



DEPARTMENT OF THE NAVY  
NAVAL SEA SYSTEMS COMMAND  
1333 ISAAC HULL AVENUE, S.E., WS 2040  
WASHINGTON NAVY YARD, DC 20376-2040

J&A Number: 52,071.4

Code: [REDACTED]

P.R. Number: N00024-12-MR-46141

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, NAVSEA [REDACTED].

2. Description of the Action Being Approved:

This revision to Justification & Approval (J&A) Number 52,071 is to increase the estimated value of sole source contract N00024-11-C-5217 by \$5,470,000 for a new total estimated value of \$11,226,000. This revision also increases the scope of this contract to provide AEGIS interface updates for the Maritime Integrated Air and Missiles Defense Planning System (MIPS) planning capabilities, installation Support, training support for MIPS systems, and options for an eighteen month extension of on-going system sustainment efforts. This J&A extends the period of performance eighteen months through July 2014.

J&A Number 52,071 was approved 05 July 2011 with the estimated value of \$5,756,000. Contract N00024-11-C-5217 was awarded to General Dynamics Advanced Information Systems (GDAIS), 12450 Fair Lakes Circle, Suite 800, Fairfax, VA 22033 as a sole source cost plus fixed fee level of effort contract. The period of performance was for one year with two three month options for continued support until award of the competitive follow-on contract.

3. Description of Supplies/Services:

On 05 May 2008, the Chief of Naval Operations (CNO, N86) designated MIPS as the successor program to Area Air Defense Command (AADC). MIPS is a software application in a Commercial Off The Shelf (COTS) based Information Technology (IT) platform that provides graphic display and communication capabilities

that plan and execute current operations as a hub for Theatre Air Missile Defense (TAMD) Integrated Air Defense System operations. MIPS is designed to automate the functions required to support the Joint Force Maritime Component Commander (JFMCC) staff in optimizing the use of Navy assets, reducing threat response time and minimizing damage to defended assets. These critical functions allow MIPS to monitor theatre-wide sensor, intelligence, and tactical data links, perform Integrated Air and Missile Defense (IAMD) planning, provide optimized allocation and assignment of maritime assets, and interface with the tactical AEGIS Ballistic Missile Defense (BMD) Mission Planner and Command, Control, Battle Management, and Communications planner (C2BMC). Both systems, AADC and MIPS, are in use and both require support. Consequently, these efforts include modification of the AADC software and sustainment of existing MIPS.

Contract N00024-11-C-5217 was for an estimated 19,445 hours for the base year and 5,867 hours (total) for the two options to provide support for AADC system sustainment, maintenance of current capability and existing interfaces, performance of remote systems grooms, refreshing the database, and replacement of obsolete or discontinued items.

Since execution of the previous J&A and award of the N00024-11-C-5217 contract, emergence of additional critical requirements has necessitated an increase in the contract value and period of performance.

In Phase 1 of the US Government's European Missile Defense Policy, Navy BMD ships are deploying to the Mediterranean Theatre around [REDACTED] timeframe. To support this effort, Aegis platforms are receiving various upgrades, including upgrade of the Aegis Mission Planner Capability. The MIPS planner requires upgrade to account for the new Aegis planning capability. Aegis is providing capability updates in two increments, the first in the [REDACTED] timeframe and the second in the [REDACTED] timeframe. The MIPS update needs to be delivered to support deployed ships at the same time. [REDACTED]

[REDACTED]. As such, MIPS must support interface testing and any subsequent required changes. Testing support requirements were identified late 1<sup>st</sup> Quarter FY12 and [REDACTED] [REDACTED] [REDACTED] [REDACTED]. This schedule for MIPS update cannot be met by the competitive contract.

