

DEPARTMENT OF THE NAVY
NAVSUP WEAPON SYSTEM SUPPORT
P O BOX 2020
MECHANICSBURG, PA 17055-0788

IN REPLY REFER TO:
Serial No.3364
DATE 31 January 2013

Class Justification and Approval No. N00104-08-G-A753 - A758

Justification for Other than Full and Open Competition

1. Identification of Agency and Contracting - The NAVSUP Weapon Systems Support proposes to acquire on a noncompetitive basis the class of contracts described in this justification for other than full and open competition.
2. Nature/Description of Action - For the reasons set forth in this Class Justification and Approval, authority is given to utilize other than full and open competition for the commercial repair, modification or servicing, as appropriate, for the items listed on the attached on a noncompetitive basis.
3. Description of Supplies/Services - NAVSUP Weapon Systems Support's logistic support program is predicated upon an established turn-around time (TAT). This TAT cycle begins with the time of removal of the item from the ship or Naval Supply Center and includes the overall time required for shipment, repair, and redelivery into Navy inventory. To the extent that this TAT cycle cannot be maintained, a proportionately greater investment in spares would be required.

The Master Repairables Item List (MRIL) designates the shipping point of retrograde material, either direct to a Designated Overhaul Point (DOP) or collected at a stock point. The MRIL is updated monthly to preclude time loss (for those items having repair requirements) and increased transportation costs.

Demand changes, CASREP requirements, and carcass availability make shipment of repairables an unknown. Therefore, it is essential that the justification and approval and contractual arrangements for repair be made in advance of the actual need for such repair.

The class of contracts proposed (orders under Basic Ordering Agreement) will:

- a. Be for commercial repair, modification and servicing as appropriate for propellers, inspection gages, patterns, balancing arbors, inspection hubs and accessories for various classes of Navy ships.
- b. Apply to those components or equipment of propellers, or those items, which are later government-approved configurations thereof. All such later configurations that are authorized to be serviced under the Basic Ordering Agreement will be specifically identified in an exhibit to said agreement.

c. Generally provide for teardown, inspection, repair, modification, test, and service necessary to restore the item to serviceable operating condition. The extent of servicing necessary cannot be determined until the equipments are received by the contractor, disassembled and an inspection made. The work to be performed under the Basic Ordering Agreement will relate only to previously produced components or equipment; it will not include any research and development effort; nor will it include the furnishing of any parts, components, subassemblies or materials not an integral part of the work described herein.

d. Include the acquisition/repair of sole source Government Furnished Material (GFM) (piece parts) and/or the acquisition/repair/maintenance of sole source Government Furnished Equipment (GFE) (test equipment) when determined necessary to complete repairs or meet established RTAT cycle.

4. Identification of Statutory Authority - The authority permitting other than full and open competition is Title 10 USC 2304 (c) (1), as implemented by paragraph 6.302-1 of the Federal Acquisition Regulation.

5. Demonstration of Contractor's Unique Qualifications - The proposed class of contracts will be acquired on a limited competitive basis with the following contractors:

<u>Contractor</u>	<u>BOA Number</u>
Pacific Marine Propeller, San Diego, CA	N00104-08-G-A753
Johnson's Ship Propeller, Portsmouth, VA	N00104-08-G-A754
Rolls-Royce Naval Marine, Walpole, MA	N00104-08-G-A755
Rolls-Royce Naval Marine, Pascagoula, MS	N00104-08-G-A756
Wartsila Defense, Inc, Chesapeake, VA	N00104-08-G-A757
Wartsila Defense, Inc, Poulsbo, WA	N00104-08-G-A758

The selection of these concerns are the only approved sources for the repair or service of the components and equipment listed above is based on the following information:

The Navy propellers to be repaired under the proposed BOAs range in size from 7 to 23 feet in diameter and weigh up to 90,000 pounds. There is no way of forecasting which ship (or its location) will damage a propeller and require a replacement. Presently there are propellers requiring repair at various naval activities on both the Atlantic and Pacific coasts of the United States. Additional propellers will require repair at those and other locations as replacements are issued to the fleet. Experience has shown that it is necessary for a contractor to inspect and examine the propeller at his facility before he can submit a full priced proposal for repair of the propeller. The determination of which contractor must perform the inspection and examination is made primarily on the geographical location relative to the location of the damaged propeller. The geographic determinant is significant in order to minimize transportation distances because of the large cost and peculiar movement problems encountered resulting from the large size and weight of the propellers. Movements often require special truck routing due to the oversized loads and special tilt bed truck trailers to permit propeller loading and unloading. It is not feasible to procure the inspection and examination under full and open competition because this effort is a relatively insignificant portion of the total effort and could result in higher overall costs to the Government. A secondary consideration is the contractor's available capacity and capability. This factor is heavily influenced by the amount of commercial or subcontract work existing in the contractor's facility and the nature and extent of his inspection equipment and fixtures to examine the propeller.

