

	Military Sealift Command Managers' Internal Control- Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Endorsed by the M&R Steering Committee	Issued By: CADE.STEVEN.CH ARLES.1075700365 <small>Digitally signed by CADE.STEVEN.CHARLES.1075700365 Date: 2020.03.30 15:01:28 -04'00'</small>	SSIC: 4490 ISO:10.3 ISM: 10.9
	Date: _____ Steven C. Cade COMSC Executive Director	Page 1 of 9

MSC Ship Critical Safety Items Parts and Service Support

REFERENCES:

- (a) COMSCINST 4700.1
- (b) 10 U.S.C. § 2319 Encouragement of New Competitors
- (c) 41 U.S.C. § 3311 Qualification Requirements
- (d) FAR 9.2 Qualification Requirements
- (e) COMSCINST 4490.1C
- (f) Federal Acquisition Regulation Section 11.105
- (g) N0700.100.10.W Evaluation of Non-OEM Technical Field Service Providers and “Or Equal” Repair Parts

ENCLOSURES:

- (1) Work Item, Service Order/Task Order SOW Language for MSC Designated Ship Critical Safety Items

1 PURPOSE: To implement requirements and determination for use of original equipment manufacturers (OEM) and non-OEM parts and service for ship critical safety items for MSC ships, excluding chartered vessels, and to execute the requirements of references (a) through (e). Application of these procedures with respect to OEM only decisions will conform to FAR 11.105 – Items Peculiar to One Manufacturer, reference (f).

2 BACKGROUND / OBJECTIVES / APPLICABILITY:

2.1 Background:

2.1.1 Reference (a) requires that MSC ships be maintained to be ready to support any planned or emergent requirement. Reference (c) defines ship critical safety items and designates MSC N7 Engineering as the Design Control Activity (DCA) responsible to identify ship systems and equipment items that meet the criteria for designation as ship critical safety items and to determine the parts and service requirements for these items.

2.1.2 The risk associated with using the OEM authorized parts and service is inherently lower than using non-OEM parts and service, as demonstrated by historical data. Using the OEM to provide parts and service for the maintenance and repair of ship critical safety items is in the best interest of MSC, given their knowledge and experience with the systems and equipment. Alternatively, it is recognized that there are non-OEM parts and service providers that may have the technical knowledge, access to technical data, parts, tools and expertise to provide equivalent maintenance and repair support as encouraged by reference (b), subject to qualification in accordance the criteria noted herein. Use of ship’s force labor in lieu or augmentation of the ship critical safety items service provider is permitted.

2.2 Objectives: To identify the list of ship critical safety items that require use of OEM authorized parts and OEM authorized service providers or non-OEM qualified technical service providers; to outline the process and criteria for non-OEM authorized parts acceptability; and to implement criteria for qualifying non-OEM contractors to accomplish M&R for ship critical safety systems and equipment.

2.3 Applicability: N4, N7, N10, PMs.

3 PROCEDURES / PROCESSES:

3.1 Ship critical safety items shall only consider original equipment manufacturer (OEM) authorized parts and service providers unless technically acceptable alternatives are shown to be equal or better quality.

3.1.1 Commercial off the shelf (COTS) components of a critical equipment or system, such as an electric motor or a flexible hose, do not need to be maintained with parts and service under the equipment OEM representative.

3.1.2 Where a particular component of a ship critical safety items system is known to be a product of another OEM, separate from the prime equipment OEM, that component may be serviced by the component OEM, if in the best interest of the Government. An example would be a propulsion shaft coupling manufactured and serviced by a different OEM from the propulsion shafting OEM/consolidator.

3.1.3 An alternative service provider that is not recognized by the OEM or does not presently hold a current MSC qualification letter can be utilized if there is a significant risk of mission failure and no OEM or qualified non-OEM technical service provider is available in the time allocated to avoid mission failure. In such cases, Engineering Director (N7) as the DCA may assess the service provider’s qualifications and provide situational concurrence for the use of the alternative service provider.

