SOLE SOURCE ACQUISITION

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 Class Deviation 25-1 and in accordance with the justification for the use of the statutory authority under 10 U.S.C. 3205 is justified by the following facts and rationale required as follows:

1. Agency and Contracting Activity.

The Department of Homeland Security, United States Coast Guard (USCG), Surface Forces Logistics Center (SFLC), Patrol Boat Product Line (PBPL) Supply Branch prepared this justification for other than full and open competition.

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

(a) Nature of the action: The USCG intends to procure on a sole source basis Original Equipment Manufacturer (OEM) propulsion shaft bearing assemblies and associated components used to support the 154' Coast Guard Patrol Craft (WPC) vessel fleet. The NAICS is 331529 – Other Non-Ferris Metal Foundries, 326291 – Rubber Product Manufacturing for Mechanical Use. The Product Service Code (PSC) is 2010 - Ship and Boat Propulsion Components.

(b) Name and address of the contractor:

(c) Type of action: Requirements-type contract with Firm Fixed-Pricing with Economic Price Adjustment for five (5), one (1) year ordering periods.

(d) Estimated total value:

Period	**Total**	**Ordering Period**
1st Ordering Period		
2nd Ordering Period		
3rd Ordering Period		
4th Ordering Period		
5th Ordering Period		
Total		

(e) Type of funding: Surface Operations funds to award contract and current fiscal year funding for delivery orders.

(f) Year of funding: Fiscal Year 2026 - 2031

(g) Solicitation number: 70Z08025Q14001B00

(h) Background information about the requirement: The 154' vessels are still being built by the shipbuilder, Bollinger Shipyards, LLC; the Coast Guard has received initial seed stock for inventory. As the seed stock has been issued, multiple purchases have been made via purchase orders under the Simplified Acquisition Procedures (SAP) section. Two of the items do not have purchase history as the initial seed stock is still being issued. The most recent purchase history for some of the items in this requirement are listed below:

Part No.	NSN	Contract	Vendor	Qty	Price each	Total Price
Bearing Assembly, Stave Forward						
80920203000001	2010-01-605-8306	No Purchase History				
Bearing Assembly, Stave, Aft						
80920203000002	2010-01-605-8113	No Purchase History				
Parts Kit, Bearing Replacement						
80920203000003	3120-01-605-7400	70Z08020C12002B00	Duramax Marine	20		
		70Z08020P20056B00	Duramax Marine	11		
		70Z08020P20314B00	Duramax Marine	20		
		70Z08022P20720B00	Duramax Marine	20		
		70Z08023P20468B00	Duramax Marine	20		
		70Z08023P22063B00	Duramax Marine	05		
		70Z08024P20054B00	Duramax Marine	20		
		70Z08024P20061B00	Duramax Marine	20		
Parts Kit, Bearing Replacement						
80920203000004	3120-01-605-7345	70Z08019P20343B00	Duramax Marine	02		
		70Z08020C12002B00	Duramax Marine	24		
		70Z08020P20056B00	Duramax Marine	05		
		70Z08020P20314B00	Duramax Marine	02		
		70Z08023P22063B00	Duramax Marine	05		
		70Z08024P20071B00	Duramax Marine	06		
Parts Kit, Bearing Replacement						
80920203000005	3120-01-605-7510	70Z08019P20343B00	Duramax Marine	02		
		70Z08020C12002B00	Duramax Marine	26		
		70Z08020P20056B00	Duramax Marine	05		
		70Z08023P22063B00	Duramax Marine	05		
		70Z08024P20071B00	Duramax Marine	05		

3. **Description of Supplies/Services.** The USCG SFLC anticipates awarding a five-year (5 Ordering Periods) requirements type contract with Economic Price Adjustment to procure

Duramax Marine, LLC propulsion shaft bearing assemblies and associated components in support of the 154'vessels. Duramax Marine, LLC is the OEM and only manufacturer that supplies the propulsion shaft bearing assemblies and associated components listed in this requirement. These parts are used to hold the propulsion shaft and its weight in proper position and alignment as rotary motion is transferred from the engine reduction gears to the propellers during vessel propulsion and movement. This equipment is critical to the operation of the 154' vessels to complete their missions.

The following propulsion shaft bearing assemblies and associated components will be purchased in various quantities:

CLIN	Duramax Marine, LLC Part NBR	FSC	NIIN	Noun Name
0001	80920203000001	2010	01-605-8306	Bearing Assy, Stave, forward
0002	80920203000002	2010	01-605-8113	Bearing Assy, Stave, Aft
0003	80920203000003	3120	01-605-7400	Parts Kit, Bearing Replacement
0004	80920203000004	3120	01-605-7345	Parts Kit, Bearing Replacement
0005	80920203000005	3120	01-605-7510	Parts Kit, Bearing Replacement

4. **Identification of Statutory Authority Permitting Other Than Full and Open Competition.** The statutory authority permitting other than full and open competition is 10 U.S.C. §3205 implemented by FAR Subpart 13.501(a) sole source (including brand name) acquisitions as defined in FAR 2.101.

