**JUSTIFICATION AND APPROVAL FOR**
**OTHER THAN FULL AND OPEN COMPETITION**
**10 U.S.C. § 3205**

Pursuant to the requirements of the Competition in Contracting Act (CICA) as implemented by Federal Acquisition Regulation (FAR) 12.102(b), FAR Class Deviation 25-21 Rev. 1 for FAR Part 12, FAR 6.103, FAR Class Deviation 25-11 for FAR Part 6 and in accordance with the requirements of RFO 6.104, the justification for the use of the statutory authority under RFO 6.103 is justified by the following facts and rationale required under RFO 6.104-1 as follows:

1. **Agency and Contracting Activity.**

   The Department of Homeland Security, United States Coast Guard (USCG), Aviation Logistics Center (ALC), Long Range Surveillance (LRS) Product Line (PL) proposes to enter into a contract on a basis other than full and open competition.

2. **Nature and/or Description of the Action being Approved.**

   (a) Nature of the action: The USCG, ALC, LRS PL requests approval to solicit and award on a sole source basis, a Firm-Fixed Price, Indefinite-Delivery, Requirements Type Contract for the Repair and Modification of HC-130J Aircraft and HC-27J Aircraft Digital Crew Units (DCU) and Digital Switching Units (DSU)**.**

   (b) Name and address of the contractor:

   Palomar Products Inc., 23042 Arroyo Vista, Santa Margarita, CA 92688

   (c) Contract Type: Firm-Fixed Price, Indefinite-Delivery, Requirements Type Contract (No Option Years).

   (d) Estimated total value (including options): [redacted]

   [redacted]

   (e) Type of funding: Operations and Support (O&S) funds

[1] In this document, citations to RFO Parts 12, 6, 10, 15, and 25 are citations specifically to Federal Acquisition Regulation (FAR) Class Deviation 25-21 Rev. 1 for FAR Part 12, FAR Class Deviation 25-11 for FAR Part 6, FAR Class Deviation 25-06 for FAR Part 10, FAR Class Deviation 26-08 Rev. 1 for FAR Part 15, and FAR Class Deviation 26-09, Rev. 1 for FAR Part 25, which were issued as part of the Revolutionary FAR Overhaul (RFO), which was implemented in response to Executive Order 14275, Restoring Common Sense to Federal Procurement, signed April 15, 2025.

(f) Year of funding: Fiscal Year 2026

(g) Solicitation number: 70Z03826QH0000027

(h) Background information about the requirement: The USCG, ALC, LRS PL supports the HC-130J aircraft by providing logistics, inventory management and sustainment support for the USCG aviation assets utilized by Air Stations geographically located in and outside the continental United States. As part of this responsibility, the LRS PL has a requirement for sustainment of numerous components used on the aircraft, which includes avionic components and accessories. The services under this justification were previously awarded on a sole source basis via individual purchase orders to Palomar Products Inc.

**3. Description of Supplies/Services.**

This requirement is for the Repair and Modification of HC-130J Aircraft and HC-27J Aircraft Digital Crew Units (DCU) and Digital Switching Units (DSU) to be used on the HC-130J aircraft. The services provided under this contract will include teardown, testing evaluation, and repair and modification of HC-130J DCUs and DSUs, as well as HC-27J DCUs and DSUs.

**4. Identification of Statutory Authority Permitting Other Than Full and Open Competition**

The statutory authority permitting other than full and open competition is 41 U.S.C. § 1901 implemented in FAR 12.102 (FAR Class Deviation 25-21), "Restricting Competition".

**5. Identification of Exception to the Buy American Statute**.

The Buy American Act does not apply to this requirement for repair services.

**6. Demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the authority cited.**

(a) Palomar Products Inc. is the Original Equipment Manufacturer (OEM) for the HC-130J DCU and DSU as well as the HC-27J DCU and DSU. All specifications, manufacturing drawings, and test equipment, and tooling required to perform repair and modification services on these components are proprietary to Palomar Products Inc. The USCG did not purchase the rights to the proprietary data required to foster a competitive environment as part of any original provisioning for use on the HC-130J or HC-27J aircraft. To maintain integrity of the system, ensure compatibility with the replacement components and safe operation of the aircraft, these components must be repaired by OEM, Palomar Products Inc.

