

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION (J & A)

SOLICITATION HSCG38-09-Q-010005

Date: Oct 27, 2008

Pursuant to the requirements of Section 4202 of the Clinger-Cohen Act (test program for commercial items) as implemented by the Federal Acquisition Regulation (FAR) 13.500, this justification for other than full and open competition is supported by the following facts and rationale in the format described at FAR 6.303-2:

(1) Agency and Contracting Activity--U.S. Coast Guard, Aircraft Repair and Supply Center (ARSC), HC-144A Contract Section, Elizabeth City, North Carolina, proposes to enter into a contract on a basis other than full and open competition and hereby presents this Justification for Other Than Full and Open Competition (J & A) for review and approval.

(2) Nature and/or Description of the Action Being Approved-- This J & A seeks approval to contract for various spare parts manufactured by the HC-144A Guardian aircraft Original Equipment Manufacturer (OEM), Medium Range Surveillance (MRS) Maritime Patrol Aircraft (MPA) HC-144A aircraft which is the sole approved vendor. Limited competition exists among EADS CASA North America Inc. (0DAF1), 1616 North Ft, Myer Drive Suite 1600, Arlington VA 22209-3110 and several other responsible distributors who can furnish the required spare parts with traceability to the manufacturers. Request approval to proceed with this acquisition, for a firm-fixed-price contract for the purchase of various high-use spare parts used in repair of the HC-144A aircraft. It is anticipated that one purchase order will be negotiated and awarded.

(3) Description of Supplies/Services--This requirement is to procure 06 **line items** of spare parts in support of the HC-144A aircraft. The Coast Guard must maintain an inventory of spare parts for maintenance and repair of the HC-144A aircraft and associated components. A situation involving a shortage of spare parts would adversely affect delivery of aircraft undergoing programmed depot level maintenance. Not only would this delay delivery and escalate depot maintenance costs, but would also impact aircraft readiness rates in the field resulting in a decreased effectiveness of Coast Guard commanders' ability to execute missions.

(4) Identification of Statutory Authority Permitting Other Than Full and Open Competition— **41 U.S.C. 428** as implemented by the Federal Acquisition Regulation (FAR) 6.302-1 entitled "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements". Only the OEM or a limited number of distributors will satisfy agency requirements.

(5) Demonstration That the Nature of the Acquisition Requires Use of the Authority Cited— EADS CASA North America is the sole distributor of the Original Equipment Manufacturer (OEM) of the HC-144A aircraft and its replacement parts and owns exclusive data rights and blueprint specifications. The necessary specifications, manufacturing drawings, data, test equipment and tooling required for the manufacturer of these parts must be restricted to the parts manufactured by the OEM to ensure compatibility of replacement parts and safe operation of the aircraft. The data and manufacturing rights were not available or procured as part of the initial acquisition of this aircraft. The parts being sought are

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continuing demand consumables that have an inordinate ability to negatively impact flight operations of the HC-144A aircraft and progress of Programmed Depot Maintenance. In a fiscal and stockage environment requiring minimal investment in inventory it is critically important to secure a reliable supplier that can satisfy the contract requirements needed to react to ever changing demand patterns.

(6) Description of Efforts made to Ensure that Offers are Solicited from as Many Potential Sources as is Practicable--In accordance with FAR 5.201, the intent to contract for the HC-144A aircraft replacement parts will be advertised in the Electronic Posting System (EPS), Federal Business Opportunities (FBO) as a combined synopsis solicitation under streamlined acquisition procedures for commercial items utilizing FAR Part 12. Any responsible offers will be considered.

(7) Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable—The contracting officer will determine that the anticipated prices will be fair and reasonable based on procurement history of previously negotiated procurements, comparison with EADS CASA North America Inc commercial catalog pricing and comparison with similar items in the commercial marketplace.

(8) Description of Market Research—The HC-144A aircraft is not logistically supported by other Government agencies. The contract will be solicited and awarded using acquisition procedures for commercial items. EADS CASA North America Inc, the OEM, is the primary source company that has been providing these unique replacement HC-144A spare parts to the US Coast Guard. Other historical sources have been identified as reselling parts ultimately acquired from EADS, the only authorized source for these manufactured parts. The need to provide a reliable and continuing source of these parts should eliminate resellers with limited quantities of “fire sale” parts they can only supply once or only with excessive lead times by purchasing from EADS. The market survey consisted of utilizing the Inventory Locator System (ILS). It provided the same sources, the OEM, EADS, and a few distributors. Market research has indicated that the procurement of these parts and/or similar parts is commercial in nature and is currently being procured for a variety of aircraft, both military and commercial.

(9) Any Other Facts Supporting the Use of Other Than Full and Open Competition, i.e., proprietary data packages, etc-- The HC-144A aircraft was procured and provisioned for by Coast Guard Headquarters, however that procurement did not include specifications necessary to obtain competition. Due to the small fleet size, and the fact that this is an out-of-production aircraft, it would not be economically feasible to procure the required data rights at this time. Nor is there any indication that the OEM would be willing to sell their proprietary rights at this time.

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(10) A Listing of the Sources, if Any, That Expressed in Writing, an Interest in the Acquisition--At this time, this J & A is being processed in advance of the combined synopsis/solicitation posting on FBO.GOV. If responses to the combined synopsis/solicitation indicate additional sources are available, the file will be documented accordingly and the requirement competed among all eligible sources.

(11) A Statement of the Actions, if Any, the Agency May Take to Remove or Overcome Any Barriers to Competition Before Any Subsequent Acquisition for the Supplies or Services Required--The Coast Guard does not possess technical expertise nor did they purchase the data as part of the initial system acquisition for the HC-144A aircraft, as a result, it would be difficult to foster a competitive procurement effort. Complete specifications, manufacturing drawings, data, test equipment and tooling for the HC-144A are not available and the cost to procure them is not easily quantifiable. As the Aircraft Inventory Control Point (AICP), ARSC is tasked with supporting systems that have been deployed for used in the aviation community. As such our budget does not include funding to procure data for these systems. The data for the HC-144A aircraft is proprietary to the OEM and therefore future competition for this effort is not known. The agency has taken no actions to overcome barriers to competition and does not anticipate any opportunities to do so. In an effort to increase competition among the sources, HC-144A Product Line members annually attend aviation trade shows, extensive Internet database research is conducted and procurements are advertised in FBO.GOV.

(12) Contracting Officer's Certification--

I certify that the data supporting the recommended use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

_____ Date: _____
Wade Johnson
HC-144A Contracting Officer

(13) Technical/Requirements Personnel Certification--

I certify this requirement meets the Government's minimum need and that the supporting data, which forms a basis for this justification, is complete and accurate.

_____ Date: _____
Kevin Barrick
HC-144A Supply Cell Leader

APPROVAL:

_____ Date: _____
Wade Johnson
HC-144A Contracting Officer