

**JUSTIFICATION REVIEW DOCUMENT
FAR Part 12 Justification and Approval
Simplified Procedures for Certain Commercial Items**

Program/Equipment: One (1) DMG Mori CNC Milling Turning Machine, Model NT6600/6000, that includes all features and accessories per Equipment Engineering Specification #01-26-3416, and an option for a second machine for Watervliet Arsenal, NY.

Authority: Title 41 United States Code (U.S.C.) §1901(e)(2) as implemented in RFO Federal Acquisition Regulation (FAR) 12.201-1, sole source (including brand name) under the authority of the simplified procedures for certain commercial items.

Amount: The total estimated cost of the contract is \$8,000,000.00 to include the option to purchase the second machine.

Prepared by:	Coby Brickner Contract Specialist E-mail: coby.r.brickner.civ@army.mil	Phone: 518-266-4505 Date: 3 June 2026
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Contracting Officer:	Lauren Scripps Contracting Officer E-mail: lauren.a.scripps.civ@army.mil	Phone: 518-266-5089 Date: 8 June 2026
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Technical:	Justin Rowe Industrial Engineer E-mail: justin.p.rowe2.civ@army.mil	Phone: 518-266-4213 Date: 30 June 2026
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Requirements:	Ryan Scrum Manufacturing Engineering Manager E-mail: ryan.j.scrum.civ@army.mil	Phone: 518-266-4074 Date: 30 June 2026
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Reviews: I have reviewed this justification and find it adequate to support other than full and open competition.

Legal Counsel:

Michael Shopp
Attorney-Advisor

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/s/ Michael Shopp Date: 6/24/26

**FAR Part 12 Justification and Approval
Simplified Procedures for Certain Commercial Items**

1. Requiring Activity: Army Tank-Automotive and Armaments Command (TACOM), Watervliet Arsenal

2. Contracting Activity: Army Contracting Command – Watervliet Arsenal (ACC-WVA), 1 Buffington Street, Watervliet, NY 12189-4000.

3. Description of Action: Request approval to award a new \$8 million noncompetitive Firm-Fixed-Priced (FFP) purchase order to DMG Mori Erie, CAGE: 96XT6, 2400 Huntington Blvd. Hoffman Estates IL 60192. The contract will be fully funded using appropriate Fiscal Year (FY) 26 Weapons and Tracked Combat Vehicles – Other Procurement, Army (OPA).

4. Description of Supplies/Services: This requirement will be for one (1) DMG Mori Mill Turn Machine, model NT6600/6000 that includes all features and accessories per Equipment Engineering Specification #01-26-3416, and an option for a second machine. This DMG Mori Mill Turn Machine will be used in the production of 105mm and 120mm cannon tubes. The estimated value of this machine is \$4,000,000.00, and the estimated value of the option is \$4,000,000.00. The total estimated value of this action is \$8,000,000.00 inclusive of the option.

5. Authority Cited: The statutory authority permitting other than full open and competition is Title 41 U.S.C. §1901(e)(2) as implemented in FAR 12.201-1, sole source (including brand name) under the authority of the simplified procedures for certain commercial items.

6. Reason for Authority Cited: DMG Mori is the Original Equipment Manufacturer (OEM) of this Mill Turn Machine. If awarded to another vendor the vendor would incur duplicate costs due to the compatibility of machines within the Watervliet Arsenal (WVA), which provides workload flexibility from portability of programs and interoperability of equipment.

a. Background: In FY13, the Watervliet Arsenal procured three DMG Mori Seiki NHX-5000 machines. This FY13 procurement was conducted using full and open competition, as the WVA did not possess any horizontal machining centers. This procurement included the contractor developing five component processes and programs, and one proved out post-processor. The Watervliet Arsenal invested \$20,000.00 per component for the development of processes and programs and the proved out post-processor estimated to cost \$5,000.00. In sum, the Watervliet Arsenal invested \$105,000.00 in process development and programming as part of the FY13 purchase. The current procurement for the DMG Mori Mill Turn utilizes the same post processor as the NHX product line. Since then WVA has placed several additional orders for DMG Mori machines.

The NT6600/6000 is the only machine compatible with the existing component programs and post processor that Watervliet Arsenal purchased in FY13 and beyond. While other machines offer similar machining capability, the software, post processor, and programs of the other machines are not compatible with the currently owned software, post processor, and programs at WVA and therefore do not meet the Governments requirement. The duplicate cost breakdown of these items is below:

Post Processor Software	\$25,000.00
Training	\$45,052.00
Programming Interoperability	\$554,048.00
Program Maintenance	\$55,404.00
Existing Programs	\$38,090.00
Total	\$717,594.00

POST PROCESSOR SOFTWARE: A new Mill Turn Machine other than the DMG Mori NT6600/6000 would require the purchase of a new post processor. This is expected to be a duplication of cost of \$25,000.00, which is the baseline post processor estimate provided by the WVA planning department. This estimate was established by previous post processors purchased in the FY13 procurement noted above.

