



DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER PEARL HARBOR
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JBPHH, HI 96860-4549

IN REPLY REFER TO

JUSTIFICATION AND APPROVAL
FOR USE OF SOLE SOURCE

1. Contracting Activity.

Naval Supply Systems Command, Fleet Logistics Center Pearl Harbor

2. Description of the Action Being Approved.

Award of a Firm Fixed Price contract on a sole source basis for services required for a Class B Overhaul of Dresser-Rand, the Original Equipment Manufacturer (OEM), #2 High Pressure Air Compressor (HPAC) located at Bldg. 641, Pearl Harbor Hawaii.

3. Description of Supplies/Services.

- a. The total estimated dollar value FY15- [REDACTED] (labor, material, freight, and travel)
- b. Period of performance - The period of performance will be 90 days commencing from contract award.
- c. The #2 HPAC requires a Class B Overhaul to OEM specifications. The term "Overhaul" for the purposes of this document is to provide various OEM contractor preventative maintenance and repair services which include the following:
 - i. Crating and shipping HPAC from Bldg. 641, Pearl Harbor, HI to Dresser-Rand San Diego Service Center.
 - ii. Inspection, overhaul, and shop testing of compressor. A Class B overhaul includes a complete disassembly and inspection of the compressor. All standard wear items will be replaced. Rods, liners, and crankshaft will be removed, polished, and inspected. The cylinder blocks and coolers will be removed, cleaned, inspected, and hydro tested. The crankcase, oil sump, and foundation will be cleaned, inspected, and preserved. All fasteners will be replaced. Gauges will be calibrated. Relief valves will be set. Motor will receive 009-17. A Class B overhaul includes replacement of standard wear

items only (please refer to N30NL-3 Class B Overhaul Planned Parts List). Additional parts requiring replacement identified during inspection will require a contract modification.

- iii. Upon completion of Class B Overhaul, Dresser-Rand will crate compressor and ship back to NAVFAC Hawaii Bldg. 641, Pearl Harbor, HI where they will then perform install and operational testing.

d. Original Equipment Manufacturer:

Dresser Rand
500 Paul Clark Drive
Olean, NY 14760-0560

4. Statutory Authority Permitting SOLE SOURCE.

41 USC 1901(e)(2) - a sole source acquisition under the authority of the test program for certain commercial items, as implemented by FAR 13.501(a).

5. Rationale Justifying Use of Cited Statutory Authority.

The contractor being contacted (Dresser-Rand) was found to be the only vendor that can perform this type of work on the #2 HPAC. Dresser-Rand is the Original Equipment Manufacturer (OEM) and the only company who possesses the proprietary parts, drawings, specifications, and technical knowledge to provide the technical expertise and recommendations to bring the HPAC to OEM performance standards.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

- a. Per OEM, repair and maintenance of this system requires proprietary information such as parts, drawings, and specifications. OEM has never released this proprietary information to anyone - including the Government.
- b. Market research was conducted via the World Wide Web on 13 April 2015. No companies other than the OEM have the capability to perform a Class B overhaul on a Dresser-Rand N30NL-3 High Pressure Air Compressor. The following phrases used to search the Google search engine effected no results:
 - i. High Pressure Air Compressor Overhaul
 - ii. High Pressure Air Compressor Class B Overhaul
 - iii. High Pressure Air Compressor Class B Overhauling Services

- iv. N30NL-3 High Pressure Air Compressor Class B Overhaul
- v. N30NL-3 High Pressure Air Compressor Class B Overhauling Services
- vi. HPAC Overhaul
- vii. HPAC Class B Overhauling Services
- viii. N30NL-3 HPAC Overhaul
- ix. N30NL-3 HPAC Class B Overhaul
- x. N30NL-3 HPAC Class B Overhauling Services

c. OEM has provided a Sole Source Verification letter for this requirement stating that it is the only company qualified to service this equipment.

d. Market Research was also conducted via telephone with a competitor of the OEM on 26 May 2015. This vendor confirmed that it could not perform the overhaul because of the proprietary parts, which is considered standard in the industry.

e. The proposed contract action will be posted to FedBizOpps via a Combined Synopsis/Solicitation.

7. Determination of Fair and Reasonable Cost. The Contracting Officer has determined the anticipated cost to the Government of the supplies/services covered by this J&A will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Paragraph 5, NAVSUP FLC Pearl Harbor has no plans at this time to compete future contracts for the types of services covered by this document. If another potential source emerges, NAVSUP FLC Pearl Harbor will assess whether competition for future requirements is feasible.

9. CONTRACTING POINT OF CONTACT

The point of contact at NAVSUP FLC Pearl Harbor is Christian Akau, Code 204, at 808-473-7546 or by email at christian.akau@navy.mil.