3.1.4 As certain equipment and systems age, the OEM may make a business decision to reduce or no longer support that equipment or system. In those cases, MSC will seek out alternate parts and service providers that present the least risk at the best price for the Government.

MSC Managers’ Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 2 of 9

3.1.5 The use of OEM-authorized or MSC qualified non-OEM technical service providers is endorsed by MSC as a maintenance and repair tool to ensure that equipment and systems are maintained, repaired, modified, and tested in accordance with manufacturer's recommendations and operability of that equipment is optimized.

3.1.6 MSC will comply with procurement law, policy, and procedures whenever procuring a requirement for parts and services for ship critical safety items on a non-competitive basis. The policy in the reference (e) instruction or this procedure by itself does not qualify as blanket authority to justify a non-competitive procurement.

3.1.7 MSC shall solicit for vendors offering to provide non-OEM parts and service via our public access website (<https://procurement.msc.navy.mil>) and through MSC Contracting market surveys in accordance with FAR 9.205. N7 Engineering as the DCA shall verify acceptability of parts and service providers in accordance with the above noted criteria. N7 shall draft proposal instructions and a technical evaluation factor addressing ship critical safety items to include in all solicitations.

3.1.8 Paragraph 5.1 of this procedure includes the list of ship critical safety items subject to the requirements of this instruction.

3.2 Repair Parts

3.2.1 Only OEM authorized or MSC qualified parts shall be procured and used in the maintenance and repair of the systems and equipment listed in Section 5.1 of this procedure.

3.2.2 When the OEM does not supply specific parts, or the OEM is no longer in business or no longer supports a piece of equipment, N7 shall designate permissible parts manufacturers/ suppliers to be used for maintenance and repair parts procurements based upon known technical details of the original parts using reference (g).

3.2.3 When contractor furnished material (CFM) is required and specified by brand name in the contract or work item, equivalent material ("or equal" products) may be proposed. "Or equal" repair parts shall be evaluated by N7 to determine equivalency to OEM specifications through reference (g). Proof of industry use of the "or equal" repair parts shall be considered in the determination.

3.3 Technical Service Providers

3.3.1 Only OEM authorized or MSC qualified non-OEM technical service providers shall be commissioned to accomplish the work on the ship critical safety items listed in paragraph 5.1.

3.3.2 Contractors may request qualification as a non-OEM qualified technical

MSC Managers' Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 3 of 9

service provider.
qualifications:

- a. These service providers will be required to have the following
 - Substantial journeyman-level documented work experience which includes formal training in a field service organization as an authorized manufacturer's technical representative or technical service provider for the type of equipment or systems being serviced, repaired, installed, modified, or relocated.
 - Demonstrated competency in analyzing repair requirements and maintenance and repair process performance and making recommendations based upon as-found condition results and/or performance analysis.
 - Recent references (within the last 3 years) from at least three different clients for whom service was provided as a qualified technical service provider on the type of equipment or systems being serviced, repaired, installed, modified, or relocated.
 - Ability to procure OEM authorized parts and access to manufacturer's drawings, technical manuals, technical service bulletins, and special tools for the equipment or machinery specified in the work item. Further, they shall have the ability to reach-back to the OEM's engineering department to assess, diagnose and properly accomplish maintenance and repair (M&R), or provide their own expert engineering assessment. The non-OEM qualified technical service provider shall have expert knowledge of the equipment or system and shall be able to provide detailed repair requirements, including identification of parts required, authorized sources for those parts, and step-by-step repair procedures to the shipyard or other industrial assistance contractor and the MSCREP to return the equipment functionality to proper full operating parameters.

b. Qualification criteria is posted on the MSC public access web page at <https://procurement.msc.navy.mil/>. Contractors may request qualification review by submitting a package demonstrating compliance with the criteria above to the following email address: MSC_NonOEM_Qual.fct@navy.mil.

c. N7 will perform qualification review of all information provided by the requestor using reference (g) and notify the requestor of additional information required.

- Requestors who demonstrate full qualification will be provided a qualification letter. Qualification letters are valid for 2 years;

MSC Managers' Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 4 of 9

once this period has lapsed, contractors must request renewal and resubmit a request for qualification review. A listing of MSC qualified non-OEM technical service providers is maintained on the MSC public access web page at <https://procurement.msc.navy.mil/>.

