



DEPARTMENT OF THE NAVY

NAVAL AIR SYSTEMS COMMAND
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IN REPLY REFER TO:
CJ&A_13_23149

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

1. Contracting Activity.

Naval Air Systems Command (NAVAIR) Headquarters

2. Description of the Action Being Approved.

This Class Justification and Approval (CJ&A) authorizes and approves the issuance of orders against Basic Ordering Agreement (BOA) N00019-13-G-0009 and, hereinafter referred to as the H-60 Program BOA. Orders will be placed on a sole source basis with Lockheed Martin Mission Systems and Training (LM MST) for the procurement of supplies and services in support of the H-60 program. This CJ&A will permit the award of contractual actions with funding covering FY13-FY18. Authority to award orders pursuant to this CJ&A commences upon CJ&A approval and expires on September 30, 2018.

3. Description of Supplies/Services.

Supplies and services will include, but are not limited to, the following:

- a. Support of various trade studies, engineering analyses and Engineering Investigations (EIs), including operational availability improvements, sustainment cost reductions, safety improvements, and investigate emergent technical or safety issues, Pre-Planned Product Improvement (P3I), shipboard systems integration and operational use;
- b. Development, manufacture, and installation of H-60 Engineering Change Proposals (ECPs) for upgrades to reduce production cost, reduce sustainment cost, reduce weight, and/or improve performance. These efforts may include, but are not limited to, retrofit and/or forward fit mission kits, associated production assessments/life cycle analysis, non-recurring engineering, systems engineering, integrated logistics support, production support, prototyping, validation and verification of changes, development, validation and verification of technical publications, manuals, changes, directives, associated logistics impacts, testing of retrofit safety and test equipment changes, and related software efforts;
- c. Support to in-service H-60 aircraft, including, but not limited to service life assessment support, service life extension support and studies;
- d. Integration of new systems into the H-60 airframe and shipboard and/or land-based facilities, hardware upgrades required to implement software updates, and development, operational testing, and documentation to include Problem and Software Trouble Reports, (PTRs, STRs);

e. H-60 trainer and simulator operations in preparation of aircrews and repair of repairs or maintenance to support production, removal of obsolescence via technical insertion, operation and overhaul requirements;

f. Support of Integrated Logistics Support (ILS) for aircraft modification kits, including fabrication, assembly, and installation. ILS efforts may include, but are not limited to: procurement of source data to support logistic analysis; development and validation of Technical Directives (TDs); training required for the safe operational use of H-60s or use and integration of subsystems; procurement of interim spares, updates to Interactive Electronic Technical Manuals (IETMs), or technical publications; and

g. Foreign Military Sales (FMS) requirements for the H-60 may include: site surveys, Contractor Engineering Technical Services for FMS customers, modifications to operating software or hardware for the cockpit, mission systems and avionics, efforts necessary to modify systems for export, Field Service Teams to assist with in country repairs, modification and/or upgrade of FMS aircraft mission/cockpit systems, and Continental United States (CONUS) repair and/or replacement within FMS aircraft mission/cockpit systems.

h. Associated support for MH-60R/S production line transition planning to include identification of required post production ILS and Engineering support, and technical data acquisition necessary to manufacture repair parts during the sustainment phase.

Funding starts in FY13.

Quantity and delivery requirements will be established in each order. The estimated total value of orders placed against the H-60 Program BOA is [REDACTED] to be funded by the appropriations set forth below.

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.

LM MST exclusively designed and developed the H-60 Mission Avionics and the MH-60R/S Common Cockpit and was awarded the initial and subsequent production contracts as well as all subsequent changes and improvements in production. Additionally, LM MST developed the Mission Avionics System

for the SH-60B Light Airborne Multi-Purpose System (LAMPS) MK III, MH-60R engineering and manufacturing development (EMD) phases I and II, and all subsequent MH-60R Mission Avionics Systems production contracts. LM MST is the sole developer and integrator of the avionics suite and embedded software for the Common Cockpit, as well as other non-cockpit avionics weapon kits for the MH-60S. As such, LM MST's exclusive design, development and integration of the Mission Avionics System and Common Cockpit for the MH-60R/S, as well as non-cockpit avionics weapon kits for the MH-60S, makes LM MST the only source with the technical data, knowledge, and experience necessary to perform this follow-on effort. The Government does not possess the requisite technical and software data packages to conduct a competitive procurement of this requirement, and LM MST will not sell or release such proprietary data to the Government to compete this requirement.

