DEPARTMENT OF THE NAVY
STRATEGIC WEAPONS FACILITY, ATLANTIC
1150 USS LOS ANGELES ROAD
KINGS BAY, GEORGIA 31547-2634

IN REPLY REFER TO:

N64709-26-03

SOLE SOURCE JUSTIFICATION UNDER SIMPLIFIED ACQUISITION PROCEDURES

1. Identification of the Agency and Contracting Activity

The agency and contracting activity for this effort is the United States Department of the Navy's Strategic Weapons Facility, Atlantic (SWFLANT) located at 1150 USS Los Angeles Rd, Kings Bay, GA 31547-2634.

2. Description of the Action Being Approved

This justification and approval (J&A) authorize and approves the use of other than full and open competition to award a one-time, firm-fixed-price, sole-source contract to MTU Friedrichshafen GmbH (MTU) for the procurement of up to twenty (20) SV-64 engines, with an option to purchase five (5) additional SV-64 engines. This is a lifecycle sustainment purchase.

3. Description of Supplies/Services and Estimated Value

Original Equipment Manufacturer (OEM) MTU (Motoren – and Turbinen-Union of Rolls-Royce Power Systems) 10V2000M92. The Government requires a quantity of twenty (20) new OEM-manufactured SV-64 engines to support the lifecycle rotation and sustainment of the SV-64 vessel class through its planned end-of-life in approximately 2035. The total required quantity is non-severable due to the production circumstances outlined in Section 5. The estimated value of this acquisition is [redacted].

4. Statutory Authority:

The statutory authority for restricting competition under simplified acquisition procedures is 41 U.S.C. 1901, as implemented through FAR 12.102(b) and Table 12-1, Authority Citation for Restricting Competition. Under this authority, the agency may limit sources when acquiring commercial products where competition is not practicable. Public Law 111-350 (124 Stat. 3752) recodified this authority, and 41 U.S.C. § 3305(a) authorizes the use of noncompetitive procedures when a procurement must be made from a specified source or when the agency requires a brand-name commercial item. The engine required for this acquisition is a proprietary, OEM-controlled design for which the manufacturer holds exclusive rights to the technical data, tooling, and configuration specifications. No other source is legally or technically capable of producing, modifying, or supplying this engine in a manner that meets the agency's operational, safety, and compatibility requirements. Because the OEM is the sole entity with the legal authority and technical capability to provide this engine, restricting competition is necessary and fully supported by the statutory framework governing commercial item acquisitions and simplified acquisition procedures.

5. Rationale Supporting Use of Cited Authority

The equipment specified in this Contract is original to the Gladding Hearn designed and built 64-foot Patrol Boat (64PB), as procured by Government Contract N00024-07-F-2213, Modification 3.

Sole Source OEM: MTU Friedrichshafen GmbH is the original equipment manufacturer (OEM) of the SV-64 engine. As the OEM, MTU is the sole designer, developer, and producer, and possesses the exclusive proprietary technical data, specialized tooling, and manufacturing expertise required to produce this engine. No other source has access to the necessary drawings or intellectual property.

Item Obsolescence: The SV-64 engine is obsolete and no longer in serial production. MTU has agreed to re-establish a production line for the express purpose of this single production run for the U.S. Navy. This is a unique, one-time opportunity to fulfill the Government's total life-cycle requirement. Non-Severable Requirement: The significant, one-time cost and logistical effort for MTU to re-establish the obsolete production line make it prohibitive to conduct smaller, recurring procurements. The cost to the Government to reopen the production line annually would be vastly expensive and fiscally irresponsible. Therefore, a single, one-time life-cycle purchase is the only viable acquisition strategy.

6. Market Research Conducted

In accordance with RFO 12.102, market research has confirmed that only one responsible source is capable of meeting the Government's minimum requirements, supporting the restriction of competition and the use of a brand-name description without allowing for "equal" products. No synopsis was published as this is a purchase of a supply for which there is only one responsible source; market research (detailed in paragraph 8) has definitively confirmed that MTU is the only entity with the capability to produce new SV-64 engines. Therefore, soliciting offers from other sources would serve no purpose and would only result in unnecessary delay to a critical procurement. Consistent with RFO 5.101(b)(2), when the Government has established that only one source is available, a synopsis is not required, and public notice is not necessary for this action.

7. Description of Efforts Made to Solicit Offers from as Many Potential Sources as Practicable

The Contracting Officer will determine the final negotiated price to be fair and reasonable prior to award. A detailed cost and price analysis will be conducted upon receipt of the contractor's certified proposal to ensure the final price is fair and reasonable.

8. Fair and Reasonable Determination

Market research was conducted to identify alternative solutions and potential sources. This research confirmed that no other manufacturer has the capability to produce the required SV-64 engine. Furthermore, research and analysis were conducted on the alternative of rebuilding existing engines. This alternative was deemed not viable due to two primary factors:

No Cost or Schedule Advantage: Rebuilding existing engines does not provide a meaningful cost or time savings compared to procuring newly manufactured engines.

Material Scarcity: A severe and growing scarcity of existing engine blocks, a critical component for rebuilds, makes this alternative logistically unsupportable for the full lifecycle requirement. The program has already exhausted its on-hand inventory of rebuilt engines to avoid a [redacted], highlighting the unsustainability of this approach.

This research conclusively demonstrates that a sole-source, one-time purchase from the OEM is the only course of action that satisfies the Government's need.

9. Other Facts Supporting the Use of Other than Full and Open Competition

None

10. List of Sources that Expressed an Interest in the Acquisition

None

11. Actions to Remove or Overcome Barriers to Competition

Based upon the aforementioned facts and details identified in Section 5, the Government does not foresee a feasible alternative to the selected source. SSP will continue to monitor the marketplace for viable, cost-effective options to meet this requirement.

CERTIFICATION AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this justification are complete and accurate to the best of my knowledge and belief.

Technical Cognizance:

[redacted]

Signature

LEGAL SUFFICIENCY REVIEW

I have determined this Limited Source Justification is legally sufficient.

[redacted]

Signature

CONTRACTING OFFICER APPROVAL

I certify that this justification is accurate and complete to the best of my knowledge and belief. Upon the basis of the above justification, I hereby approve.

[redacted]

Signature