TRAINING COSTS:

- 1) **OPERATOR:** The Watervliet Arsenal will train additional operators regardless of the type of machine that is purchased. There will be no savings for operator training.
- 2) **PROGRAMMING:** The total cost of vendor supplied training is expected to be \$4,000.00 for the first day and then \$3,000.00 for each additional day. WVA has four programmers that will need to train for 5 days for a new machine. This training has already been provided for the existing equipment at the Watervliet Arsenal and would not have to be duplicated. The cost of the training class is calculated as $(\$4,000.00 \times 1 \text{ day}) + (\$3,000.00 \times 4 \text{ days}) = \$16,000.00$. The cost of the programmer time is calculated as $\$86.57/\text{hour} \times 5 \text{ days} \times 8 \text{ hours/day} \times 4 \text{ programmers} = \$13,851$. This results in total savings of \$29,851.00.
- 3) **MAINTENANCE:** The cost of vendor supplied training is expected to be \$4,000.00 for the first day and then \$3,000.00 for each additional day. The Arsenal will require training of three maintenance personnel for 3 days for a new machine. This training has already been provided for the existing equipment at the Watervliet Arsenal and would not have to be duplicated. The cost of the training class is calculated as $(\$4,000.00 \times 1 \text{ day}) + (\$3,000.00 \times 2 \text{ days}) = \$10,000.00$. The cost of the maintenance personnel's time is calculated as $\$72.23/\text{hour} \times 3 \text{ days} \times 8 \text{ hours/day} \times 3 \text{ people} = \$5,201.00$. This results in total savings of \$15,201.00.

4) TOTAL TRAINING SAVINGS SHOULD WVA PURCHASE THE DMG MORI MACHINE RATHER THAN ANOTHER MANUFACTURER'S MACHINE:

$$\$29,851.00 + \$15,201.00 = \$45,052.00$$

PROGRAMMING INTEROPERABILITY COST: Due to the nature of production at the Watervliet Arsenal, parts are routinely moved from one machine to another. To transfer the workload from one DMG Mori NT6600/6000 to another takes approximately 30 minutes because the programs, tools, and fixtures are transferrable without modification. If this transfer would require moving a production run to a different manufacturer's machine, the floor supervisor would need to request a programmer to write a new program for specific control. The programmer must spend time writing a new program and delivering the new program to the production system, and there will be a delay in production until the new program is produced. On average, it requires 40-hours to reprogram/reprocess a part at \$86.57 per hour for labor. At an average of one change every three months (very conservative), across the 20-year expected life of the equipment, limiting competition to the existing equipment controls represents \$277,024.00 per machine in programming savings. However, since this equipment will be machining two different weapon systems, the cost is doubled, so the final amount is \$554,048.00.

PROGRAM MAINTENANCE: It is often necessary to make updates to existing programs as drawing revisions change, new tools may be adopted, and processes may be revised. If multiple programs must be maintained to accommodate different makes and models of machines, programmers must spend time updating redundant programs. It is estimated that a typical program update will take four hours. Assuming a minimum of one program is written every three months, and every program is updated at least once during the machine's 20-year expected life, then there are 80 programs that will be maintained. The cost saving of not having to update multiple programs is calculated as \$54.30 x 4 hours/programs x 80 program = \$27,702.00. However, since this equipment will be machining two different weapon systems, the cost is doubled, so the final amount is \$55,404.00.

EXISTING PROGRAMS: As stated in the Background section above, the Watervliet Arsenal already invested in component programs in the FY13 purchase of DMG Mori machines. If a different "make" machine is purchased, these five programs will have to be re-written for transferability among machines. It is also assumed that these programs will have to be updated at least once during the 20-yr expected life of the machine. The cost savings for not having to re-write and maintain programs we have already purchased are calculated as (\$54.30 x 5 programs x 40 hours) + (\$54.30 x 5 programs x 4 hours) = \$19,045.00. However, since this equipment will be machining two different weapon systems, the cost is doubled, so the final amount is \$38,090.00.

The cost savings of \$717,594.00 or 17.94% of the expected price of the machine is not expected to be recovered through open competition, based on market research of alternative vendors and knowledge of the industry.

In addition to the financial savings, the procurement of the DMG Mori Mill Turn Machine will allow WVA to gain flexibility of the workload. Limiting this procurement to the same DMG Mori Mill Turns currently at WVA will allow WVA to significantly increase portability of programs and interoperability of the equipment. Operators, programs, tools, fixtures and workload could be transferred from one DMG Mori Mill Turn to the next without incurring transfer costs and production delays, which would occur if a different manufacturer of Mill Turns were introduced to the manufacturing process. A delay of 2-3 weeks would occur for each of the manufacturing, maintenance, and planning departments if a different machine was procured to allow for additional training and familiarization of the new system, delaying normal operations by 6-9 weeks. This additional time spent would detract from WVA employees other critical job functions. In addition, by procuring the DMG Mori Mill Turn, WVA programmers would not have to divert their efforts away from other projects to develop/maintain duplicate part programs; An opportunity for error would be eliminated (i.e. updating one program and not the second program); machine tool operators would not have to be trained on two separate machines; all tools, toolholders, collets, bushing, fixtures, and all other accessories would be 100% compatible with the other multi-tasking machines allowing for greater manufacturing flexibility. WVA currently has three smaller DMG Mori horizontal machining centers and six smaller DMG Mori Mill Turn Machines. Failure to procure the same Mill Turn Machine will result in higher costs to the Government and potential 6–9-week production delays of various weapons components due to the above mentioned facts. These delays will impact the Watervliet Arsenal's ability to supply the required cannon components and systems directly to the warfighter. Such a delay could prevent warfighters from maintaining operational readiness rates and might cause serious injuries and/or loss of life to them or their supported personnel.

