CLEAR

Date: 8 Jun 26

MEMORANDUM FOR THE RECORD

Subj: USE OF OTHER THAN FULL AND OPEN COMPETITION FOR AN ACQUISITION UNDER THE SIMPLIFIED ACQUISITION THRESHOLD

Ref: (a) PID Number: N32205-26-SIMACQ-DSM-PM8-0063

1. BACKGROUND:

a. For purchases not exceeding the simplified acquisition threshold, Contracting Officers may solicit from one source if the Contracting Officer determines that the circumstances of the contract action deem only one source reasonably available (e.g., urgency, exclusive licensing agreements, items particular to one manufacturer).

b. As required by FAR 12.102(a) or GSAR 538.7104-3 and -4, this memorandum documents the decision that only one source is or limited sources are available and the basis for the decision. The requirement does not exceed the simplified acquisition threshold.

2. DESCRIPTION OF PRODUCT OR SERVICE:

a. Description: Heat exchanger material (gaskets and guides)

b. Required delivery date or period of performance: 03/12/2027

c. Intended use: These parts are essential for the scheduled 5-year maintenance of the MPDE heat exchangers, model NT150S B-10, to ensure proper engine cooling and operational readiness for the USNS Newport.

d. Required Source or Brand Name: Kelvion Inc

e. Critical Ship Equipment. Per COMSCINST 4490.1(series) and SMS Procedure 10.6-002-ALL, the required product(s) ◉ **is/are** ○ **is not/are not** designated as critical ship equipment, the failure of which poses a hazard to the ship, the crew or the environment.

The Main Propulsion Diesel Engine heat exchanger is a critical ship equipment. Its failure due to incorrect or non-OEM parts could lead to engine overheating and catastrophic failure, posing a hazard to the ship, crew, and mission.

3. DETERMINATION (select A, B, or C):

a. ○ **ONLY ONE RESPONSIBLE SOURCE:** (*If there is more than one distributor/authorized technical representative for an OEM part, then Part B, BRAND NAME SOLE SOURCE, is applicable, and Part A, ONLY ONE RESPONSIBLE SOURCE, is left blank.*)

MSC Version 3.0 (dtd 6 Feb 2026)

(1) ☐ RESTRICTIVE RIGHTS. The source has established proprietary rights, limited rights in data, patent rights, copyrights, or secret processes in the product or service. *Explain what rights are restricted, why the restrictive rights make the required item or service available from only one source, and why another company could not satisfy the Government's need.*

(2) ☐ EXCLUSIVE LICENSING AGREEMENTS: The item or service is only available from the Original Equipment Manufacturer (OEM), or there is only one authorized distributor or technical representative for the OEM. *(Complete only a or b below)*

(a) ○ Identify the OEM and explain the circumstances surrounding why the item or service is only available from the OEM.

(b) ○ Identify the distributor / authorized technical representative for the item or service. Provide evidence of the exclusive licensing agreement as an attachment to this document.

(3) ☐ STANDARDIZATION: Per COMSCINST 4790.3, to maintain fleet configuration baseline, only the specified make/model of the equipment/parts will satisfy the Government's needs for additional units or replacement items.

(a) Make and Model: _____

(b) Other vessels with this Make / Model: _____

(4) ☐ COMPATIBILITY: Product is direct replacement part(s) for existing equipment and must be compatible. Make and Model: _____

(5) ☐ OTHER REASONS. *Other reason not identified above. Provide details on mission impact if requirement is not solicited from only one source.*

b. ⊙ BRAND NAME. Item required must be a brand name product, or feature of a product, particular to one manufacturer.

(1) ☑ STANDARDIZATION: Per COMSCINST 4790.3, to maintain fleet configuration baseline, only the specified make/model of the equipment/parts will satisfy the Government's needs for additional units or replacement items.

(a) Make and Model: Model: NT150S B-10

(b) Other vessels with this Make / Model: T-EPF class vessels

- **The Statement of Work (SOW) requires maintenance to be performed on the Main Propulsion Diesel Engine coolers, specifically identified as Mfg: Kelvion Inc. Model: NT150S B-10. The SOW further mandates that inspections, maintenance, and testing be conducted under the supervision of a contractor-provided Original Equipment Manufacturer (OEM) field service representative from a Kelvion-authorized facility.**

- **The technical drawings for the heat exchanger (GEA S150/13888) detail a highly specific and proprietary design, including plate dimensions, material specifications (Titanium), and gasket configuration. The performance of this critical component is directly dependent on using genuine Kelvion parts that match these proprietary specifications.**

- **The Government cannot verify that an alternative manufacturer's products would have the exact material composition, dimensional tolerances, and heat transfer characteristics required for this specific application without extensive and cost-prohibitive testing. Any deviation could lead to improper sealing, leaks, and inefficient engine cooling, resulting in critical failure of the propulsion system. Market research indicates that only the OEM, Kelvion Inc., can guarantee these features, which are essential to the Government's requirements.**

(2) ☐ COMPATIBILITY: Product is direct replacement part(s) for existing equipment and must be compatible. Make and Model: _____

c. ◯ URGENCY (C3/C4 Casualty Report). As defined in Naval Warfare Publication 1-03-1, the supplies or services are of such urgency that the Government would be seriously injured unless the agency is permitted to limit the number of sources from which it solicits. Urgent requirements are supplies or services that will result in work stoppage, or are mission critical and the routine processing time would injure the Government. The determination that the procurement for the above is an urgent requirement is based on the following:

(1) Date on which the requirement was identified: _____

(2) Required delivery date or period of performance: _____

(3) Explanation of why delivery/commencement of services by the date mentioned above is required.

(4) If appropriate, include any additional pertinent information.

(5) CASREP Number: _____

4. CERTIFICATIONS AND APPROVALS:

a. Technical / Requirement Certification: I certify that the facts and representation under my cognizance, which are included in this justification are complete and accurate to the best of

my knowledge and belief.