



DEPARTMENT OF THE NAVY  
NAVAL AIR SYSTEMS COMMAND  
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APR 23 2007

IN REPLY REFER TO  
CJ&A # 07-42

CLASS JUSTIFICATION AND APPROVAL  
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity. Naval Air Systems Command Headquarters
2. Description of the Action Being Approved. This requirement is for the procurement of 135 AN/APG-79 Active Electronically Scanned Array (AESA) radars, associated equipment and sustaining engineering to retrofit F/A-18E/F Aircraft Production Lots 26, 27, 28, and 29. The AESA radars will replace AN/APG-73 radars currently in the aircraft, bringing these F/A-18E/F aircraft to a single radar configuration with advanced mission capabilities. The 135 aircraft that will receive the retrofit were provisioned to accept the AESA radar. At least two sole source Firm Fixed Price (FFP) contracts covering Fiscal Years (FY) 08 through 13 will be awarded to Raytheon Company Space and Airborne Systems (SAS), in El Segundo, California. Authority to act under this CJ&A ends 30 September 2013.
3. Description of Supplies/Services. The installation of forward fit AESA radars into F/A-18E/F aircraft began with Low Rate Initial Production quantities of 8 radars in Lot 27; 12 radars in Lot 28; 22 radars in Lot 29; and subsequently 42 radars in Lot 30. None of the Lot 26 aircraft were equipped with an AESA radar. In order to bring all Lot 26 through 29 aircraft up to the AESA radar configuration, a retrofit needs to occur to replace the current AN/APG-73 radar with the AESA radar. AN/APG-73 radars have operational and capability limitations and the replacement of that radar with an AESA radar will provide increased Air-to-Air detection and track range, increased Air-to-Ground targeting capabilities, longer launch range for standoff weapons, enhanced capability against advanced threats, and optimized utilization of the aircraft's weapons systems contributing to the F/A-18E/F's survivability. The Lots 26 through 29 aircraft that are to receive the AESA radar were provisioned through an engineering change that reconfigured the mission computer software, high speed data network, and liquid cooling system in order to accommodate the installation of the AESA radar. The radars to be acquired here under are to be provided directly to the Fleet for retrofit incorporation. The total estimated value of this requirement is \$507,300,000 and will be funded with FY08 through FY13 APN-5 funds. This requirement does not call for more than the Government's minimum needs and is covered under Acquisition Plan No. 02-01 Revision 3, for the AN/APG-79 radar, approved by Program Executive Officer, Tactical Aircraft Programs on 10 March 2006.
4. Statutory Authority Permitting Other Than Full and Open Competition. The statutory authority permitting other than full and open competition is 10 U.S.C. 2304(c)(1), as implemented by the Federal Acquisition Regulation (FAR) 6.302-1, "Only one responsible source and no other supplies or services will satisfy agency requirements."
5. Rationale Justifying Use of Cited Statutory Authority. Raytheon is the original designer, developer, and manufacturer of the AESA radar for the F/A-18E/F aircraft. As such, Raytheon is the only company with the unique knowledge, experience, special skills, facilities, manufacturing techniques, and technical data required to produce the AESA radar for the F/A-18E/F. In accordance with FAR 6.302-1(a)(2)(ii), the acquiring activity may contract directly with the original source when it is likely that award to any other source would result in substantial duplication of cost to the Government that is not expected to be recovered through competition. The program has expended approximately \$405,000,000 in transforming

lots 26 through 29 aircraft specifically to accept an AESA radar manufactured by Raytheon. This calculation is based on an estimated cost of \$3,000,000 per aircraft for all 135 aircraft. Procuring a different radar would result in a substantial duplication of costs to further modify the aircraft to accommodate that radar, which would not be expected to be recovered through competition. Additionally, Raytheon developed a significant portion of the AESA hardware and software under Internal Research & Development funds; therefore, insufficient rights were procured to allow competition to produce the AESA radar. Raytheon has stated that it has no intention of selling the data rights of the AN/APG-79 AESA radar.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable. A market survey conducted by NAVAIR shows that there are no other radars with the form, fit, and function of the AESA radar. In accordance with FAR 5.201, this proposed requirement was posted on the Federal Business Opportunities website on 8 November 2006. No responses were received. Any future responses will be evaluated by the Contracting Officer prior to award.

7. Determination of Fair and Reasonable Cost. In accordance with FAR 15.402(a), the contracting officer must ensure that all supplies and services ordered under these contracts are procured at a fair and reasonable price. The contractor will submit cost and pricing data in accordance with FAR 15.403-4. Analysis of the proposals will be performed by technical analysts and contract specialists, with the assistance of Defense Contract Management Agency analysts and Defense Contract Audit Agency auditors. The contracting officer will use cost and price analysis as the basis for negotiating a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition. For the reasons set forth in Paragraph 5, NAVAIR has no plans at this time to compete future contracts for the requirement covered by this document. If another potential source emerges, NAVAIR will assess whether competition for future requirements is feasible.