It is not feasible to procure the repair under full and open competition because this would necessitate moving the propeller to each potential competitor's facility for inspection and examination. The anticipated repair cannot be defined in sufficiently precise terms to define the actual scope of work required to return a propeller to its techniques and are unable to repair a propeller based upon some other firm's measurements, analysis and recommendations.

As a result of the foregoing circumstances, each repair is available from only one source even though there are six sources available to perform repairs.

6. GPE Notice/Potential Sources - Efforts will be made to ensure that potential subcontractors will be aware of these requirements by posting notice of the proposed BOA through the Government wide Point of Entry.

7. Determination of Fair and Reasonable Cost - The contracting officer has determined that the anticipated cost to the government will be fair and reasonable.

8. Description of Market Survey - A market survey was conducted. It consisted of discussions with NAVSEA and DCMA personnel involved with the program over the last ten to fifteen years. In 1996, an Industrial Base study was completed by these activities to determine if any additional companies had the capability to repair these types of ships propellers, propeller inspection gages, patterns, balancing arbors, inspection hubs and accessories. At present, only the six contractors listed in this J&A have the facilities and capabilities to perform this type of work and meet the Navy's needs. If, through synopsis in the Government Wide Point of Entry, any contractors express an interest in this type of effort, they will be forwarded the necessary requirements to have their facility assessed and approved by the cognizant NAVSEA and DCMA personnel.

9. Any Other Supporting Facts - Other facts supporting the use of other than full and open competition are: Each of the firms listed in Paragraph (5) was surveyed by NAVSEA and determined to have full propeller repair capability. These are the only known propeller repair companies in the United States presently having the necessary equipment, capability, capacity, tooling, facilities and experience necessary to inspect and repair propellers of the varied designs and sizes used in both combatant and auxiliary ships.

10. Listing of Interested Sources - The following sources have expressed, in writing, an interest in this acquisition:

At this time, no contractors, other than those listed under Paragraph 5, have expressed an interest in the proposed class of contracts (orders).

11. Actions Taken to Remove Barriers to Competition - In accordance with DFARS, PGI 217.7506, a yearly review and certification of items listed above for the purpose of introduction of competition will be held.

12. Statement of Delivery Requirements - Delivery requirements cannot be identified because they are dependent on the intermittent receipt of carcasses from the fleet and the extent of repair required.

13. Total estimated dollar value of the acquisition covered by this J&A, with funding specified by appropriation source and appropriation data: The estimated cost of the class of contract (orders) proposed is \$4,000,000.00 through 18 April 2013. [REDACTED]

14. Reference to the Approved Acquisition Plan (AP) - An Acquisition Plan is not required.

15. Documentation for Spare/Repair Parts Acquisitions - N/A

16. The specifications have been reviewed, and they reflect the government's minimum requirements.

17. TECHNICAL AND REQUIREMENTS CERTIFICATION:

I certify that the facts and representations under my cognizance which are included in this justification and its supporting Acquisition Plan No. (N/A) and which form a basis for this justification are complete and accurate.

Technical Cognizance

[Redacted]	10342	[Redacted]	12-14-12
(Signature)			
Name and Title	Code	Phone	Date

Requirements Cognizance

[Redacted]	end item manager 8342	[Redacted]	13 Dec 2012
(Signature)			
Name and Title	Code	Phone	Date

18. CONTRACTING OFFICE CERTIFICATION:

I certify that this justification, including its supporting Acquisition Plan No. (N/A) is accurate and complete to the best of my knowledge and belief.

[Redacted]	0243	[Redacted]	19 Dec 2012
(Signature)			
	Code	Phone	Date

19. REVIEWED:

[Redacted]	8541	[Redacted]	2/11/13
(Signature)			
Competition Advocate	Code	Phone	Date

20. REVIEWED FOR LEGAL SUFFICIENCY BY COUNSEL (Over \$150K)

[Redacted]	11008	[Redacted]	2/19/13
(Signature)			
	Code	Phone	Date

Based on the above justification, the proposed class of contracts described herein may utilize other than full and open competition for the period of the effective date of this J & A through 18 April 2013.

Approved (Over \$150K)

[Redacted]	[Redacted]	[Redacted]	2/21/13
(Signature)			
Competition Advocate	Code	Phone	Date

APPROVAL LEVELS:

- Contracting Officer: Up to \$650,000
- Competition Advocate: \$650,001 to \$12,500,000
- HCA: \$12,500,001 to \$85,500,000
- ASN (RD&A): over \$85,500,000