

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

Solicitation No.: HSCG38-08-Q-101016

11 February 2008

Pursuant to the requirements of the test program for commercial items as implemented by Section 4202(e) of the Clinger-Cohen Act of 1996, the Justification to conduct a sole source acquisition is justified by the following facts and rationale required under Federal Acquisition Regulation (FAR) 6.303-2 as follows:

(1) Agency and Contracting Activity – The Department of Homeland Security, U.S. Coast Guard, Aircraft Repair and Supply Center (ARSC), HU25 Product Line Division, Elizabeth City, North Carolina, hereby presents this Justification for Other Than Full and Open competition (JOTFOC) for review and approval.

(2) Nature and/or Description of the Action Being Approved.– This Justification for Other Than Full and Open Competition seeks approval to contract with the Original Equipment Manufacturer (OEM) through sole source with Honeywell International Inc., for repair/overhaul of the HU25 Environmental Control Units (ECU's) PN 2201160-5-1. Request approval to proceed with this sole source acquisition, for a firm fixed price, requirements type contract for the repair/overhaul of HU25 ECU's. This effort will be for a three year base period, and four (1) year option periods, for a total contract period of seven years.

(3) Description of Supplies/Services. This Justification for Other Than Full and Open Competition is to obtain approval to contract for overhaul of Environmental Control Units National Stock Number 1560-01-074-2782, part number 2201160-5-1. Each aircraft is equipped with 2 ECU's on the Coast Guard HU25. The ECU's are required for aircraft pressurization, crew comfort, and avionics cooling. Honeywell International is the OEM and distributor for these ECU's. This procurement must be restricted to contractors who have access to parts, data, tooling and fixtures to meet the OEM's tolerances and performance parameters. This requirement is necessary in order for the USCG to maintain the capability to adequately support their aircraft and carry out their law enforcement mission. Competition. – Identification of statutory authority permitting other than full and open competition is 10 U.S.C. 2304(c)(7) implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements". Unique supplies or services available from only one or a limited number of responsible sources or from one or a limited number of suppliers with unique capabilities will satisfy agency requirements.

(4) Demonstration That the Nature of the Acquisition Requires Use of the Authority Cited. – This procurement must be restricted to the OEM or contractors who have access to OEM technical data and parts to ensure compatibility of replacement parts, approved repair procedures, and safe operation of the aircraft. The necessary drawings, specifications, service bulletins, manuals, and repair/overhaul procedures are proprietary to the OEM and not available to the Coast Guard. Data rights were not procured as part of the initial system acquisition for this aircraft. In order to ensure proper fit,

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performance, and function and consequently meet depot repair lead times, ECU's must be repaired utilizing OEM specifications and the proper tools such as jigs, fixtures, and test equipment. The OEM is the sole owner of this new data. Upon completion of this modification the result should increase the MTBF, and lower the hours of aircraft Non Mission Capable (NMC). This will also significantly decrease repair costs due to less frequent repairs. Previous delays due to repair of these units resulted in extra man-hours to remove the broken unit, replace it, and send the broken unit for repair. This also resulted in delays in delivery of aircraft to Air Stations and jeopardized mission capability for the air stations.

(5) Description of Efforts Made to Ensure That Offers are Solicited From as Many Potential Sources as is Practicable. – An announcement notice for sources sought was posted in the Electronic Posting System on November 26, 2007. No other vendors responded with an interest in this acquisition from the sources sought announcement that closed on Dec 17, 2007. In accordance with FAR 5.201, the intent to contract for the repair/overhaul of the Environmental Control Units will be advertised in the Electronic Posting System (EPS/FedBizOps) as a combined synopsis solicitation under streamlined acquisition procedures for commercial items utilizing FAR Part 12. Any responsible offers will be considered, the file will be documented accordingly and the requirement competed among all eligible sources.

(6) Determination by the Contracting Officer That the Anticipated Cost to the Government will be Fair and Reasonable.– The Contracting Officer determines that the anticipated prices will be fair and reasonable based on (1) comparison of previously negotiated procurement for these services through the previous contract between the USCG and Honeywell International, contract number DTG38-04-D-101003, (2) comparison of repair pricing that Honeywell has charged their other commercial customers for similar services they have performed on similar environmental control units, and (3) comparison of quotes submitted by interested sources, if applicable.

(7) Description of Market Research.– The HU25 aircraft is not logistically supported by other Government agencies. The contract will be solicited and awarded using simplified acquisition test program procedures for commercial items. The market survey consisted of a Sources Sought Announcement published in the Federal Business Opportunities and from Internet searches under “Aviation’s Best Sites”. Market research has indicated that similar repair/overhaul processes of Environmental Control Units are commercial in nature and are currently being repaired/overhauled for a variety of aircraft, both military and commercial at Honeywell International. Services described herein are required to support a commercial item and the source of these services provides similar services contemporaneously to the general public and Federal Government.

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(8) Any Other Facts Supporting the Use of Other Than Full and Open Competition.– The HU25 aircraft were procured and provisioned for by Coast Guard Headquarters; however, this procurement did not include specifications necessary to obtain competition. The data is propriety to Honeywell International. It has been requested to Honeywell International on several occasions if they would release data rights to their manuals and technical data for the Environmental Control Unit. On several occasions they denied those rights to the Coast Guard. With the data rights belonging to the OEM and no possibility of the OEM releasing the data rights, then competition cannot be achieved. Failure to support the Environmental Control Units would prevent the performance of search and rescue, law enforcement and other critical operations resulting in an increased loss of life and property at sea, an increase in the flow of illegal drugs into the United States and a decrease in training and readiness of Coast Guard personnel.

(10) A Listing of the Sources, if Any, Expressed in Writing, an Interest in the Acquisition.– This Justification is being processed in advance of the synopsis/solicitation posting on FedBizOps. If responses to the synopsis indicate additional sources are available, the file will be documented accordingly and the requirement competed among all eligible offerors.

(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 HU25 aircraft. Complete specifications, and manufacturing drawings, data, test equipment and tooling for the HU25 are not available to the Coast Guard. As the Aviation Inventory Control Point, ARSC is tasked with supporting systems that have been deployed for use in the aviation community. This aircraft has been flying Coast Guard missions for 26 years with another 6 years estimated in the Coast Guard fleet. To proceed further with any type of negotiation for the procurement of data rights would not be productive, nor would it be financially in the best interest of the Coast Guard to spend additional time or resources on this effort when the aircraft is this close to retirement.

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(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.

Wade Johnson
Contracting Officer

Date

(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.

Blaine W. Beyer
Technical Representative
Supply Cell Leader, HU-25 Aircraft

Date

Approval:

Keith O'Neill
Assistant Competition Advocate

Date