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(b) Details covering what events lead to the situation requiring use of other than full and open competition procedures including whether any portion of the work can be segregated to allow for competition;

LRS Engineering Officers have determined that interested parties must have continued access to OEM manuals, specifications, and data to perform repair/modification services to the avionic components and accessories in this requirement. The USCG is prohibited from disclosing any technical documents in their possession as these were developed at private expense by Palomar Products Inc. and are proprietary. Palomar Products Inc. has declined to provide the proprietary rights to the government and has stated that they do not intend on selling the rights for repair or manufacture of these components through correspondence received on official company letterhead dated 12/18/2025. For these reasons, other than full and open competition procedures are necessary for this requirement, and no portion of the services can be segregated to allow for competition.

(c) Summarize alternatives considered and why they will not work;

The OEM, Palomar Products Inc., is the only authorized repair and modification facility. Palomar Products Inc is the only source with the proprietary data to perform the repairs and modifications; the only source with the technical expertise to interpret data; and the only source with the ability to solve technical problems that arise. Palomar Products Inc.'s proprietary data and technical expertise are vital for operational readiness of the system. There are no alternative sources; therefore, no alternative sources may be considered.

(d) Impact to the mission that would result if the J&A is not approved and, consequently, the product or service not provided.

Failure to approve this sole source Justification for Other than Full and Open Competition will jeopardize the performance of the USCG's mission due to grounding of aircraft as a result of insufficient stock being available as DCUs and DSUs are required for the operational readiness of the HC-130J aircraft.

(e) Rationale for use of the nonavailability exception to the Buy American statute, including detailed information explaining why the particular articles, materials, or supplies of the class or kind to be acquired, either as end items or components, are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

The exceptions under FAR 25.103(b)(2) and FAR 25.202(a)(2) do not apply to this requirement.

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**7. Description of Efforts Made to Ensure that Offers are Solicited from as Many Potential Sources as is Practicable.**

(a) If an entry was made in APFS, provide the publication date.

Forecast Record F2026072649 was originally published on 12/5/2025 and the record was revised and published on 1/27/2026.

(b) If an announcement has already been made in SAM.gov, provide the publication date.

The sources sought notice received one (1) timely response that was determined to be a capable source. On 12/18/2025 Palomar Products Inc. provided a capability statement on company letterhead that states no other authorized repair facilities exist as well as confirming their status as the OEM of the part numbers referenced in the list of parts.

(c) If an announcement is being planned for posting in SAM.gov, provide the estimated publication date.

It is anticipated that a solicitation will be posted on 4/17/2026. Any capability statement or quote received in response to the combined synopsis/solicitation will be considered prior to award.

(d) If an announcement will not be published, identify the applicable exception under RFO Part 5.

The exceptions under FAR 5.202 do not apply to this requirement.

**8. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable.**

The Contracting Officer anticipates the prices for this procurement will be fair and reasonable IAW FAR 12.204(a) (FAR Class Deviation 25-21). This will be based on comparison with similar items in a related industry and comparison to the IGCE.

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**9. Description of Market Research.**

(a) Describe the market research techniques used, results, date(s) when the market research was conducted, and how the contracting officer used the market research to determine price reasonableness.

Market research was conducted IAW FAR Part 10 (FAR Class Deviation 25-06) from July 2025 through January 2026. Market research indicates that the repair/modification services on the components identified in this requirement are not listed in a General Services Administration (GSA) contract or available through GSA Advantage. Market research also consisted of querying the Acquisition history, Internet Search, Inventory Locator System (ILS), Catalog and product literature, DHS-Wide and Multi-Component Contract Vehicles, Excess from Other Agencies, AbilityOne, and Contracting Opportunities. These searches revealed no alternate supply sources. The OEM's repair facility is the only approved source to provide the required repair/modification services. These repair/modification services for the HC-130J aircraft are commercial in nature and are prevalent in private aviation and commercial aviation. All terms and conditions are not expected to differ from customary terms and conditions in the marketplace or standard Government practices.

Sources Sought Notice 70Z03826IH0000010 was posted to SAM.gov on 11/25/2025 and closed on 12/18/2025. The sources sought notice received one (1) timely from Palomar Products Inc. On 12/8/2025 Palomar Products Inc. provided a capability statement on company letterhead that states no other authorized repair facilities exist as well as confirming their status as the OEM of the part numbers referenced in the list of parts.

