



**DEPARTMENT OF THE NAVY**  
NAVAL AIR WARFARE CENTER WEAPONS DIVISION  
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IN REPLY REFER TO:  
J&A\_11\_11233  
09 May 2011

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

1. Contracting Activity.

Naval Air Warfare Center Weapons Division (NAWC-WD) - China Lake, CA

2. Description of the Action Being Approved.

This Justification and Approval (J&A) authorizes and approves the award of an order under the Basic Ordering Agreement (BOA) N00019-10-G-0001 to Thales Avionics SA, in support of the H-1 Weapons System Support Activity (WSSA) for SCS 7.0 at, China Lake, CA.

3. Description of Supplies/Services.

The United States Marine Corps H-1 Upgrades Program intends to award a sole source order under the Basic Ordering Agreement (BOA), N00019-10-G-0001 to Thales Avionics SA, 45 rue de Villers, F9256 Neuilly sur Seine 92200, France. This procurement is for the delivery of an updated Optimized Top Owl (OTO) Helmet Mounted Sight Display (OTO HMSD) Systems Operational Flight Program (OFP) and system interface in support of System Configuration Set (SCS) 7.0. This requirement will correct operational deficiencies and implement critical new functionality for delivery to the UH-1Y and AH-1Z aircraft and aircrew.

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.

The Thales HMSD system was qualified on the UH-1Y and AH-1Z airframe as part of the platform's state-of-the-art weapon acquisition and engagement system under the H-1 Upgrades Engineering and Manufacturing Development (EMD) Contract, N00019-96-C-0128. Additional Thales' OTO HMSD OFP upgrades are being procured by PMA 276, NAVAIR HQ, on a sole source basis for incorporation into each airframe that will be delivered to the fleet. During EMD, the aircraft's avionics suite was designed to incorporate and accommodate the Thales helmet system. Following EMD, the UH-1Y and AH-1Z platform will undergo continuous improvements in an overlapping Spiral Upgrade Program which includes upgrades to the HMSD. Thales is currently developing software to incorporate to SCS 6.0 upgrades and is the only source who can execute the SCS 7.0 upgrades to ensure compatibility with SCS 6.0 implementation. As indicated in the HQ J&A # 23148 approved by (b)(6) on 29 October 2004, the technical data rights that would be necessary to compete the HMSD system are not owned by the Government. Thales has indicated that it will not sell the data package. With the integration of the

helmet into the airframe costing over \$60 million, it would be cost and schedule prohibitive to pursue a different helmet by another vendor. Only a single supplier can effectively develop the software versions in parallel upgrades and thus future parallel upgrades will need to be procured from Thales to ensure compatibility of the incorporated upgrades to the airframe for delivery to the fleet.

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

Based upon NAVAIR's technical expert's current knowledge of industry standards and capabilities, Thales is the only known responsible source. In accordance with FAR 5.201(b)(1), this requirement was synopsised on 6 April 2011. No responses or inquiries have been received. Any future responses will be evaluated by the Contracting Officer prior to the award of this order.

7. Determination of Fair and Reasonable Cost.

The Procuring Contracting Officer (PCO), with the assistance from the Defense Contract Management Agency (DCMA) and the Defense Contract Audit Agency (DCAA) will ensure that negotiated prices are fair and reasonable in accordance with FAR 15.402(a)

8. Actions to Remove Barriers to Future Competition.

No significant action can be taken to change the sole source nature of this procurement. As stated in paragraph 5 above, Thales Avionics is the sole designer, developer, and manufacturer of the OTO HMSD. Thales Avionics is the only known company with the knowledge, and capability to upgrade the OTO HMSD OFP system interface that will satisfy the Marine Corps requirement.

**Appendix A****Estimated Dollar Value In Thousands**

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
(b)(2)High	1661	0	0	0	0	0	0	1661
Total	1661	0	0	0	0	0	0	\$ 1661k