



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
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WASHINGTON NAVY YARD DC 20376-0001

IN REPLY TO

J&A Number: 40,949
Code: SEA 02443
PR No. N00024-11-R-4013

CLASS JUSTIFICATION AND APPROVAL (CJ&A) FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity

The Naval Sea Systems Command (NAVSEA), Fleet Support Contracts Division (SEA 024).

2. Description of the Action Being Approved

The use of other than full and open competition is required to modify an existing multi-ship, multi-option (MSMO) contract in support of Inter-Availability Planning and Administration (IAPA) for CG/DDG/FFG Emergent Maintenance (EM), Continuous Maintenance (CM) and Windows Of Opportunities (WOO) maintenance and execution of the USS PAUL HAMILTON (DDG 60) Selected Restricted Availability (SRA) home-ported in Pearl Harbor, Hawaii.

Authority to act under this CJ&A for contract N00024-06-C-4408 expires 27 August 2014.

3. Description of Supplies/Services

The anticipated modification to BAE Systems Hawaii Shipyards (BAE) contract N00024-06-C-4408 will augment the existing work scope by providing for the execution of the USS PAUL HAMILTON (DDG 60) SRA and IAPA for EM, CM, and WOOs from 13 September 2013 to 27 August 2014 or award of a follow-on contract, which ever event occurs first.

Specific tasks required for the USS PAUL HAMILTON (DDG 60) SRA availability include tanks and voids, Mark (MK) 46 optical sight system repair/refurbishment, overhaul one air conditioning (A/C) plant compressor as condition warrants, clean all five A/C plant condensers, exterior preservation, flight and hangar deck non-skid, replacement of approximately one-half of the Vertical Launch System (VLS) deluge system critical flex hoses (12-year periodicity), condition-based repairs of the underwater hull, condition-based repairs and replacements of the machinery space bilge drain wells, condition-based repair and replacement of superstructure and deckhouse level decks, condition-based repairs of the sonar dome structure and rubber window, inspection and condition-based repairs to the propulsion shafting, cover repairs to

controllable pitch propeller (CPP) hubs, oil distribution (OD) boxes, valve rod, and prairie air assemblies as well as condition-based repairs to the CPP systems hydraulic pumps (attached and standby) and the propellers/blades, repair and preservation of the propulsion combustion air intakes and louvers, SPY-1 system repair, array resurfacing; SLQ-32 and PCMS repair; mechanical and structural repairs to rudders as condition warrants; preservation of the underwater body hull; preservation of the freeboard; replacement of the impressed current cathodic protection (ICCP) system and sacrificial anodes.

The estimated cost impact to support the USS PAUL HAMILTON (DDG 60) SRA and its anticipated growth is \$ [REDACTED]. IAPA planning under the current MSMO contract for the additional scope identified is estimated to be \$ [REDACTED]. This government cost estimate is based upon and is in consonance with the OPNAV N43 POM 14 Rev G. snapshot as well as information from Pearl Harbor Naval Shipyard and Intermediate Maintenance facility (PHNSY&IMF). The funding profile is in FY 13 OM&N dollars and is shown in the table below.

Estimated Cost

Appropriation	FY 13	TOTAL
OM&N	\$ [REDACTED]	\$ [REDACTED]

4. Statutory Authority Permitting Other Than Full and Open Competition

This acquisition is conducted under the authority of 10 U.S.C. 2304(c)(1), as implemented in FAR 6.302-1; the supplies or services required are available from only one responsible source and no other services will satisfy agency’s requirements without unacceptable delays.

5. Rationale Justifying Use of Cited Statutory Authority

The current MSMO contract was awarded 13 September 2006 to BAE under full and open competition and will expire 12 September 2013 for CNO availabilities and 20 August 2014 based upon the scheduled availability end date of 20 February 2014 for the USS [REDACTED] plus an additional 180 days for EM/CM coverage. BAE, as the incumbent MSMO contractor for CG/DDG/FFG class vessels home-ported in Pearl Harbor, has been the sole provider of repair/maintenance services in the homeport. BAE has been the only prime contractor over the past seven years managing the planning for availabilities, as well as Docking Selected Repair Availabilities (DSRAs), SRAs, EM, CM, and maintenance provided during WOOs for these classes of ships.

