



SEP 8 2008

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

1. Contracting Activity

Naval Air Systems Command (NAVAIR)
Naval Air Systems Command Headquarters
Major Weapons Systems for Air ASW, Assault and
Special Mission Programs Department, AIR 2.3.2.1
47123 Buse Road, Building 2272, Suite 155
Patuxent River, MD 20670-1547
POC: Michele Webb, [REDACTED]

2. Description of the Action Being Approved. This Class J&A authorizes and approves sole-source award of Advanced Acquisition Contracts (AAC) and Low Rate Initial Production (LRIP) contracts Lots I - III to The Boeing Company in Seattle, WA (Boeing), for the Production phase of the P-8A Program. Authority to act under this class justification expires on 30 September 2014.

3. Description of Supplies/Services. The AAC contracts will include the purchase of components, material, parts, and effort whose advanced procurement is required to maintain the P-8A planned production schedule. The estimated total value of the AAC contracts is [REDACTED]. The LRIP Lots I - III contracts will include production of aircraft in the estimated quantities of ten in FY10 (LRIP Lot I), ten in FY11 (LRIP Lot II), and fourteen in FY12 (LRIP Lot III). The estimated total value of the LRIP contracts is [REDACTED]. The estimated contract value also includes: non-recurring engineering costs (e.g. parts obsolescence, engineering, and productionization); engineering change orders; integrated logistics support (ILS) and interim contractor support; trainers; initial spares (for aircraft and trainers); and support equipment. The estimated total value of the contracts covered by this Class J&A is \$8.9B. The AAC and LRIP Lots I - III contract funding profile [REDACTED] are shown in Table 1 below.

Procurement, Qty	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adv Procurement I	[REDACTED]			
Adv Procurement II		[REDACTED]		
Adv Procurement III			[REDACTED]	
LRIP Lot I		[REDACTED]		
LRIP Lot II			[REDACTED]	
LRIP Lot III				[REDACTED]
Total				\$8.9B

Table 1. [REDACTED]

4. Statutory Authority Permitting Other Than Full and Open Competition. The statutory authority permitting other than full and open competition is Title 10 U.S.C. Section 2304(c) (1) as cited in the Federal Acquisition Regulation (FAR) 6.302-1; "Only One Responsible Source and No Other Supplies or Services will Satisfy Agency Requirements" applies.

5. Rationale Justifying Use of Cited Statutory Authority. On 14 June 2004, The Boeing Company was awarded the P-8A System Development and Demonstration (SDD) Contract N00019-04-C-3146 under a best value limited competition between Lockheed Martin Aeronautics and The Boeing Company. The Boeing Company is the sole designer, developer, and manufacturer of the Boeing P-8A airframe, as well as the sole integrator of the avionics systems, and therefore is the only contractor with the requisite knowledge, experience, and technical data that can meet the Government's requirements on a timely basis. The P-8A weapon system consists of the basic 737-800 ERX air vehicle modified to meet Navy requirements and numerous systems and subsystems providing the avionics, communications, mission, and weapon system requirements. Award to any other source would result in unacceptable cost, schedule, and programmatic risks which would result in failure to fulfill the Navy's requirement for Initial Operational Capability of FY13. The costs to compete and qualify a second source to fulfill the P-8A production weapon system requirements are estimated to take seven years and cost as much as seven billion dollars. This estimate is based on the actual costs and time invested in getting the P-8A through the SDD phase.

6. Description of Efforts Made to Solicit Offer from as Many Offerors as Practicable. In accordance with FAR 5.201, a Presolicitation Notice for AAC Lots I and II and LRIP Lots I - III was posted to the Federal Business Opportunities web site on 31 July 2008. To date, no responses to this

announcement have been received. Any responses from interested sources will be evaluated by the Contracting Officer prior to contract award. A Presolicitation Notice for LRIP Lots I - III will be issued at a later date. No additional market research was conducted because it is not practicable, for the reasons discussed in paragraph 5 above, for any company other than The Boeing Company to provide the required supplies and services.

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. Based upon historical cost data from performance of the P-8A SDD efforts, the Contracting Officer, Defense Contract Management Agency, and Defense Contract Audit Agency auditors have adequate information and background to determine a fair and reasonable price.

8. Actions to Remove Barriers on 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 by this document. If another potential source emerges, NAVAIR will assess whether competition for future requirements is feasible.