



DEPARTMENT OF THE NAVY

REGIONAL CONTRACTING DEPARTMENT
 NAVSUP FLEET LOGISTICS CENTER PUGET SOUND
 467 W STREET
 BREMERTON, WASHINGTON 98314-5120

CONTROL NUMBER 2013-27

N00406-13-F-0069 P00002

LIMITED SOURCE JUSTIFICATION

1. Identification of Agency and Contracting Activity.

NAVSUP Fleet Logistics Center Puget Sound, in support of (b)(3)
 (b)(3)

2. Nature/Description of Action.

This is an only one responsible source requirement action to be issued as a modification to contract N00406-13-F-0069, awarded as a firm-fixed price, services type contract to Dresser-Rand Company, Chula Vista, CA. The modification will include increased scope of work and additional parts for the repairs to the Ship's Service Air Compressors (SSAC).

3. Description of Supplies/Services, Estimated Value and Funding.

The contract was awarded on 25 January 2013 to Dresser-Rand Company on a sole source basis in the total amount of \$413,929.35. The contractor is to perform on-site Original Equipment Manufacturer (OEM) repair services, deliver and install all replacement parts, and operational testing in accordance with the OEM drawings and OEM repair standards to SSACs #1, #2, and #3 in support of (b)(3)

(b)(3) Modification P00001 was issued on 3 April 2013 in the amount of \$49,874.76 for an increase to the scope of the contract to provide sealing surface repairs to the sub base cover plates and cartridge, casing repair, and additional repair parts to be replaced on SSAC #1, #2, and #3.

The modification supported by this J&A is requesting an increase to the scope of the contract to repair the SSAC#2 3rd stage air cooler air leak. The place of performance is (b)(3)

(b)(3) at U.S. Naval Base Yokosuka, Japan. The period of performance is changed from 26 January 2013 through 30 April 2013 to 26 January 2013 through 6 May 2013.

The estimated cost for this modification to include labor and travel & living is (b)(5). The total estimated amount of the contract including this modification is (b)(5). Fiscal Year 2013 (FY13) O&MN funding is provided for this modification.

4. Identification of the Justification Rationale, and if applicable, Demonstration of Contractor's Unique Qualifications.

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.

Dresser-Rand Company is the sole designer, developer and manufacturer of the SSAC units (b)(3)

(b)(3) The existing installed SSAC units are complex and engineered for aircraft carrier applications. NAVSEA requires all repair and replacement parts be OEM per T/M S6220-AR-MMI-A10. All components/parts of the SSAC's and HPAC's are proprietary to the OEM. Therefore, Dresser-Rand Company is the only contractor with the requisite knowledge, experience and technical data that can provide the required replacement parts and technical representative services for these air compressors. Puget Sound Naval Shipyard (PSNS) is the technical authority for this repair and requires the OEM to provide assessments, repairs and restorations of the SSAC compressor units in accordance with the OEM repair standards prior to ship deployment.

Delaying the purchase under the proposed contract until the development by other potential sources of conforming replacement parts would drastically delay deployment schedules, creating significant financial and mission costs for the U.S. Navy that outweigh any anticipated benefit from competition under the proposed contract. Additionally, reverse engineering costs per part are estimated based on one engineer at a rate of (b)(5)

(b)(5) requiring a minimum of (b)(5) hours to develop a drawing. The time and cost for approving part drawings and specifications would vary based on the part being reverse engineered. The cost to the government to have other than the OEM manufacture the parts could increase costs per part by more than double.

The newly identified additional repairs to the (b)(3) compressors could not have been anticipated prior to Dresser-Rand's operational test of contracted work was performed on the compressors. The additional scope includes removing the 3rd stage cooler for gasket replacement and performing 30 minute retest for air leak verification.

5. Determination of Fair and Reasonable Cost.

The Fleet Logistics Center Contracting Officer has determined the cost to the Government of the services covered by this J&A will be fair and reasonable.

6. Description of Market Research.

The proposed contract action will be synopsisized on the NECO website per FAR 5.201. No additional market research was conducted because it is not practicable, for the reasons discussed in paragraph 4 above, for any company other than Dresser-Rand Company to provide the required services, repair parts, installation and operational testing.

7. Any Other Supporting Facts.

This procurement uses GSA Schedule SINS 812-002 Dockside Maintenance and Repair Services, 003-100 Ancillary Supplies and Services, to be solicited and awarded in accordance with FAR Subpart 8.4.

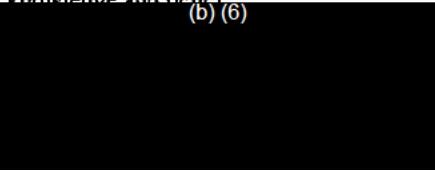
8. Actions Taken to Remove or Overcome Barriers that Limit Sources.

For the reasons set forth in Paragraph 4, Fleet Logistics Center Puget Sound has no plans at this time to compete future contracts for the types of supplies/services covered by this document. If another potential source emerges, Fleet Logistics Center Puget Sound will assess whether competition for future requirements is feasible.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.



MICHAEL J KYHRE 3603403220 4/26/2013
Name (Printed) Phone No. Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

Signature Name (Printed) Phone No. Date

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief. To the extent that the J&A/LSJ value is between \$150K and \$650K, the Contracting Officer's signature below also represents approval of the J&A.

Signature Name (Printed) Phone No. Date