LM MST is the only source with the requisite skilled personnel, manufacturing tooling, test equipment, and proprietary data to perform in-depth programmatic, engineering, and logistics production/retrofit incorporation of future enhancements. It possesses the unique engineering data, technical skills, established tooling, support equipment, facilities, and requisite knowledge of the design, fabrication, and production of the H-60 aircraft required to perform the efforts contemplated under the H-60 Program BOA. As the current MH-60 Mission Avionics and the MH-60R/S Common Cockpit, LM MST is the only Contractor able to incorporate the required changes, and ensure alignment between production and retrofit configurations. The H-60 program is currently in production and requires extensive facilities, tooling, manufacturing resources, and a complete drawing package to include the associated proprietary processes and procedures for ECPs, retrofits, and other modifications. Similarly, component and system qualification and testing requires engineering knowledge and understanding of the basic H-60 Mission Avionics, the MH-60R/S Common Cockpit and systems beyond what is contained in the drawings or documented data. In addition, LM MST is the only source with the requisite knowledge of the design, structural loads, safety factors, aerodynamic and structural appraisal of fatigue effects databases, unique operational performance, maintenance and support characteristics of the H-60 to meet the Government's retrofit requirements.

LM MST exclusive design, development, and production of the H-60 Mission Avionics and the MH-60R/S Common Cockpit, makes LM MST the only source with the technical data, knowledge, and experience necessary to perform these follow-on efforts. The Government does not possess the requisite technical and software data packages or associated data rights to conduct a competitive procurement of these requirements. During H-60 development and production, the requisite LM MST proprietary data was never procured, nor will LM MST sell or release requisite proprietary data to the Government.

As H-60 aircraft mission avionics and common cockpit systems are currently deployed in support of national tasking(s), the selection of another source for the efforts contemplated under this BOA would jeopardize and delay the ability to support those taskings. System modifications are planned and synchronized with operational deployments with those aircraft available only for a limited period of time to accomplish the necessary and mission critical H-60 mission avionic and common cockpit system modifications. Having multiple contractors involved with modifications and installation will result in an unnecessary increase of technical and schedule risk. Any delay would result in H-60 aircraft deploying without incorporation of mission critical modifications as well as result in missing retrofit installs on the aircraft mission avionics and common cockpit system going through depot-level planned maintenance

intervals. Therefore, the cumulative effect of delays would degrade the operational readiness, effectiveness, safety, and/or performance of H-60 assets.

Based on the foregoing, LM MST is the only responsible source capable of meeting the Government's requirements and it would be ineffective from a cost, schedule, and performance perspective to have any source other than LM MST perform the types of efforts contemplated under this BOA.

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

The intention to award the BOA was synopsisized on 24 January 2013 and, in addition, as required by FAR 5.201, a synopsis of each effort under the BOA and supported under this CJ&A will be published on the FedBizOpps website. Any responses received will be evaluated by the Contracting Officer prior to award. Additionally, parties interested in subcontracting opportunities will be referred to LM MST to maximize competition in subcontracted efforts. For the reasons noted in paragraphs 4 and 5 above, NAVAIR has not performed a formal market survey.

7. Determination of Fair and Reasonable Cost.

Per FAR 15.402(a), the Contracting Officer shall ensure that all supplies and support are procured at a fair and reasonable price. An analysis of the contractor's proposals will be performed by technical analysts and contract specialists, with the assistance of DCMA analysts and DCAA auditors as needed. The Contracting Officer will analyze the various cost elements that are presented in proposals, as well as review the actuals from previous procurements, if applicable. The Contracting Officer will use Government expertise, including DCMA, DCAA, the PMA, and other Government resources, to evaluate the proposal's material, labor, and subcontract positions. A detailed report developed as part of the Government evaluation will be utilized to establish a NAVAIR position. If a rate agreement is not in place between LM MST and DCMA at the time of proposal evaluation, the Contracting Officer will work with DCMA and DCAA to establish a rate position, to include escalation, for negotiation of the contract action. As discussed in this paragraph, the Contracting Officer will use cost and price analysis as the basis for negotiating a fair and reasonable price for the supplies/support covered by this CJ&A.

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 types of supplies/services covered this document. However, NAVAIR will conduct robust market research to assess the viability of future competitions. If other potential sources emerge, NAVAIR will assess capabilities and determine the feasibility of competition.