Early ship availability schedules showed the USS PAUL HAMILTON (DDG 60) SRA to be the first CNO availability covered under the follow-on Spiral II contract with an availability start date of 25 January 2014. During the planning process the availability was pulled ahead resulting in a new start date of [REDACTED]. With the current contract expiring 12 September 2013, NAVSEA Contracts (SEA 02) and the NAVSEA Surface Combatants Program Office (PMS 400F) believed that there was high risk associated with

soliciting for the USS PAUL HAMILTON (DDG 60) SRA under the follow on MSMO contract. The USS PAUL HAMILTON (DDG 60) schedule has since shifted a month to the right and now has availability start date of [REDACTED] and an availability end date of [REDACTED]. Current EM/CM coverage extends 180 days past the completion of the final CNO availability, or 27 August 2014, providing an additional seven days of EM/CM coverage as the USS [REDACTED] and USS PAUL HAMILTON (DDG 60) availabilities overlap for four months and are scheduled to end within seven days of each other. NAVSEA solicits for IAPA on a FY basis and therefore will need to solicit for the remainder of the EM/CM coverage period to allow for planning of EM/CM requirements.

If NAVSEA were to compete this requirement, BAE would not be able to propose without a very thorough Organizational Conflict of Interest (OCI) mitigation plan as they are currently planning the availability under the current MSMO contract. The expertise acquired by a new contractor during this availability could not approach the same level of expertise that BAE has cumulatively acquired in the management of all aspects of CG/DDG/FFG maintenance for the past seven years. BAE has the necessary management personnel (in conjunction with the necessary planning resources, technical expertise and facilities) to accomplish this CNO availability as well as short notice EM/CM/WOO requirements without causing an unacceptable delay.

PHNSY&IMF estimates that the significant loss of efficiency in performing the above CNO availability and the planning of critical maintenance actions by another contractor would result in substantial and unacceptable delays. The infrastructure at PHNSY & IMF limits the government's ability to support two prime contractors during the overlapping availability schedules. Additionally, PHNSY & IMF does not have the inherent Government capability to perform the planning of critical maintenance actions. Current market research shows that there is no other on-island resource who could meet these requirements within the necessary timeline given an availability start date of [REDACTED] as well as plan for near term EM/CM requirements.

In summary, due to the change of the availability schedule it would be necessary to conduct an individual procurement for the USS PAUL HAMILTON (DDG 60) CNO availability which would undoubtedly cause unacceptable delays that will significantly reduce the mission capability.

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

The proposed contract modification was synopsised on the Federal Business Opportunities (FEDBIZOPS) website on 12 June 2013, in accordance with FAR Subpart 5.2, [REDACTED]

[REDACTED] For the reasons discussed in paragraph 5 above, NAVSEA does not find it practical for any company other than BAE to provide the required supplies and services.

Additional market research has been conducted based on contractor experience, past performance, and contractor certifications. The Government has determined that no other contractors located in Pearl Harbor, Hawaii are capable of supporting this requirement given an availability start of 12 November 2013.

7. Determination of Fair and Reasonable Costs

The Contracting Officer has determined that the anticipated costs to the Government for the supplies/services covered by this J&A are fair and reasonable.

8. Actions to Remove Barriers to Competition

NAVSEA has identified the minimum scope needed in order to continue support to the fleet while a follow-on competitive contract action is procured. NAVSEA will conduct an Industry Day with vendors in Pearl Harbor, Hawaii interested in Navy Ship Repair on Thursday, 1 August 2013. This Industry Day will facilitate communication with ship repair vendors and allow for networking opportunity for potential large and small businesses to form teams to respond to a future follow-on contract for CG/DDG/FFG class ships home-ported in Pearl Harbor, Hawaii.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION (FAR 6.303-2(b))

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

COMBINED TECHNICAL AND REQUIREMENTS COGNIZANCE:

[Redacted signature block]

Signature Name (Print) and Title (Code) Phone No. Date

LEGAL SUFFICIENCY REVIEW (NMCARS 5206.303(90))

I have determined this justification is legally sufficient.

[Redacted signature block]

Signature Name (Print) and Title (Code) Phone No. Date

CONTRACTING OFFICER CERTIFICATION (FAR 6.303-2(b)(12))

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

[Redacted signature block]

Signature Name (Print) and Title (Code) Phone No. Date

APPROVAL BLOCK (FAR 6.304 for Approving Official)

Upon the basis of the above justification, I hereby approve, as the Designee of the Head of the Procuring Activity, 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).

DIRECTOR OF CONTRACTS (SEA 02)

[Redacted signature block]

MR. JEROME PUNDERSON

6/28/13

Signature Name Date