



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVENUE SE
WASHINGTON NAVY YARD DC 20376-0001

IN REPLY TO

J&A Number: 52,047

Code: [REDACTED]

PR Number: N00024-10-MR-45011

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

JUSTIFICATION

1. Contracting Activity

The Naval Sea Systems Command, Surface Systems Contracts Division (SEA 025).

2. Description of the Action Being Approved

An increase to the ceiling of Contract N00024-07-C-5202 with Lockheed Martin Corporation to procure AN/SQQ-89(V) ASW Combat Systems Design Agent Support from \$38.97M to an estimated \$69.12M. This procurement is to satisfy the requirements of the Undersea Warfare Directorate (IWS5) within the Program Executive Office, Integrated Warfare Systems (PEO-IWS).

3. Description of Supplies/Services

A cost-plus-fixed-fee (CPFF) contract was competitively awarded on 8 June 2007 to Lockheed Martin Corporation Maritime Systems & Sensors (LM MS²) of Syracuse, NY to support AN/SQQ-89 System Design Agent engineering services, upgrades, and engineering changes to the AN/SQQ-89 baseline. The current contract ceiling will be reached prior to the end of the original period of performance of 7 June 2012. PEO-IWS5 requires a ceiling increase to allow for continued performance of critical AN/SQQ-89(V) ASW Combat Systems services through the end of the contract period of performance. Specifically, the modification to Contract N00024-07-C-5202 that is the subject of this J&A will provide for sustained engineering services required to define and document changes to the AN/SQQ-89(V) baseline and perform technical feasibility and performance studies on the AN/SQQ-89(V) system, including: systems engineering, integrated logistics support, supply support, test and evaluation support, data support, installation support, development to life cycle maintenance transition support, technical design agent support, hardware and firmware engineering and repair, cycle software engineering, and other AN/SQQ-89(V) related engineering services efforts specified in the contract. This action will increase the labor hours under the contract from [REDACTED] by [REDACTED] to [REDACTED].

██████████. The Government's minimum needs have been verified by the certifying technical and requirements personnel.

Estimated Dollar Value (\$M)

	FY10	FY11	Total
SCN	\$1.25	\$0.89	\$2.14
OPN	\$2.99	\$1.81	\$4.80
RDT&E	\$11.95	\$8.42	\$20.37
O&MN	\$1.09	\$0.95	\$2.04
FMS	\$0.50	\$0.30	\$0.80
Total	\$17.78	\$12.37	\$30.15

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 surface Navy is transitioning its legacy system development and deployment strategy to an evolutionary development and deliver concept supported by the Advanced Capability Build (ACB) process, similar to the system strategy in use by the subsurface Navy. The ACB process enables newer capabilities and enhanced functionality to get to the warfighters much more quickly than the legacy strategy. Subsequent to the award of the AN/SQQ-89 production and design agent/engineering services contracts in June 2007, PEO IWS began implementing the ACB process with a 2 year tech insertion (software)/4 year tech refresh (hardware) cycle. This tech insertion/tech refresh process, created a scenario where the program office began consuming the design agent and engineering services at a much higher rate than anticipated at contract award. Neither the ACB requirements nor the extent to which the ACB efforts would impinge on the contract were known at the time of award. Consequently, a modification to the existing contract (N00024-07-C-5202) to add additional ceiling is required to ensure availability of the Design Agent services through the intended period of performance for this contract. Major increases in both System Design Agent (SDA) tasks and engineering services tasks, while within the scope of contract N00024-07-C-5202, were experienced as a result of external influence to support ACB requirements. Incorporating additional functionality to the system requires additional system engineering analyses on both the

software and hardware. ACB-09 introduced the following functionality into the system: Multi-Function Towed Array (MFTA) reconstitution for some DDG 51 ships; improved passive sonobuoy track automation and classification; improved hull passive processing; mid-frequency active improvements; improved torpedo recognition and alertment; improved active and passive training simulation. ACB-11, currently underway, includes active processing improvements, passive processing improvements and the addition of the Surface Anti Submarine Warfare (ASW) Synthetic Trainer (SAST) functionality. All of these efforts, while in the scope of the awarded contract, lead to the necessity of a significant increase to the level of effort of the contract within the current period of performance.

Lockheed Martin was awarded both the Production (N00024-07-C-5201) and Design Agent (N00024-07-C-5202) contracts for the AN/SQQ-89(V) ASW Combat Systems system. System improvements are unique to and only have relevance within the detailed design of the AN/SQQ-89(V). Award to any other source would result in unacceptable delays in fulfilling the agency's requirements. In order to maintain schedule continuity during the anticipated period of performance for both of these contracts, only Lockheed Martin has the capability to provide the Design Agent support necessary. The time required for new contract standup, GFE/GFI transition of development and integration hardware labs, and learning curve from a new vendor will not support FY10-11 production engineering, integration support and delivery to meet the ACB-09/ACB-11 scheduled requirements. Furthermore, based on the history of this program, it would take at least an additional twelve (12) months to conduct a competition for a new design agent/engineering services contract. Lockheed Martin is the only contractor that can perform the specified efforts in the required timeframe (i.e., to line up the required Design Agent Support with the production schedule contained in contract N00024-07-C-5201 until the next full and open competition).

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

This proposed acquisition was synopsisized in the Federal Business Opportunities (FedBizOpps) in accordance with Far 5.201 on 03 December 2009. To date, no responses have been received. Any responses will be evaluated prior to award.

7. Determination of Fair and Reasonable Costs

The Contracting Officer has determined that the anticipated cost to the Government for the supplies/services covered by the J&A will be fair and reasonable.

8. Actions to Remove Barriers to Competition

Full and open competition for the AN/SQQ-89(V) design agent support is planned for all procurements beyond the current period performance of 7 June 2012.

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, including Acquisition Plan No. 5.0-06-01 (FY08), SQQ-89 Plan Revision dated 08 July 2008, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL COGNIZANCE:

[Redacted Signature Block]

REQUIREMENTS COGNIZANCE:

[Redacted Signature Block]

LEGAL SUFFICIENCY REVIEW (NMCARS 5206.303(90))

[Redacted Signature Block]

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

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

[Redacted Signature Block]

APPROVAL BLOCK (FAR 6.304 for Approving Official)

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

DESIGNEE OF THE HEAD OF THE CONTRACTING ACTIVITY

[Redacted Signature]

Signature Michael Gutermuth SEA 025 202-781-2877 Date 1/26/2010