5. **Identification of Exception to the Buy American Act**. An exception to the Buy American Act has been identified through FAR 25.104 Nonavailable articles.

   (a) The following articles have been determined to be nonavailable in accordance with 25.103(b)(1)(i): Spare and replacement parts for equipment of foreign manufacture, and for which domestic parts are not available.

6. **Demonstration that the Proposed Contractor's Unique Qualifications or the Nature of the Acquisition Require Use of the Authority Cited.** The propulsion shaft bearing assemblies and associated components listed in this requirement are commercial items, comprised of multiple interrelated parts, designed and manufactured by Duramax Marine, LLC. The propulsion shaft bearing assemblies and associated components were procured as a whole and was originally described as such by the Government. Procurement was not based on Government specified descriptions of all the various components contained within; and the Government has not bought those descriptions from Duramax Marine, LLC. Other than basic part/component descriptions (part numbers, etc.) provided by Duramax Marine, LLC, the Government does not possess descriptions adequate for

procuring all the various propulsion shaft bearing assemblies and associated components full and open.

All reproduction manufacturing drawings, specifications, and other technical data pertaining to the propulsion shaft bearing assemblies and associated components were not purchased when the 154' vessels were built and are not available for use by the Coast Guard now. The Coast Guard does not possess the propulsion shaft bearing assembly and associated components manufacturing technical data required to obtain full and open competition. Further, the scope of manufacturing, special tools and equipment required to manufacture the various propulsion shaft bearing assemblies and associated components are unknown. The technical data that is needed is proprietary to the OEM. Without the adequate data, the Coast Guard is not capable of evaluating equal or alternate propulsion shaft bearing assemblies and associated components manufactured by other than the OEM. The use of OEM propulsion shaft bearing assemblies and associated components will ensure components and processes are sufficient to enable physical and functional interchangeability, as well as meeting source, size, configuration, and performance requirements.

7. **Description of Efforts Made to Ensure that Offers are Solicited from as Many Potential Sources as is Practicable.** Pursuant to FAR Subpart 5.2, in an effort to solicit as many potential sources as practicable, a Sources Sought Notice was posted on SAM.gov from November 12, 2024 – November 22, 2024, requesting that parties express their interest in writing to the Contract Specialist. The vendors were asked to respond with a positive statement of their intent to submit a quote while documenting their ability to provide the propulsion shaft bearing assemblies and associated components listed in this requirement. The notice was then sent directly to Duramax Marine, LLC on November 12, 2024. The only response to the notice was from the OEM, Duramax Marine, LLC. The propulsion shaft bearing assemblies and associated components requirement was published in the Acquisition Planning Forecast System (APFS) November 12, 2024, F2025068566. No inquiries from industry were received.

8. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable.** The Contracting Officer (KO) will determine whether the anticipated price is fair and reasonable based on comparison with the IGE, market research, previous purchase history and, if necessary, require the offeror to submit other than certified pricing data. Previous purchase history includes various purchases under the (Simplified Acquisition Procedures) SAP section. The purchase history has adequate data for evaluating price reasonableness by comparing the proposed prices to historical prices paid by the USCG for the same or similar items. FAR 52.216-2 Economic Price Adjustment - Standard Supplies will be included in the contract to account for any volatile price changes that occur during the current unstable marketplace.

9. **Description of Market Research.** Market research as prescribed in FAR Part 10 was conducted by the PBPL Equipment Specialist (ES) and the Contract Specialist (KS) from January 2024 through December 2024. Market Research has shown that the propulsion shaft bearing assemblies and associated components utilized on the 154' class vessels are

only available from the OEM, Duramax Marine, LLC. The Duramax Marine, LLC drawings, technical data and manufacturing processes are proprietary and the required information to manufacture these bearing assemblies and associated components are not for sale and not allowed to be released by the USCG to the public. On September 30th, 2024, Contracting Officer Representative requested data rights and Duramax Representative declined.

10. **Any Other Facts Supporting the Use of Other Than Full and Open Competition.** None.

11. **A Listing of the Sources, if Any, that Expressed, in Writing, and Interest in the Acquisition.** A Sources Sought Notice was posted on SAM.gov on November 12, 2024, requesting that parties express their interest in writing to the Contract Specialist. The vendors were asked to respond with a positive statement of their intent to submit a quote while documenting their ability to provide the required propulsion shaft bearing assemblies and associated components. The only response to the notice was from the OEM, Duramax Marine, LLC.

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.** The USCG does not own the required drawings, specifications, technical data or manufacturing processes to evaluate non-OEM propulsion shaft bearing assemblies and associated components and it is unlikely that Duramax Marine, LLC will sell the data rights to the USCG or another company. The Equipment Specialist reached out to Duramax Marine, LLC as stated in paragraph nine above as to the ability to purchase the proprietary technical data to be used for full and open competition. The OEM declined this request. Prior to subsequent propulsion shaft bearing assembly and associated components acquisitions, the USCG will continue its attempt to obtain the applicable drawings, specifications, etc. from the OEM and will conduct follow-up market research to determine the availability of distributors for Duramax Marine, LLC products.