also inconsistent with the recently approved Regional Dredged Material Management Plan (RDMMP) which requires transitioning from placing sediment into the ocean to upland beneficial use placement for the majority of the Dredging Program. It also is not a sufficient alternative to cover the FY 26-30 Dredging Program. Disposal in the ocean is a waste of the dredged material and can result in significant environmental permitting constraints. If dredging occurs outside the environmental work window between June 1 and November 30, which often happens, and the material is placed anywhere other than a beneficial use site, the Corps incurs a "payback" debt. This debt refers to the actual volume in cubic yards of material that was dredged outside the environmental work window. The debt must be repaid by placing the same amount of material at an upland beneficial use site the following year in order to comply with the Dredging Program's biological opinion. Unless upland beneficial use is possible in the following year, the debt cannot be repaid. As noted in Paragraph 5 Reason for Authority Cited Justification, no other beneficial use sites will be available until at least 2030.

Impact: Placement of dredged material in the ocean does not meet the Chief of Engineer's goal of 70% beneficial use or the requirements of the Regional Dredged Material Management Plan This would also incur a significant debt under the biological opinion, which unless repaid through upland placement the following year results in a violation of the biological opinion.

6. Efforts to Obtain Competition: As stated above, Montezuma Wetlands is the only permitted upland beneficial use site for dredged material in the Bay Area capable of accepting the dredged material anticipated to be removed in forthcoming dredging episodes. A Notice of Intent to Sole Source will be posted in accordance with RFO 5.101. In accordance with DFARS PGI 206.103-170, a request for information/sources sought notice was issued on November 14, 2025 for thirty days, and resulted in two responses, one from Montezuma, and one from EnviroMend Group. The response from EnviroMend Group was evaluated by SPN's Environmental Navigation and Operations Section to discern the feasibility of the sites proposed in their capability statement. The EnviroMend Groups' capability statement identified three sites, all of which were owned by either a local government agency or a Federal government agency. Regardless, none of the sites listed by EnviroMend Group are currently accepting dredged material or anticipated to do so during FY 26-30.

7. Actions to Increase Competition: SPN is mindful of the requirement in RFO 6.104-1 to request offers from as many potential sources as is practicable under the circumstances. As described above in Paragraph 6, Efforts to Obtain Competition, there is only one potential source for this requirement. While additional permitted sites may be

established, they will not be available for several years. To become an approved placement site, new entrants to the market must undergo a lengthy permitting process which may pose a barrier to competition. Additionally, such placement sites require real estate meeting specific requirements that can be difficult to find in the Bay Area and likely come at significant cost. While there are no actions SPN can take to help industry overcome such barriers, we will continue to take actions to increase competition by broadly announcing the need for upland disposal through market research and participation in annual dredging industry days. By doing so, we can increase future competition by identifying a demand for the services to which industry can respond.

8. Market Research: A sources sought notice was posted on SAM.GOV in November 2025 seeking industry feedback to identify additional sites or contractors that could obtain sites for dredged material. The notice with the questions is attached to this justification. Two responses were received to the sources sought notice. One response came from Montezuma Wetlands, LLC. The other response came from a firm, EnviroMend Group. Their response listed four (4) potential government-owned sites and was promptly forwarded to SPN's environmental team for a feasibility determination. Environmental confirmed these sites are not feasible for episodic dredging, as summarized in paragraph 6, Efforts to Obtain Competition, as they are not accepting material at this time. Even if these sites were available for placement, the cost to place dredged material at any of those proposed sites would be far more than could be considered fair and reasonable.

9. Interested Sources: See paragraph 8, Market Research. To date, no other sources have written to express an interest.

10. Other Facts: N/A

11. Technical Certification:

I certify that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

Signature: [redacted] PANICCIA.ALFRED.[redacted] 2026.03.16 15:11:31 -07'00' Date: 16 MAR 2026

Typed Name: ALFRED G. PANICCIA Title: PROGRAM MANAGER

12. Requirements Certification:

I certify that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

Signature: [redacted] PANICCIA.ALFRED.[redacted] 2026.03.16 15:12:06 -07'00' Date: 16 MAR 2026

Typed Name: ALFRED G. PANICCIA Title: PROGRAM MANAGER

13. Fair and Reasonable Cost Determination:

I hereby determine that the anticipated cost to the Government for this contract action will be fair and reasonable.
This will be determined by conducting an analysis of Montezuma Wetland's financial statements and proposal.

Signature: [redacted] Date: 3/18/26

Typed Name: Mary Fronck Title: Contracting Officer

14. Contracting Officer Certification:

I certify that this justification is accurate and complete to the best of my knowledge and belief.
Signature: [redacted] Date: 3/18/26

Typed Name: Mary Fronck Title: Contracting Officer

Control No: SPN-LS2026-6

Approval

Based on the foregoing justification, I hereby approve the procurement of placement of dredged material at the Montezuma Wetlands Restoration Project on an other than full and open competition basis pursuant to the authority of 10 U.S.C. § 3204(a)(1), as implemented by RFO 6.103-1(b), only one responsible source, and no other supplies or services will satisfy agency requirements, subject to availability of funds, and provided that the services and property herein described have otherwise been authorized for this acquisition. This justification is approved in accordance with thresholds set forth in DFARS 206.104-72 under Class Deviation 2026-O0017.

(b) (6) Digitally signed by EICHHORN.LAURA.J.(b) (6)
Date: 2026.03.24 15:17:54 -04'00'

LAURA J. EICHHORN
Command Advocate for Competition