

**JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION
SOLICITATION SPE7M2-22-R-0014
CUI**

ORIGINAL

ADDENDUM (attach copy of original J&A for add-ons or revisions)

1. The Defense Logistics Agency, DLA Land and Maritime, is the contracting activity.
2. The action being approved is the acquisition of supplies on other than a full and open competition basis, citing authority 10 USC 2304(c)(1) as implemented by FAR 6.302-1.
3. The supplies required to meet the using activity's needs are described as follows:

BRIEF DESCRIPTION	NSN	QTY	EST. VALUE	AMC/AMSC
TAPE DRUM ASSEMBLY	1710-00-056-9381	21	████████	1/C

Weapon system / End item / Class of item: 82N / Used on the Aircraft recovery system

–WSEC: 1 = Failure renders end item inoperable.

–WSIC: F = Failure will render end item inoperable.

ESTIMATED BASE VALUE: ██████████

MAXIMUM CONTRACT VALUE: ██████████

*At maximum incremental quantity of 40 EA. Estimated unit value is based on market research and procurement history at ██████████. This will be a firm, fixed price contract with no options available.

4. The statutory authority permitting other than full and open competition is:
 - a. 10 U.S.C. 2304(c)(1) – Available from only one or a limited number of sources.
5. If restricted to the only source(s) of supply, include source(s) and CAGE code:

This item is a critical safety item, and in accordance with DFARS 209.270-3(a), DLA must procure this item only from those sources approved by the design control activity. At this time, only the following identified sources have met the qualification standards and are the only sources that have been approved by the design control activity:

Controlled by: DLA Land and Maritime Controlled by: FMVE CUI Category: Source Selection Distribution/Dissemination Control: FED ONLY POC: Alisha Blanton, alisha.blanton@dla.mil

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- Draftco Incorporated (1M994), Duhadaway Tool and Die Shop, Inc. (1V517) and A.C.R. Machine, Inc. (4J831) in accordance to Navy Drawings, with a designated part number of 613493-1

The use of the authority cited below:

AMC 1: Suitable for competitive acquisition for the second or subsequent time.

The use of the authority cited is based on:

AMSC C: This part requires engineering source approval by the design control activity in order to maintain the quality of the part. Existing unique design capability, engineering skills, and manufacturing knowledge by the qualified source(s) require acquisition of the part from the approved source(s). The approved source(s) retain data rights, manufacturing knowledge, or technical data that are not economically available to the Government, and the data or knowledge is essential to maintaining the quality of the part. An alternate source must qualify in accordance with the design control activity's procedures, as approved by the cognizant Government engineering activity. The qualification procedures must be approved by the Government engineering activity having jurisdiction over the part in the intended application. If one source is approved, AMCs 3, 4, or 5 are valid. If at least two sources are approved or if data is adequate for an alternate source to qualify in accordance with the design control activity's procedures, AMCs 1 or 2 are valid.

It is noted that the process of developing and releasing a Purchase Request (PR) requires, first a review and determination by the Product Specialist that the technical data is correct, including the AMC and AMSC codes, and it reflects the minimum requirements for the item. Additionally, the Product Specialist of record confirmed on 8/11/22 that the AMC/AMSC of 1/C is still accurate, the current sources are acceptable and there are no other sources approved by the design control activity at this time. They also verified Draftco Incorporated (1M994), Duhadaway Tool and Die Shop, Inc. (1V517) and A.C.R. Machine, Inc. (4J831) as the only known sources to own or possess the manufacturing knowledge and capability to produce the item to required quality standards (Attachment #1).

Although the government possesses drawings for this part it is necessary to limit competition to those companies with engineering source approval by the design control activity. This requirement is because the Aircraft Launch and Recovery Equipment (ALRE) includes catapult launch and arrested landing system equipment that launches aircraft from an aircraft carrier or air capable ship, guides the aircraft back to the ship or expeditionary airfields, and recovers the aircraft safely. Over the past 30-plus years, aircraft have continued to increase in weight, while many of the ALRE systems and components have not undergone significant redesign to accommodate these higher energy loads, resulting in diminished safety. In response, NAVAIR established the ALRE Flight Safe Program, which governs the life-cycle management of ALRE Critical Safety Items (CSI) and Critical Application Items (CAI). These items, as determined by NAVAIR, are essential to weapons system performance and the preservation of life and the safety of operational personnel.

