

J&A Number: YOK N/A

**Justification and Approval for Sole Source Procurement
Under Simplified Acquisition Test Program at FAR 13.5**

1. Name of Requiring and Contracting Activity

Requiring Activity: Port Operations Department, Commander, U.S. Fleet Activities, Sasebo (CFAS), Japan
Contracting Activity: NAVSUP Fleet Logistics Center (FLC) Site Sasebo, Japan

2. Nature and/or Description of the Action Being Approved: This J&A authorizes the use of other than full and open competition for the procurement of the pilotage services within the Sasebo pilotage district area. The Government contemplates award of an Indefinite Delivery Requirement Contract with Fixed-Unit-Prices as a result of this solicitation.

3. Description of the Supplies and Services Being Procured: Pilotage services in the Sasebo pilotage district for the period from 01 July 2015 through 30 June 2016 as basic contract period and four (4) subsequent option years. Estimated amount of this effort, including four option years, is 89,758,910 Yen (\$863,532.25) at 103.9439Yen/\$1.00. The services are to be procured from:

Sasebo Harbor Pilot Association
33-5 Yorozu-cho, Sasebo, Japan

4. Statutory Authority to Procure Requirement under Sole Source Procedures:

Section 4202 of the Clinger-Cohen Act of 1996 – a sole source acquisition under the authority of the test program for certain commercial items, as implemented by FAR 13.501(a).

5. Description of the Unique Capabilities or Qualifications, which Requires Acquisition under Sole Source Procedures: The Japanese Pilotage Law allows only one pilot association to perform pilotage services in a single pilot district, out of the pilotage districts classified throughout Japanese territorial waters in accordance with a Cabinet Order of the Government of Japan (GOJ). The Sasebo pilotage district covers the Sasebo Port where Port Operations, CFAS requires the pilotage services. Sasebo Harbor Pilot Association is the only authorized, licensed pilot association for the Sasebo pilotage district in accordance with the Japanese Pilotage Law. Therefore, competition is neither feasible nor practicable.

6. Description of Efforts Made to Ensure that Offers Are Solicited from as Many Potential Sources as Is Practicable (i.e., FACNET, CBD Synopsis or Documentation Explaining Exception to Synopsis Requirement):

In order to foster competition, market research was conducted as described in paragraph 5. As a result, no potential sources other than Sasebo Pilot Association were found in participating the proposed solicitation. The Government will continue to watch for other sources in the future and will consider any source that shows interest.

7. Determination that the Anticipated Cost to the Government Will Be "Fair and Reasonable": Per Article 35 of the Japanese Pilotage Law, Sasebo Harbor is designated as compulsory harbor to use GOJ licensed pilotage for vessels to access to and move in the harbor. However, Paragraph 5, Article V, of the "Agreement under Article VI of Treaty of Mutual Cooperation and Security between Japan and the United States of America, regarding Facilities and Areas and the Status of United States Armed Forces in Japan" (SOFA Agreement) states that "Vessels who are United States and foreign vessels operated by, for or under the control of the United States for official purposes shall have freedom from compulsory pilotage use, but if a pilot is taken, pilotage shall be paid for at appropriate rates." Therefore, whenever a pilot is employed by the master of the vessels, the applicable rates shall be paid for pilotage, pursuant to the Japanese Pilot Law. The contract prices shall be the same as the pilotage tariff rates approved by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), GOJ. The Prices remain unchanged until such pilotage tariff rates are officially revised with approval of the MLIT. Price

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adjustment procedure is described in the solicitation /contract provision, entitled "SUP 5252.225-9402 PRICE ADJUSTMENT PROCEDURES (JAN 1992)" to accommodate future tariff changes.

8. Description of the "Market Research" Conducted and the Results or a Statement Explaining the Reason Market Research Was Not Conducted: See paragraph 5 above.
9. Any Other Documentation that Would Lend Support to the Sole Source Justification: None.
10. Listing of Interested Source: None. See paragraph 5 above.
11. Statement of Actions, if any, to Remove Barriers to Competition: See paragraph 5 above.
12. Contracting Officer Certification that the Justification Is Accurate and Complete to the Best of the Contracting Officer's Knowledge and Belief with Supporting Data: I certify that this justification is accurate and complete to the best of my knowledge and belief.
13. Total Estimated Dollar Value of the Acquisition Covered by this J&A: The estimated value is 18,734,014Yen or \$180,231.97 for the basic contract period (1 July 2015 through 30 June 2016) and four (4) option years. The estimated total value for the five years is 93,670,070 Yen or \$901,159.86 at converting Yen rate of 103.9439Yen/\$1.00. (DFAS FY15 Budget Exchange Rate)
14. Contracting Activity Point of Contact: The Contract Specialist for the proposed contract action is Hiromi Kurita, 252-6741

