



DEPARTMENT OF THE NAVY
 NAVSUP FLEET LOGISTICS CENTER SAN DIEGO
 3985 CUMMINGS ROAD
 SAN DIEGO CA 92136-4200

IN REPLY REFER TO

LIMITED SOURCE JUSTIFICATION FOR FSS ORDER

1. IDENTIFICATION OF AGENCY AND CONTRACTING ACTIVITY: This is a Limited Source Justification. The requiring activity is Fleet Readiness Center Southwest (FRCSW), San Diego, CA; the contracting activity is Naval Supply Systems Command Fleet Logistics Center (NAVSUP FLC) San Diego.

2. NATURE/DESCRIPTION OF CONTRACT ACTION: This acquisition is conducted under the authority of the Multiple Award Schedule Program (Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251, *et seq.*) and Title 40 U.S.C. 501, Services for Executive Agencies). This is a limited source action to be awarded as a new Federal Supply Schedule order of a Firm-Fixed Price contract with a Cost CLIN for travel on a sole source basis to Pendaran Inc. for the Virtual Workplace Aviation Maintenance Simulator (VWAMS) training and mission assistance support. Mission assistance support is provided after the VWAMS training and occurs on-site at FRCSW. Support enhances the skills learned and developed in the initial VWAMS session. The proposed contract is a one-time buy with no options.

The proposed VWAMS service has been developed by Pendaran under Co-operative Agreement DASW01-98-2-0002. Pendaran developed the Aviation Maintenance Simulation product with a complete new aviation maintenance interface on their proprietary base platform.

3. DESCRIPTION OF REQUIRED SERVICES: The proposed acquisition requires a six (6) sessions (each session is five (5) days), with thirty (30) participants per VWAMS session, plus 180 days of associated mission assistance support. Each session is five (5) days. Pendaran provides specialized training that will assist FRCSW in achieving real maintenance and production-minded operational improvements by enhancing workforce skills and support FRCSW's Aviation Maintenance Programs Organization and Operation Development. Pendaran will be responsible for providing instructors, training facility, materials, and equipment to deliver the VWAMS program. Contractor(s) shall travel to San Diego to provide the VWAMS sessions because the mission assistance support occurs at FRCSW.

Total Participants	Description	Unit Price	Extended Price
█	█	█	█
	█	█	█
	█	█	
	█	█	█

█ █
 Period of Performance: 15 September 2014 through 14 September 2015
 Funding Source: NWCF FY2014

4. IDENTIFICATION OF THE JUSTIFICATION RATIONALE AND/OR DEMONSTRATION OF CONTRACTOR'S UNIQUE QUALIFICATIONS: The statutory authority which permits restricting consideration of schedule contractors to fewer than that required in FAR 8.405-1 or 8.405-2 is 41 U.S.C. 251, as implemented by FAR 8.405-6(a)(1)(i)(B). Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized. Pendaran is currently the only qualified contractor in the United States that has the capability to meet the experiential learning needs of FRCSW, using the VWAMS Program. The Pendaran team is uniquely qualified in the domain of enterprise and systemic simulations development. They have more than ten years of experience in this field, and have improved their organization simulation programs over several years, creating a stable program with rich functionality. This program was most recently customized for Aviation Maintenance. The Department of Defense (DoD) spent approximately [REDACTED] under Co-operative Agreement DASW01-98-2-0002 with Pendaran, in partnership with National Center for Manufacturing Sciences, for Fleet Readiness Center East (FRCE) in June 2012.

Under this procurement, Pendaran will ship its simulators and instructors locally to a facility near FRCSW. FRCSW will then select 30 participants per session. Each session is 5 days long. Pendaran will tailor the software in its simulators for the skill level of the user. The simulator will then provide training in a virtual workplace environment where participants gain knowledge, experience, and hands-on practice in an artificial environment, identical to the working environment of the participants. Once the session is over, the instructors will debrief FRCSW by providing lessons learned from the participants and by assisting the participants with transferring the skill, knowledge and experience gained in the simulator to their real work environments. The follow on debriefing and implementation constitutes the Mission Assistance Support part of the contract.

The success and value of the program to the Navy was demonstrated under the Cooperative Agreement with Pendaran, at FRCE. As a result of using the Pendaran Method under the cooperative agreement, FRCE achieved the following in Safety: 65% reduction in lost workdays, 70% reduction in Occupational Safety and Health Administration (OSHA) recordable incidents rate, and \$3 Million savings in Federal Employee Compensation Act (FECA) payments; in Quality: rework and quality defects costs decreased from \$7 Million to \$2 Million; and in Cost: \$2 Million worth of improvement in direct labor performance, \$20 Million reduction in indirect budget, and measurable reduction in depot maintenance rates charged to the Fleet.

5. DETERMINATION OF THE BEST VALUE: The NAVSUP FLC, San Diego Contracting Officer will determine the pricing to be fair and reasonable and that the order represents the best value and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs.

6. DESCRIPTION OF MARKET RESEARCH: The requiring activity and contracting activity have conducted market research among competitors in the industry. Three different companies were located and determined not to provide a service that reflects experience or a specialization in aviation maintenance programming and training through a virtual workplace simulator.

7. ANY OTHER SUPPORTING FACTS: Based on the review of the market, the only option besides contracting with Pendaran would be to award a new development contract to another source. This process would result in the following inefficiencies:

- FRCSW would encounter significant delays due to a development period, estimated to be a minimum of 18 months.
- Pursuing an alternative approach would materially delay FRCSW's ability to achieve mission critical operating improvements, while simultaneously introducing uncertainty and risk into the final product.
- A newly developed product by an inexperienced vendor would not have the stability and maturity of the Pendaran product, which has been refined and stabilized over several years.
- New vendors who may attempt to replicate the Pendaran VWAMS may face intellectual property right conflicts, due to the proprietary nature of the existing product.

Failure to award this effort to Pendaran will delay FRCSW in achieving metrics similar to the improvements at FRCE, as cited in paragraph 4. This will have a negative impact on FRCSW's mission in supporting both operational effectiveness and cost savings, but most importantly, the warfighter. It will also impede the U.S. Navy's ability to begin fleet lifespan extensions to maintain the required degree of readiness in the current environment of reduced expenditures.

[REDACTED]

8. ACTIONS TAKEN TO REMOVE BARRIERS TO COMPETITION: For the reasons set forth in this justification, NAVSUP FLC San Diego has no plans at this time to compete future contacts for the type of services covered by this document. If another potential source emerges, NAVSUP FLC San Diego will assess whether competition for future requirements is feasible.

9. CONTRACTING POINT OF CONTACT: [REDACTED]