(b) Describe the market research results that support the determination that the items are nonavailable.

The exceptions under FAR 25.103(b)(2) or FAR 25.202(a)(2) do not apply to this requirement.

(c) If market research was not conducted, state why.

Not applicable. Market research was conducted IAW FAR Part 10 from July 2025 to January 2026

(d) If patents, copyrights, and/or intellectual property are applicable to the acquisition, describe the circumstances for acquiring a patented or copyrighted product on the representation of the intellectual property holder that has not been licensed for resale and consult with the Coast Guard IP attorney.

This requirement does not have patents, copyrights, and/or intellectual property.

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**10. Any Other Facts Supporting the Use of Other Than Full and Open Competition.**

(a) An explanation why technical data packages, specifications, statement of work, or purchase descriptions are not suitable for full and open competition.

The repair/modification services to be procured under this acquisition are highly specialized in nature and developed by a non-Government activity. The technical data required to procure repair and modification services from sources other than the OEM is not available. Palomar Products Inc. is the only authorized repair facility for the required repair and modification services for the HC-130J/HC-27J DCUs and DSUs used on the HC-130J aircraft. Palomar Products Inc. has no an interest in selling or providing proprietary data rights to the government or any other entity. It is not economically feasible for the USCG to purchase these proprietary rights.

(b) Discuss why your requirement cannot be modified to enhance competition.

The repair/modification services to be procured are complex and must meet critical operational and reliability requirements, the achievement of which requires unique production techniques and extensive and/or sophisticated testing. The government has not yet acquired or developed the technical data. If another potential source emerges, and the USCG is able to obtain the required technical data, the USCG will assess whether competition for any future requirement is feasible.

(c) For a proposed contract subject to the restrictions of RFO 6.103-for follow-on acquisitions as described in 6.103-1(c)(2)(i), all components must provide an estimate of the cost to the Government that would be duplicated and detailed information on how the estimate was derived.

This requirement is not subject to the restrictions of FAR 6.103-1 as described in FAR 6.103-1(c)(2)(i).

(d) For a proposed contract subject to the restrictions of RFO 6.103-2(c) or HSAR 3006.103-2(c)(70), HSAR Class Deviation 25-01 and where RFO 6.103-2 is cited as the authority, describe the exceptional circumstances allowing for an award for a period of performance in excess of the one-year limitation (applicable to all federal agencies) or the DHS-specific statutory 150-day limitation.

This requirement is not subject to the restrictions of FAR 6.103-2(c) or Homeland Security Acquisition Regulation (HSAR) 3006.103-2(c)(70).

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**11. A Listing of the Sources, if Any, that Expressed, in Writing, an Interest in the Acquisition.**

Palomar Products Inc. submitted a response to the Sources Sought Notice on 12/8/2025 confirming capability to complete the requested services as they are the OEM for the parts referenced in the schedule and confirmed there are no authorized repair facilities.

**12. A Statement of the Actions, if Any, the Agency May Take to Remove or Overcome Any Barriers to Competition Before Any Subsequent Acquisition for Supplies or Services Required**

(a) Will the Government revise overly technical specifications, acquire data rights, etc.?

The USCG does not possess the technical data required to foster full and open competition for repair and modifications services on the HC-130J aircraft and HC-27J aircraft DCUs and DSUs covered under this justification and approval. The USCG will continuously conduct market research to ensure that companies interested in doing business with the USCG are given every opportunity to compete for future USCG requirements. To increase competition, program members conduct internet database research and ensure procurements are advertised in SAM.gov. If another potential source emerges, and the USCG can obtain the required technical data, the USCG will assess whether competition for any future requirements is feasible.

(b) When a J&A is issued for the purposes of acquiring goods or services while a competitive procurement is being conducted, the justification should include a detailed timeline for completion of the competitive procurement. The period of performance for the sole source action should fairly balance the time needed to complete the competitive procurement. The focus should be on minimizing the need for additional sole source awards.

Not applicable to this requirement.

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**13. 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.

[redacted]

**14. 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.

[redacted]

**RECOMMENDED FOR APPROVAL**

[redacted]

**APPROVAL**

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