



DEPARTMENT OF THE NAVY
NAVAL AIR SYSTEMS COMMAND AIRCRAFT DIVISION
21983 BUNDY ROAD
BUILDING 441, UNIT 7
PATUXENT RIVER, MARYLAND 20670

IN REPLY REFER TO:
J&A_11_1649

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

1. Contracting Activity.

Naval Air Warfare Center Aircraft Division (NAWC-AD) Patuxent River, MD

2. Description of the Action Being Approved.

This Justification and Approval authorizes and approves the issuance of a sole source Firm Fixed Price type contract to Raytheon Technical Services Company LLC (RTSC), 6125 East 21st Street, Indianapolis, IN 46219-2001.

3. Description of Supplies/Services.

This acquisition will provide AIM-7, AIM-9, and AIM-120 missile capability for the F/A-18E/F and EA-18G aircraft with the production of LAU-115 and LAU-116 Guided Missile Launchers. The LAU-115 provides for the suspension and launching of the AIM-7 missile. When the LAU-115 is configured with the LAU-127 Guided Missile Launcher, AIM-9 and AIM-120 missiles can be carried and launched from F/A-18E/F aircraft. The LAU-116 is used to suspend and launch AIM-7 and AIM-120 missiles from F/A-18E/F and EA-18G aircraft. It is anticipated that 240 LAU-115s and 310 LAU-116s will be procured under this contract; however, a pricing model will be established during negotiations, in order to accommodate such quantities as may be authorized and appropriated by Congress, or requested by Foreign Military Sales customers.

See Appendix A for Estimated Dollar Value

4. Statutory Authority Permitting Other Than Full and Open Competition.

10 U.S.C. 2304(c)(1), Only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority.

At this time RTSC is the only company that has the technical data, tooling, production line, test procedures and equipment to support the Navy's requirements for the manufacture of the LAU-115 and LAU-116 Guided Missile Launchers. As the current drawing package is not at a level three state, establishment of an alternate source would require the alternate source to validate and establish requirements for manufacture, assembly and test to ensure functional and operational capability. Further, while the Government owns the required test equipment, RTSC owns the required tooling. Based on experience with other procurement actions, it is estimated that it would take, at a minimum 30 months to: validate the data package; prepare for production; build prototype units; complete first article test; and complete check flights. It is estimated that another 18 months would be required to

build the first lot (production has historically taken 18-20 months to start delivery after award). Based on experience with the BRU-33 and Pure Air Generating System second-source efforts, it is estimated that it would cost at least \$24.3M to qualify a new source for LAU-115/LAU-116 production. With the requirement for LAU-115/-116 Launchers nearing its end, recoument of the more than \$24.3M investment would not be achievable.

The F/A-18E/F and EA-18G communities require these launcher assets promptly to outfit new aircraft coming from Boeing. The fleet is already short of the requisite number of LAU-115 and LAU-116 launchers needed to support readiness demands due to previous funding shortfalls. The fleet's capabilities and needed readiness status could not be achieved with more than a three year delay in deliveries. For more than a year the Fleet has been actively requesting that these necessary assets be made available (e.g., 042211Z Jun 09 COMSTRKFIGHTWINGPAC). Significant impacts of having inadequate LAU-115/-116 resources on hand have been identified: reduced aircraft availability due to maintenance time associated with remove/replace release and control actions for cross-decking gear; reduced aircraft readiness due to increased level of Aircraft Armament Equipment cannibalization and re-distributions; reduced life-cycles on cross decked gear due to increased wear; and inability to use each aircraft to its fullest capability, impacting training and operational use.

RTSC has manufactured these items on a sole source basis for the past eight years. RTSC is currently the only vendor with the requisite technical data, expertise, tooling, test equipment, and existing production line to manufacture these launcher assets in time to meet the Navy's operational requirements. Based on the above experience based estimates, procuring from any other source would result in unrecoverable costs and create unacceptable delay in delivery of these critical assets to the Fleet.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

Market research determined that there are several companies other than RTSC with the potential capability to manufacture the LAU-115 and LAU-116, including Boeing, Klune Industries, and Marvin Engineering. However, this would require an unacceptable delay of work as described above, and it is not expected that the costs associated with establishing a new manufacturing source could be recovered by the Government. A synopsis was published on 24 June 2010 in accordance with FAR 5.201. The requirement was re-synopsized on 4 November 2010 to confirm the Government's assessment of the market's capability to satisfy this requirement within the required timeframe. Other than RTSC, no inquiries have been received to date in response to either synopsis. The Procuring Contracting Officer (PCO) will evaluate any responses received prior to the award of the contract. Additionally, interested parties will be referred to RTSC for potential subcontracting opportunities.

7. Determination of Fair and Reasonable Cost.

The negotiation and establishment of a fair and reasonable price will be conducted in accordance with FAR 15.4. As stated in FAR 15.402, the

Contracting Officer shall purchase all supplies and services at a fair and reasonable price. RTSC will be required to submit detailed cost and pricing data for this requirement. The proposed costs will be reviewed and analyzed by qualified technical and contracting personnel. Analysis will be based on historical cost data available from the most recent contract, as well as input from the Defense Contract Management Agency and the Defense Contract Audit Agency. The Contracting Officer will use this analysis as a basis for negotiating a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition.

The requirement for LAU-115/116 launchers is nearing its end with limited future quantities anticipated. However, should there be a substantial change in planned future quantities, NAVAIR will assess whether competition for these requirements is feasible.

Appendix A

Estimated Dollar Value in Thousands

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
Total								\$ 83804 k

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

 _____ CDR James Haigler _____ 2/23/11
Signature Name Phone Date

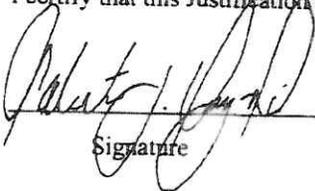
LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

 _____ Theresa Francis _____ 2/24/11
Signature Name Phone Date

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

 _____ Lakeeta Young-Hill _____ 2/25/11
Signature Name Phone Date

APPROVED

Upon the basis of the above justification, I hereby approve, the solicitation of the proposed procurement(s) described herein using other than full and open competition, pursuant to the authority of 10 U.S.C §2304(c)(1).

 _____ 6 May 11
Kathy Mattson, Department Head, AIR-2.2 Date