- N7 will perform an internal review of any potential requestor that appears to have failed to meet the requirements of this QMS to be a non-OEM qualified technical service provider. The internal review will be conducted at least one-level above the original reviewer and will be comprised of a group of technical branch engineers and Type Desk Supervisors. The group will be known as the Technical Qualifications Review Board (TQRB). Board members will review the qualification review accomplished per reference (g) and may include consideration of other relevant information, facts, and documentation applicable to the specific situation under consideration, either known to the board or submitted by the requestor. Such "other information" must be detailed in the TQRB report and the requestor made aware of its consideration.
- If during the 2-year period the contractor is determined to be unqualified, the letter of qualification will be revoked and the contractor will be removed from the listing of MSC qualified non-OEM on the <https://procurement.msc.navy.mil/> webpage.

3.3.3 Where the technical service provider is provided as a subcontractor for maintenance and repair of MSC ship critical safety items, the contractor or the Operating Company (OPCO) shall require that the prime contractor submit documentation as part of the solicitation proposal prior to contract award to prove the proposed subcontractor meets the criteria of OEM authorized or non-OEM qualified technical service provider. Failure to demonstrate meeting all of the criteria defined in this document for OEM authorized or non-OEM qualified technical service providers through provided documentation shall be grounds to disqualify the proposed subcontractor.

3.3.4 Consistent language shall be used in M&R work packages and service order statements of work (SOW) designating ship critical safety items and the requirement to use OEM or MSC qualified non-OEM parts and service providers. Enclosure (1) contains standard language required in work items, service orders and task order statements of work for any maintenance and repair of ship critical safety items.

3.3.5 The Contracting Officers Representative (COR) and OPCOs shall ensure that a technical review of proposed non-OEM qualified technical service provider credentials is accomplished by MSC N7 Engineering for both ship repair and service order proposals prior to

MSC Managers' Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 5 of 9

award.

4 RECORDS & REPORTS:

4.1 N7 and N4 tasks from the PM for determining non-OEM parts acceptability will be captured in the SAMM TASK TRACKER.

4.2 The official list of any acceptable non-OEM parts and non-OEM technical service providers for each ship critical safety item will be maintained on the MSC public access web pages at <https://procurement.msc.navy.mil/>

5 DEFINITIONS:

5.1 Ship Critical Safety Items: Any ship part, mission system, equipment, assembly, or support equipment containing a characteristic, the failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in loss of or serious damage to the ship; or unacceptable risk of personal injury or loss of life. Those ship critical safety items include:

- (1) Main Propulsion Diesel Engines/Main Propulsion Motors/Gas Turbine Engines.
- (2) Ship Service Diesel Engines/Ships Service Turbine Generators.
- (3) High Pressure/Low Pressure Propulsion Turbines.
- (4) Emergency Diesel Generators.
- (5) Propulsion/Machinery Control Systems.
- (6) Main Propulsion and Turbine Generator Reduction Gears.
- (7) Propulsion Shafting, Bearings and Couplings.
- (8) Controllable Pitch Propeller Systems.
- (9) Stern Tube Seal Systems.
- (10) Steering Gear Control Systems (not hydraulics).
- (11) Electronic Chart Display Information System.
- (12) Dynamic Positioning (DP2) System.
- (13) Fixed Fire Extinguishing Systems/Fire Detection Systems (Note: American Bureau of Shipping “Recognized External Specialist” documentation shall suffice for Fire Extinguishing System qualified service providers).
- (14) Oily Water Separator/Oil Content Monitors.
- (15) Mission Equipment (Vehicle Ramps; Cargo Cranes; Cargo Hold Water Tight Doors and Ramps) (structural, electronics and hydraulic control systems; not hydraulic components and hoses, and other common components).

