



DEPARTMENT OF THE NAVY
NAVAL SEA SYSTEMS COMMAND
1333 Isaac Hull Ave
Washington Navy Yard, D C 20376-0001

IN REPLY REFER TO

J&A Number: 52,073

Code: [REDACTED]

PR No.: N00024-10-NR-46108

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

1. Contracting Activity

Naval Sea Systems Command (NAVSEA), Surface Systems Contracts Division [REDACTED]

2. Description of the Action Being Approved

This action is for a sole source modification to increase the ceiling of contract N00024-08-C-5202 with Raytheon, Network Centric Systems (NCS) for Design Agent and Engineering Services (DA/ES) in support of the Cooperative Engagement Capabilities (CEC) program for remaining FY2012 and FY2013 requirements.

3. Description of Supplies/Services

Under the authority of Class Justification and Approval (CJ&A) 52,014, Raytheon, NCS was awarded multiple contracts under the CEC program for DA/ES and Production to provide technical and engineering support, training, supplies, overhaul, repair, assemblies, and Engineering Change Proposal (ECP) preparation and proofing. The DA/ES contract included a total of 791,327 man-hours. The contract has an estimated contract ceiling of \$245.7M and a period of performance from FY2008 through FY2012. The Production contract included the acquisition of 100 fully tested and integrated systems for the U.S. Navy (AN/USG-2, 2A, and 2B and AN/USG-3 and 3B), U.S. Marine Corps (USMC) (CEC/ Composite Tracking Network (CTN)), U.S. Army (CEC/Joint Land Attack Cruise Missile Defense Elevated Netted Sensor System (JLENS)), Foreign Military Sales (FMS), and ancillary equipment for FY2008 through FY2011 at an estimated cost of \$341.5M. FMS units planned for the United Kingdom (UK) were not procured due to lack of milestone approval. The USMC amended their acquisition strategy to procure fewer systems than planned. As a result, the actual funded amount for the Production contract was \$170.0M resulting in unfunded and unused ceiling in the amount of \$171.5M.

Increased DA/ES requirements necessitated by Government directed changes resulted in the need for additional ceiling to perform efforts remaining in FY2012 and FY2013. Such changes include improvements to both reliability and interoperability, and growth in the number of customers to the CEC Program. Government directed changes also include an increased cost in National Security Agency (NSA) mandated Crypto Modernization efforts, increased FMS efforts, unanticipated interoperability issues with CEC and Link 16, unanticipated accelerated milestones for a USMC

effort, E-2D Advanced Hawkeye 2000 (AHE) support, and unplanned support for the Naval Integrated Fire Control – Counter Air (NIFC-CA). This action for the use of options in FY2012 and FY2013 is for an estimated quantity of 450,000 hours. The estimated dollar amount of this increased requirement is \$81.0M.

Design Agent/Engineering Services (DA/ES) Contract FY2012 – FY2013 (Estimated - \$M)

\$M	FY12	FY13	TOTAL
RDT&E	\$39.67	\$6.83	\$46.50
OM&N	\$9.04	\$1.55	\$10.59
OPN	\$8.98	\$1.54	\$10.52
USMC	\$5.40	\$0.93	\$6.33
ARMY	\$3.73	\$0.64	\$4.37
FMS	\$2.30	\$0.40	\$2.70
Total	\$69.12	\$11.89	\$81.01
Hours	386,000	64,000	450,000

The Government's minimum needs have been verified by the certifying technical and requirements personnel. This acquisition is to satisfy the requirements established by PEO IWS [REDACTED]. This Justification and Approval (J&A) does not authorize acquisitions for other requirements.

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). Only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority

The procurement of the systems, supplies, and services described above using other than full and open competition is appropriate because, in accordance with the Federal Acquisition Regulation (FAR) 6.302-1(a)(2)(iii), this effort is for continued DA/ES support efforts and Raytheon, as the CEC Original Equipment Manufacturer (OEM) and CEC Baseline Design Agent, is the only source uniquely qualified to fulfill the remaining FY2012 and FY2013 requirements at this time. Award to any other source would cause unacceptable delays in supporting existing and future deployments and negatively impact Navy Battle Group operations. Current efforts including the design and support of fleet deployed software and hardware assets, design and fielding of solutions to fleet interoperability issues, and the development of adaptive layers to integrate hardware and software within the CEC system(s) require continuity and completion from the OEM. Additionally, development efforts currently being performed by the OEM to increase the number of ships/aircrafts in a given network are critical to increasing the future capabilities of the CEC Program.

A competition is currently in progress for the DA/ES contract; however, several barriers to developing the new requirement, including complexities in developing the Statement of Work (SOW) as well as validation of the Technical Data Package (TDP), resulted in the need for continued services on a sole source basis. Fulfillment of the technical requirements precedes several contractual milestones that must also be completed. Based on the large dollar value of this effort, a Deputy Assistant Secretary of the Navy (DASN) peer review must be conducted prior to issuing the Request for Proposals (RFP). It is expected the RFP will be released during the 1st quarter of FY2012. The release of the RFP will be followed by responses to questions and comments from multiple sources, receipt of multiple proposals, and conducting proposal evaluations. The aforementioned delays in the original schedule in conjunction with the inherent contracting process are estimated to result in an additional 12-14 months to reach award of the competitive effort. This creates the need for continued DA/ES on a sole source basis into FY2013. Furthermore, these additional services will support the possible transition period from the incumbent to another successful offeror. This transition is estimated to require an additional 6 months to allow the successful offeror to gain sufficient technical understanding. Conducting a competitive procurement at this time to increase the ceiling will also result in a duplication of the events required to facilitate it considering that a future competition is currently in progress for the follow-on Design Agent/Engineering Services contract. Continuing to utilize Raytheon as a sole source for this immediate requirement presents the only method to achieve contract completion for FY2012 and FY2013.

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

This procurement was synopsisized on the Federal Business Opportunities (FEDBIZOPS) and Navy Electronic Commerce On-line (NECO) websites, in accordance with FAR 5.2, on 07 June 2011. The synopsis detailed plans to award a modification to the existing contract to increase the available ceiling and extend the current period of performance. No responses to this synopsis were received.

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 this J&A will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition

A competitive procurement for the services set forth in this J&A is not practical at this time and will cause unacceptable delays as defined in Paragraph 5; however, a future competition is planned for the follow-on Design Agent/Engineering Services contract. An Industry Day was conducted on 13 December 2010 for this upcoming competition and the anticipated award is in 1st Quarter FY2013. The Program Manager is exploring other possibilities for competitive breakouts and has successfully identified the Signal Data Processor (SDP) and Common Array Block (CAB) Family of Antennas (FOAs) efforts as vehicles for competition. As additional requirements are identified, the Naval Sea Systems Command will continue to pursue opportunities to compete future acquisitions.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

[REDACTED]

COMBINED TECHNICAL AND REQUIREMENTS COGNIZANCE:

[REDACTED]

10/24/2011

Date

LEGAL SUFFICIENCY REVIEW

I have determined this justification is legally sufficient.

[REDACTED]

11/9/2011

Date

CONTRACTING OFFICER CERTIFICATION

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

[REDACTED]

18 NOV 2011

Date

APPROVAL BLOCK (FAR 6.304 and DFARS 206.304 for Approving Official)

[REDACTED]

11/28/11
Date

Jerome F. Punderson