b. Alternatives: There are no known alternatives since DMG Mori is the OEM of the required Mill Turn that compatible with the existing component programs and post processor that Watervliet Arsenal.

c. Impact if not approved: If this is not approved, then there would be high duplication of cost to the Government. Based on market research conducted, it is unlikely that any offeror who proposes a different Mill Turn would meet the Government's performance requirement or have compatibility with other machines within WVA.

7. Efforts to Obtain Competition: The Contracting Officer will publish the notices required by FAR 5.201 and any bids or proposals received shall be considered.

Effective competition: In accordance with FAR 5.101, this action will be synopsized on SAM.gov, and any proposals received will be considered

Subcontracting competition: Since DMG Mori is a large business they will be required to submit a subcontracting plan.

8. Actions to Increase Competition: At this time, no further efforts will be made to obtain competition, due to the reasons stated in Paragraph 6 above. No follow-on contract is anticipated at this time.

9. Market Research: Justin Rowe, an Industrial Engineer at WVA conducted market research in April 2026. The techniques used were personal knowledge of supplies of this type, general knowledge acquired in the workplace, and use of source lists for identical or similar items obtained from government, professional, and industry sources. The research resulted in the determination that DMG Mori is the only manufacturer capable of supplying the Mill Turn machine that meets the requirements and provides the compatibility noted above, without resulting in duplication of costs. Additionally, the Contract Specialist posted a Sources Sought Synopsis on 18 May 2026 to SAM for seven (7) days. There were five (5) vendors to respond with interest to the Sources Sought Synopsis.

10. Interested Sources: To date the following sources have expressed interest in the sources sought posted:

(1) Company: AW Miller Technical Sales Inc.

The proposed system does not meet the interoperability and compatibility requirements. The equipment does not have compatibility with WVAs existing equipment, software, and programs. Procuring this system would negate the cost savings as outlined in the JA.

(2) Company: Republic Lagun Machine Tool Co/CNC

The proposed system does not meet the interoperability and compatibility requirements. The equipment does not have compatibility with WVAs existing equipment, software, and programs. Procuring this system would negate the cost savings as outlined in the JA. Additionally, the machine offered is a different type than required by the specification. Lagun is offering a lathe with milling capability, which is different than the required mill-turn machine.

(3) Company: DMG Mori

The proposed system has the compatibility requirements as needed per the JA.

(4) Company: Bayou Ohana

The proposed system has the compatibility requirements as needed per the JA. Bayou Ohana is an authorized reseller of DMG Mori equipment that is utilized for small business set asides.

(5) Company: NSH

The proposed system does not meet the interoperability and compatibility requirements. The equipment does not have compatibility with WVAs existing equipment, software, and programs. Procuring this system would negate the cost savings as outlined in the JA.

11. Other Facts:

a. Procurement history.

Contract Number Make and Model #	Contractor	Procurement Method	Amount (est.)	Award Date
W911PT23C0014 DMG MORI NHX8000	DMG Mori Federal Services Inc	Sole Source FAR 13.501(a)(1)(ii))	\$3,722,403.00	5/30/2023
W911PT23P0179 DMG Mori DMU 85	DMG Mori Federal Services Inc	FAR 6.302-2	\$1,383,915.00	9/20/2023
W911PT21C0011 DMG Mori NHX- 8000 Horizontal Machining Center	DMG Mori USA, Inc	FAR 6.302-1	\$1,659,031.00	9/30/2021
W911PT18D0002 DMG Mori 5 Axis Milling Machine	DMG MORI Erie	Competitive	\$25,255,800.00	5/31/2018
W911PT14P0141 DMG Mori NHX- 5000 Horizontal Machining Center	DMG Mori USA, Inc.	Competitive	\$2,324,350.00	4/2014

b. Other facts. There are no other facts necessary to justify limiting competition that were not previously stated.

12. Technical Certification: I certify that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

ROWE.JUSTIN.P
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Date: 2026.06.30 15:23:58
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Justin Rowe
Industrial Engineer

13. Requirements Certification: I certify that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.


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SCRUM.RYAN.JARED
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Date: 2026.06.30 15:32:42 -04'00'

Ryan Scrum
Manufacturing Engineering Manager

14. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price/cost to the Government for this contract action will be fair and reasonable. This determination will be made using

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SCRIPPS.LAUREN.ANNE.
Date: 2026.07.02 07:47:00 -04'00'

Lauren Scripps
Contracting Officer

15. Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

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Date: 2026.07.02 07:47:30 -04'00'

Lauren Scripps
Contracting Officer