



DEPARTMENT OF THE NAVY
NAVAL SURFACE WARFARE CENTER
CARDEROCK DIVISION

NAVAL SHIP SYSTEMS
ENGINEERING STATION
5001 S. BROAD STREET
PHILADELPHIA, PA 19112-1403

IN REPLY REFER TO:
Code: 4220
J&A: 4222-13-001-00
PR: N65540-13-R-0020

**SOLE SOURCE JUSTIFICATION AND APPROVAL
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION**

JUSTIFICATION

1. Contracting Activity

Naval Sea Systems Command, Naval Surface Warfare Center, Carderock Division (NSWCCD), Code 4220.

2. Description of the Action Being Approved

This is a sole source action to be awarded without providing for full and open competition. The proposed contract action is a five (5) year Fixed Price (FP), Indefinite Delivery, Indefinite Quantity (IDIQ) contract to be awarded to Vericor Power Systems LLC, 3625 Brookside Parkway STE 500, Alpharetta, GA 30022-3718.

3. Description of Supplies/Services

The Naval Surface Warfare Center, Carderock Division intends to procure an estimated twenty-seven (27) ETF-40B Engine Power Producer Groups (PPGs)(P/N 20-20020-02) as well as twenty-five (25) Full Authority Digital Engine Controls (FADECs)(P/N V0-300-249-07), over a 5 year period.

ETF-40B PPGs and FADECs will serve as drop in place spares for the fleet whenever Landing Craft, Air Cushioned (LCAC) ETF-40B engines are downed, either temporarily or permanently due to damage. This will avert LCAC craft from being out of service for an extended length of time. The PPG is the core of the ETF-40B engine. The FADEC is the "engine controller" for the ETF-40B engine, and due to high failure rates, the Navy currently has a shortage of FADECs.

This contract is intended to provide the spare PPGs and FADECs to supplement main ETF-40B engines that were awarded to Vericor Power Systems via sole-source contract N00024-11-C-4113.

The total estimated value of this acquisition is \$43,548,207.

The estimated cost per PPG in fiscal year 2013 is \$1,462,000, each with an estimated 3% cost increase (due to escalation) per year, for a total of \$41,138,205. The estimated cost per FADEC in fiscal year 2013 is \$90,787 each with an estimated 3% cost increase (due to escalation) per year, for a total of \$2,410,002.

\$43,548,207 in Fiscal Year (FY) funding for the five (5) year Fixed Price contract is estimated as follows:

	FY13	FY14	FY15	FY16	FY17	Totals
OPN (PPGs):	\$13,158,000	\$12,046,880	\$6,204,144	\$4,792,700	\$4,936,481	\$41,138,205
O&MN (FADECs):	\$453,935	\$467,554	\$481,579	\$496,027	\$510,907	\$2,410,002
Total Per FY	\$13,611,935	\$12,514,434	\$6,685,723	\$5,288,727	\$5,447,388	\$43,548,207

The Government's minimum needs have been verified by the certifying technical and requirements personnel.

4. Statutory Authority Permitting Other Than Full and Open Competition

10 U.S.C. 2304(c)(1) - Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements (FAR 6.302-1).

5. Rationale Justifying Use of Statutory Authority

Vericor Power Systems is the sole designer, developer, producer, and distributor of ETF-40B engine systems which include the required ETF-40B PPGs and FADECs. The required supply items are of the only form, fit and function for a direct replacement of the existing parts used on the LCAC vehicles.

Vericor Power Systems is the only contractor with the background, technical knowledge, data, production expertise, and design familiarity needed to fulfill the requirement. Vericor Power Systems also possesses all proprietary engine data and system drawings for the ETF-40B engines. These proprietary rights include sub assembly part drawings, material processes for the raw material/alloys, fabrication techniques to assemble the engine and the knowledge base associated with engines in this size class. Additionally, Vericor Power Systems holds a Long Term Agreement (LTA) with Precision Engine Controls Corporation (PECC), the manufacturer of the FADEC. The LTA restricts PECC from selling the FADEC to anyone other than Vericor Power Systems. While PECC manufactures the FADECs, Vericor holds all intellectual property rights to the baseline FADEC firmware design.

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

This requirement was synopsisized in the Federal Business Opportunities Page (FedBizOps) website on 28 November 2012 in accordance with FAR 5.207. While to date no responses have been received to the synopsis notification, any responses received will be evaluated. Market research was also conducted prior to release of the synopsis and no other company was found to supply compatible replacement parts other than Vericor Power Systems, which holds the proprietary rights to the required engine spares currently in use on the LCAC vehicles.

7. Determination of Fair and Reasonable Costs

In accordance with FAR 15.402, the Contracting Officer shall determine that the anticipated cost to the Government for the supplies covered by the J&A is fair and reasonable.

8. Actions to Remove Barriers to Competition

For the reasons set forth in Paragraph 5, the NSWCCD has no plans to compete future contracts for the type of supplies covered by this requirement. If another potential source emerges, NSWCCD will assess whether competition for future LCAC engine requirements exists.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION (FAR 6.303-2(b))

I certify that the facts and representations under my cognizance, which are included in this justification and its supporting acquisition planning data, including Acquisition Plan No. N/A, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL/COGNIZANCE:

[Redacted Signature]

Signature Name (Print) Title Code Phone No. Date

REQUIREMENTS COGNIZANCE:

[Redacted Signature]

Signature Name (Print) Title Code Phone No. Date

LEGAL SUFFICIENCY REVIEW (NMCARS 5206.303(90))

I have determined this justification is legally sufficient.

[Redacted Signature] Legal Counsel 0040 [Redacted Date]

Signature Name (Print) Title Code Phone No. Date

CONTRACTING OFFICER CERTIFICATION (FAR 6.303-2(a)(12))

I certify that this justification is accurate and complete to the best of my knowledge and belief.

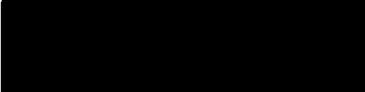
[Redacted Signature]

Signature Name (Print) Title Code Phone No. Date

APPROVAL BLOCK (FAR 6.304 for Approving Official)

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

TITLE OF APPROVING OFFICIAL



2/12/13

<i>[Signature]</i>	Jerome F. Punderson	Director of Contracts	NAVSEA/02	(202)781-3915	
Signature	Name (Print)	Title	Code	Phone No.	Date