



**DEPARTMENT OF THE NAVY**  
NAVAL FACILITIES ENGINEERING COMMAND SOUTHWEST  
1220 PACIFIC HIGHWAY  
SAN DIEGO, CA 92132-5190

J&A 16-004

**JUSTIFICATION AND APPROVAL (J&A)  
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION**

1. Contracting Activity. Department of the Navy, Naval Facilities Engineering Command (NAVFAC SW), San Diego, California

2. Description of Action Being Approved. Approval is sought to negotiate and award a five year sole source firm-fixed price (FFP) service maintenance contract and one time repair of a Gas Turbine Generator (GTG) at Naval Medical Center San Diego (NMCSD), California to Solar Turbines, Incorporated (STI). The contract will include both Service Contract Act and Davis Bacon Act clauses.

3. Description of Services. This service maintenance contract will include complete repair and maintenance, periodic engine overhaul, planned maintenance visits, unscheduled service call visits, insight system monitoring services, package parts repair or replacement, generator inspections, service maintenance of all major components and subassemblies contained within the GTG package enclosure, maintenance reports, and equipment condition assessment reports. The one time repair of the GTG will include removal and replacement of the existing solar turbines centaur 50 engine, and reduction gearbox. The total estimated price for the maintenance and one time repair is \$2.6M and will be funded with Navy Working Capital Funds (NWCF) Sustainment, Restoration and Modernization (SRM).

Description	Base Year FY16	Option One FY17	Option Two FY18	Option Three FY19	Option Four FY20	Grand Total
Maintenance	\$374,916.00	\$386,163.48	\$397,748.38	\$409,680.84	\$421,971.26	\$1,990,479.96
1X Repair	\$650,939.00					\$650,939.00
Total	\$1,025,855.00	\$386,163.48	\$397,748.38	\$409,680.84	\$421,971.26	\$2,641,418.96

4. Statutory Authority Permitting Other Than Full and Open Competition. The statutory authority permitting other than full and open competition is Title 10 USC 2304 (c)(1), as implemented by the Federal Acquisition Regulation (FAR 6.302-1), "Only One Responsible Source and no other supplies or services will satisfy agency requirements."

5. Rationale Justifying Use of Cited Statutory Authority. The existing turbine engine incurred irreparable damage and a new engine is required to bring the combined heat and power plant up to operating status. STI can replace the unit that the Government requires for the GTG with minimal system interruptions. As the Original Equipment Manufacturer (OEM) of the Gas Turbine Engine and ancillary equipment, STI has proprietary, confidential, patented, engineering design, manufacturing, maintenance procedures, and performance test methods and requirements, which are not licensed to third parties for overhaul and repair of the GTG unit.

STI warrants and certifies overhauls, for a period of twelve months from installation, that ensure restored mechanical and thermal performance to current OEM production standards. STI will provide a complete and usable system including engine replacement overhaul, installation, re-commissioning, testing, and certification.

When the GTG is operating, it provides a portion of the total electrical load to NMCS D (4.2 MWH) and SDG&E supplies the rest. Currently SDG&E is providing all electrical load to NMCS D at a loss of approximately \$15K per day while the GTG awaits repair. In the event a SDG&E power outage were to occur that would affect the electric distribution line to the hospital, **the emergency diesel generators will come on line, but it will only support life critical and essential equipment.** Non-vital spaces such as office areas, outpatient waiting areas, galley, etc. will be without power. The GTG also generates steam that serves the hospital heating needs, including domestic hot water, space heating, and autoclaves for sterilizing surgical equipment. Without this steam, surgical equipment cannot be sterilized, and patient and staff safety and comfort are at risk.

STI is the only responsible source capable of providing a certified replacement engine without modification to the package unit (Turbine Engine, Gearbox, Controls System, Oil Pump & Filtration Unit, etc.). Since the package unit is manufactured by STI, incorporating an engine from a different manufacturer will require substantial upgrades or complete changeover of supporting and ancillary equipment, which can cost more than \$5 million dollars, with no guarantee the new system will operate as intended. Operational procedures for a non-OEM engine would inhibit proper operation of the supporting equipment in the OEM package unit, and vice versa. The controls and monitoring system and its software are proprietary to STI and no other vendor's software would be allowed to communicate, tie-in, or work with the overall configuration.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable. Market research was conducted on this procurement by contacting companies that provide turbine replacement and maintenance services. Two firms confirmed they were not certified to provide the repairs or services required by the proposed action being sought. STI is the only company who could provide the replacement and maintenance that the Government needs for the GTG without major interruptions. STI is the OEM and there are no other solar-certified shops in the United States who can provide the same scope of engine replacement and maintenance that STI can provide. Any work performed by non-authorized vendors will void all warranty to the equipment and end any support from STI.

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, NAVFAC SW 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, NAVFAC SW will assess whether competition for future requirements is feasible.



**ECH III/IV COMMANDING OFFICER APPROVAL**

Upon the basis of the above justification, I hereby approve the solicitation for the proposed procurement described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304(c)(1).

  
\_\_\_\_\_  
J.J. ADAMETZ,  
CAPT, CEC, USN  
Commanding Officer, NAVFAC Southwest

4/26/2016  
Date