5.2 Alternative Service Provider: A service provider that is not recognized by the OEM or was not previously qualified by MSC as a MSC qualified non-OEM technical service provider. In situations where there is a significant risk of mission failure and no OEM or qualified non-OEM technical service provider is available in the time allocated to avoid mission failure. In such cases, Engineering Director (N7) as the DCA may assess the service provider’s

MSC Managers’ Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 6 of 9

qualifications and provide concurrence for the use of the alternative service provider.

5.3 OEM Authorized Parts: Items specified in the equipment technical manual or component drawing for the specific piece of equipment. They are direct replacements of the as-built parts and components. OEM authorized parts may be ordered directly through the OEM or an OEM designated parts distributor.

5.4 OEM Authorized Service Providers: OEM authorized service technicians and technical service providers shall be required to produce proper training and authorization documentation from the OEM asserting their qualification to perform M&R work on the designated equipment. They shall have all technical documentation, service bulletins and reach-back to the OEM engineering department to assess, diagnose and properly accomplish M&R.

5.5 Non-OEM Qualified Technical Service Providers: Technical service providers that have submitted documentation in accordance with paragraph 3.3.2 above and have received a MSC letter of qualification for the specified ship critical safety items.

5.6 “Or Equal” Products: The salient physical, functional, and other characteristics which "or equal" products meet shall include but are not limited to:

5.6.1 Compliance of proposed item, equipment, component, or material with regulatory body requirements and other design standards.

5.6.2 Data that demonstrates that the proposed item, equipment, component, or material meets or exceeds the specified performance requirements.

5.6.3 Data that demonstrates that the proposed item, equipment, component, or material has functionally equivalent:

- a. Dimensions.
- b. Weight.
- c. Power, HVAC, cooling water, and other required services.
- d. Suitability for marine service.
- e. Material characteristics.
- f. Maintenance features and requirements.
- g. Vendor furnished training.
- h. Life cycle cost and maintenance cost.
- i. Structure-borne and airborne noise characteristics.
- j. Warranty provisions.
- k. Maintenance manpower requirements.
- l. Worldwide support and service infrastructure.
- m. Spare parts availability.
- n. Prior provisioning through the Naval Supply System.
- o. Estimated spare parts costs for one year's use.
- p. Compatibility with interrelated systems and arrangements.

MSC Managers' Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 7 of 9

6 PROCESS MANAGEMENT:

6.1 Office of Primary Responsibility (OPR): N7

6.2 Interfaces: N4, N10, PMs

6.3 Performance Indicators: OEM authorized parts and service support used on listed ship critical safety items.

7 REVISIONS:

Original

Revision 1 11/2018, full revision to combine previous COMSCINST 4490.1 with previous version of this document, change bars not used.

Revision 2 02/2020, implements corrective actions and revisions recommended by DASN (AP) in the 2019 PPMAP Report. Added reference (g) which outlines technical evaluation process of proposed non-OEM repair parts and service providers. Updated definition of ship critical safety item and added requirement for N7 to draft proposal instructions and a technical evaluation factor addressing ship critical safety items to include in all solicitations. Added several references to US Code and FAR sections applicable to this policy.

Revision 3 6/26/2020, updated e-mail address in paragraph 3.3.2.b.

MSC Managers' Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 8 of 9

Enclosure (1) Work Item, Service Order/Task Order SOW Language for MSC Designated Ship Critical Safety Items

“This work item requires maintenance and repair actions to be performed on a MSC ship critical safety item. Only original equipment manufacturer (OEM) authorized technical field service providers or MSC qualified non-OEM technical field service providers, and OEM authorized or MSC qualified non-OEM parts shall be used to accomplish the requirements of this work item for this critical equipment including oversight and guidance on all aspects of equipment as-found condition inspection, removal, disassembly, reassembly, repairs, modifications, reinstallation, and testing as applicable.

Contractors interested in gaining MSC qualification as a non-OEM parts and/or service provider should visit this website for qualification and submittal requirements:
<https://procurement.msc.navy.mil>.”

MSC Managers' Internal Control-Quality Management System Procedures Manual	N0750-100.00-AQ Revision 2.1
Ship Systems and Equipment Parts and Services Support	Page 9 of 9