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ALRE CSI and CAI are identified in the DLA Enterprise Business Systems (EBS) Material Master, Classification Tab, CIM sub-tab, with a Special Procedures Code (SPC) of “01.” NAVAIR designates ALRE items as CSI or CAI through the Navy Joint Deficiency Reporting System, which feeds the code (SPC-01) into EBS. Technical Data Requirements (TDR) containing a list of approved sources, as designated by NAVAIR and NAVSUP, are required for all such items. When an ALRE item is coded SPC-01, DLA procures as instructed per the TDR from the list of approved sources in accordance with NAVAIRISNT 13800.18A. It is essential to the integrity of the ALRE Flight Safe Program and critical to naval aviation safety that DLA only procure the product of an approved source. In addition, NAVAIR INST 4200.56 states the following with regard to sources. Per references (a) and (g), a CSI shall be purchased or repaired and/or overhauled only from sources approved by the TA. References are as follows: (a) Public Law 108-136, Sec. 802, Quality Control in procurement of Aviation Critical Safety Items and Related Services and (g) SECNAVINST 4140.2. Based on all of the above, it is demonstrated that Draftco Incorporated (1M994), Duhadaway Tool and Die Shop, Inc. (1V517) and A.C.R. Machine, Inc. (4J831) have the unique and proven manufacturing capabilities to establish and maintain the process controls to manufacture this item and are the only sources known to possess the manufacturing knowledge and capability to produce the item to required quality standards. The components being acquired under this solicitation have been classified as “critical” requiring engineering source approval by Naval Air Systems Command (NAVAIR). Only those companies who have submitted requests for source approval and have been approved will be eligible for award. Those not approved by NAVAIR will be required to submit a Source Approval Request (SAR) Package for the Navy ESA to review for future procurements.

6. Efforts to ensure that offers are solicited from as many sources as practicable are:

- a. A Sources Sought Notice was posted on SAM.gov with a Market Survey attached (see section 8).
- b. A Market Survey was mailed directly to the approved sources that are registered via DIBBS.
- c. The acquisition will be synopsisized on SAM.gov for a period of 15 days.
- d. The solicitation will be posted publicly via DLA Internet Bid Board System (DIBBS) and will be open for a 30 day period.

7. I hereby determine that the anticipated cost to the Government will be fair and reasonable based on a review of the most recent previous procurements, market research and PPI Price Analysis. This solicitation is for a one time buy, for a quantity of 21 EA. A review of Records Management revealed two procurements for this item in the last two years, all were determined fair and reasonable. The price for this procurement will be negotiated as needed after evaluation.

8. Market Research/Efforts to Obtain Competition:

The three most recent procurements were researched in Records Management. No alternate sources submitted offers. The GSA Advantage web site was reviewed on July 11, 2022, for the item, but it was not found. Market research was conducted via surveys and a Sources Sought July 15, 2022, through July 25, 2022.

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A Sources Sought Notice with market survey attached was posted via SAM.gov and produced no results. The market survey was sent via email and specifically requested an expression of interest, estimated price and delivery, business size, socioeconomic classifications, information regarding commerciality and information regarding other potential manufacturing sources. All interested sources were instructed to contact the buyer if interested. An email was also sent directly to approved manufacturers Duhadaway Tool and Die Shop, Inc. (1V517) and A.C.R. Machine, Inc. (4J831). Draftco Incorporated (1M994) is unregistered via DIBBS and was not able to be contacted directly. Multiple efforts were made to contact Duhadaway Tool and Die Shop, Inc. (1V517) with no avail. Response was received as follows:

ACR Machine (4J831): Intends to quote as a small business manufacturer. They prefer to do business with the government. [REDACTED]

[REDACTED] Item is non-commercial.

The Contracting Officer has determined that the item is not commercial. The item covered by this procurement will be non-commercial for the reasons stated below:

- a. Based on the definition of commercial items located in FAR 2.101 and will be procured under FAR Part 15.
- b. The Industrial Specialist tab under classification is blank, showing this is not considered a commercial off the shelf item.
- c. Review of the material number does not show evidence that this NSN is available on the commercial market nor is it of a type customarily used by the general public or by non-governmental entities for purposes other than government or military purposes as defined in FAR 2.101.
- d. A Google search for the subject P/N was conducted on August 11, 2022. While this P/N is listed on multiple Government part resale sites there is no pricing shown. No true commercial sales websites for this part were found.
- e. Market survey response was in agreement with the Product Specialist of record regarding commerciality.

9. Additional facts supporting other than full and open competition are:

- a. It is restated here that based on all of the research and information above, the coded sources listed above are the only sources known that possess the manufacturing knowledge and capability to produce the item to required quality standards.

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- b. This is a Critical Safety Item with a Special Procedures Category (SPC) code of “01”. Naval Air Systems Command, Lakehurst (NAVAIR) is the design control activity and determines which manufacturers are capable of producing the item to its CSI requirements. The components being acquired under this solicitation have been classified as “critical” requiring engineering source approval by Naval Air Systems Command (NAVAIR). Only those companies who have submitted requests for source approval and have been approved will be eligible for award. Any manufacturers that are not approved by NAVAIR will be required to submit a Source Approval Request (SAR) Package for the Navy ESA to approve for future procurements.

10. A listing of sources, if any, indicating an interest in the acquisition are:

-A.C.R. Machine, Inc. (4J831)

11. The following actions are being taken to identify additional sources:

- a. The solicitation contains DLAD Procurement Note M06 Evaluation of Offers for Part Numbered Items and DLAD Procurement Note L04 Offers for Part Numbered Items.
- b. The Government will continue to conduct market research to see if changes occur in the marketplace that would enable future actions for this item to be competitive.
- c. Any manufacturers or vendors who would like to pursue source approval will need to receive Source Approval guidance for submission to the design activity, NAVAIR, and the DLA Competition Advocate’s Office.

12. The previous J&A is attached for review (Attachment #2).

13. Attachments:

- 1. Technical Certification
- 2. Previous J&A

