

SIMPLIFIED ACQUISITION PROCEDURES (SAP)

SINGLE SOURCE DETERMINATION FOR ACQUISITIONS NOT EXCEEDING THE SIMPLIFIED ACQUISITION THRESHOLD AS DEFINED IN FAR 2.101

SOLICITATIONS MAY BE LIMITED TO ONE SOURCE ONLY IF THE CONTRACTING OFFICER (*within its warrant authority*) DETERMINES THAT ONLY ONE SOURCE IS AVAILABLE IAW FAR 13.106-1(b). THIS DETERMINATION SHALL BE SUPPORTED WITH FULL JUSTIFICATION FOR SINGLE SOURCE FROM THE CUSTOMER. THE CUSTOMER SHALL PROVIDE THE FOLLOWING INFORMATION:

QUOTE/SOLICITATION NUMBER:

N40084-14-D-0411 Modification P00003

FS contractor: HITACHI PLANT SERVICES CO., LTD

ESTIMATED AMOUNT (Not exceeding \$150,000):

DESCRIPTION OF SUPPLIES OR SERVICES REQUIRED AND THE INTENDED USE:

The purpose of this procurement is to:

- a. Develop, implement, and execute a Preventive Maintenance (PM) Program to maintain and repair the following systems and equipment at Bldg. 5229 Yokosuka Japan and ensure they are safe, fully functional and operational. The quality of the repaired areas shall be fully compatible with adjacent surfaces or equipment. The PM program shall provide: an economical approach manufacturers' recommended procedures, OEM standards, maintenance required to satisfy equipment warranties, and keeping the various equipment of the HQW facility in formal working condition.

- High Quality Water (HQW) System
- Cooling Water (CW) System
- Emergency Diesel Generator (EDG) System
- Nitrogen Gas (N2) System
- Freeze Seal Air (FSA) System
- High Pressure Air (HPA) System
- Electrical Control System
- Heating Ventilation and Air conditioning (HVAC) System

- b. Perform Service Order Work in a timely manner and ensure the HQW equipment and systems are restored to a safe, normal working condition and function properly.

UNIQUE CHARACTERISTICS THAT LIMIT AVAILABILITY TO ONLY ONE SOURCE, WITH THE REASON NO OTHER SUPPLIES OR SERVICES CAN BE USED:

This is a bridge contract action; therefore, is being sole sourced to Hitachi Plant Service Co., Ltd. (Hitachi). In accordance with NFAS 6.304-101, the Bridge Contract Approval and Reporting was approved on 04 August 2015 to extend the period of performance for Contract N4008414D0411 for a period of up to six (6) months, 01 September 2015 through 28 February 2016, consistent with the requirements for FAR 52.217-8, Option to Extend the Term of the Contract.

A bridge action is necessary to allow the Government to negotiate Exhibit Line Item Numbers (ELIN) prices and overall contract price to reach fair and reasonable prices for the follow-on procurement N40084-15-R-0423, a sole sourced solicitation to the incumbent service provider, Hitachi. The follow-on contract requires certified cost and pricing data; hence, cost realism will be required at a minimum to determine fair and reasonableness. Due to the multiple ELINs and Sub-ELINs for solicitation 15R0423, the cost evaluation will

entail review of each ELIN and Sub-ELIN's labor, material, subcontractor costs, overhead, and profit and all documentation supporting the contractor prices such as catalogue prices, labor indices, payroll information, and sub-contractor bids. In addition, certified cost and pricing data submission is required for this requirement. With these two (2) factors considered, multiple revision and considerable negotiation time is anticipated between Government and Hitachi. FEAD Yokosuka's goal is to conclude the negotiation in two (2) months and one (1) additional month for submittal provision and approval for the follow-on contract. Hence, an initial three (3) month period of performance (PoP) extension will be executed. If the negotiation is concluded sooner than anticipated, services will be provided through the new contract and the bridge contract will be de-scoped for services not performed.

More importantly, a bridge contact is necessary to prevent gap in services to a critical facility.

REASON THAT SUGGESTED SOURCE IS THE ONLY SOURCE WHICH CAN PROVIDE THE SUPPLIES OR SERVICES:

As determined in Justification and Approval for Use of Other Than Full and Open Competition for N4008415R0423, Hitachi is the only company than can provide the services for the HQW Facility as stated in the Performance Work Statement.

The HQW Facility has been maintained by Hitachi since construction of the HQW Facility under two previous contracts for these same services. Because of Hitachi's experience under the past contracts, Hitachi is currently the only vendor with personnel trained and certified by each of the various OEMs with equipment operating in the HQW Facility and has over the years developed unique corporate knowledge of the interaction of these highly complex and technical utility systems operating together in the HQW Facility. Hitachi possesses proprietary information and skills necessary to integrate the operation of the various systems and equipment at HQW Facility that are crucial to meet the Government requirements and maintain the required continuous operation.

EXPLAIN WHY AN ADEQUATE PURCHASE DESCRIPTION OR OTHER INFORMATION SUITABLE TO SOLICIT BY FULL AND OPEN COMPETITION HAS NOT BEEN DEVELOPED OR IS NOT AVAILABLE:

Hitachi has unique capabilities to perform the instant requirement. Given the procurement history for this requirement and the current market research, the Navy has a reasonable basis to conclude that Hitachi is the sole provider of highly specialized utility services and provides key subject matter experts in support of critical military operations. Furthermore, there are no other vendors in Japan that are capable of fulfilling the Navy's minimum needs in this instance without a substantial duplication of costs to the Government or experiencing unacceptable delays in fulfilling the Navy's requirements. Hitachi's technical knowledge is necessary to maintain the system without interruption of the continuous supply of HQW to nuclear powered Warships.

PROVIDE A STATEMENT OF ACTIONS, IF ANY, THE GOVERNMENT MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE FUTURE ACQUISITIONS ARE REQUIRED:

For the reasons set forth above, NAVFAC FAR EAST Public Works Department Yokosuka Facilities Engineering and Acquisition Division (PRY22) is unable to compete future contacts for the types of supplies/services covered by this document. If another potential source emerges, NAVFAC FAR EAST's Public Works Department Yokosuka, Facilities Engineering and Acquisition Division (PRY22) will assess whether competition for future requirements is feasible through issuance of a sources sought notice.

<p>I certify that the statements above are complete and correct to the best of my knowledge.</p> <p>FISCHER.GEORGE.TYLER.1 390416527</p> <p>LT George Fischer, FSC Management and Service Branch</p>	<p>CODE</p>	<p>TELEPHONE NUMBER 243-4377</p>	<p>DATE 05 AUG 2015</p>
<p>REVIEWED BY PURCHASING AGENT/CONTRACT SPECIALIST</p> <p>SATOMI.ABE.1299154641</p> <p>Satomi Abe, FEAD Yokosuka, NAVFACFE</p>	<p>CODE</p>	<p>TELEPHONE NUMBER 243-4093</p>	<p>DATE 06 AUG 2015</p>
<p>APPROVED BY WARRANTED CONTRACTING OFFICER</p>  <p>Wendie Narvarte, FEAD Yokosuka, NAVFAC FE</p>	<p>CODE PRY22</p>	<p>TELEPHONE NUMBER 243-5420</p>	<p>DATE 06 AUG 2015</p>