Furthermore, the In-Service Engineering Agent (ISEA) is responsible for MIPS installs; however, Original Equipment Manufacturer (OEM) support is required to manage, and mitigate the complex technical risks associated with installing MIPS at shore and afloat sites. [REDACTED]

In addition, Program Executive Office (PEO) Integrated Warfare Systems (IWS) 6.0 was recently notified in early 2nd Quarter FY12 by the Aegis Training and Readiness Center (ATRC) that they would no longer conduct MIPS training. The Navy anticipates establishing formal schoolhouse MIPS training in FY14. A Navy Training Systems Plan (NTSP) that establishes the course curriculum is under development. The program office needs to continue to provide Fleet operator training for MIPS and adding this training effort to the current contract fills the gap until the formal Navy schoolhouse training comes online in FY14. This training support will be included in current sustainment effort.

Because of the delay in the competitive process, the requirement for on-going system sustainment is also needed from 2<sup>nd</sup> Quarter FY13 until 4th Quarter FY14 in order to prevent a break in support until the competitive contract is awarded.

The estimated amount for the added scope is \$5,470,000 and an additional 44,934 hours.

Estimated Cost of Increase	Estimated Dollar Value (\$M) and M/Hs							
	FY12		FY13		FY14		Total	
	\$	M/Hs	\$	M/Hs	\$	M/Hs	\$	M/Hs
[REDACTED]	\$1.81	14,480	\$2.58	20,854	\$1.08	9,600	\$5.47	44,934
<b>Estimated Cost</b>	<b>\$1.81</b>	<b>14,480</b>	<b>\$2.58</b>	<b>20,854</b>	<b>\$1.08</b>	<b>9,600</b>	<b>\$5.47</b>	<b>44,934</b>

The estimate for the update to the MIPS planner and the installation support is based on historical actual hours and burn rates for similar efforts previously performed by GDAIS. The estimate for the training support is based on actuals from previous training efforts and a MIPS ISEA estimate of the hours required to develop the formal schoolhouse curriculum, the NTSP, and other supporting documentation. Estimates for sustainment are based on current and historical performance burn rates.

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

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 by FAR 6.302-1(a)(2)(ii), Only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority:

GDAIS is the only responsible source capable of satisfying the Navy's requirement because no other source possesses the required capability to meet the program schedules for this effort.

Prior to approval of J&A Number 52,071 and award of the N00024-11-C-5217 contract, a competitive solicitation for the AADC/MIPS requirement was attempted by Naval Surface Warfare Center, Port Hueneme Division (NSWC PHD). [REDACTED]

[REDACTED] Since it was unlikely NSWC PHD could negotiate a [REDACTED] decrease in cost necessary to make the program affordable to the Government, the Program Office requested the solicitation be cancelled. NSWC PHD cancelled the Request for Proposal (RFP) on 11 March 2011.

J&A Number 52,071 was approved for a one year sole source effort to continue AADC/MIPS work while the Program Office prepares a competitive solicitation for the combined legacy AADC and future MIPS development efforts. Release of this competitive solicitation was initially planned for 4<sup>th</sup> Quarter FY12. However because of the FY12 Continuing Resolution and because the requirements development for the MIPS competitive was considered a "new start" effort, receipt of funding was delayed by six months until March 2012. This delayed the development of key required acquisition documentation, most notable the Capability Development Document (CDD), the System Requirements Document (SRD), and the Test and Evaluation Master Plan (TEMP) from which technical requirements for the RFP are derived. The program office anticipates final approval of these documents in the 1st Quarter FY13 timeframe.

This sole source contract allows for continued contractual coverage during the preparation and source selection of the competitive contract, and for a transition period to the new contract. A competitive procurement is planned beginning in [REDACTED], with anticipated award in [REDACTED]; [REDACTED]

however, the successful offeror would require time to come up to speed on the MIPS systems and software. The earliest they could deliver the planner updates would be late 1<sup>st</sup> Quarter FY15. This date is well beyond the required first delivery dates in [REDACTED].

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

The proposed contract was synopsisized on the Federal Business Opportunities (FEDBIZOPS) website on 20 July 2012. To date, no responses have been received. Any responses received will be evaluated. No additional market research will be conducted because it is not practicable, for the reasons discussed in paragraph 5 above, for any company other than GDAIS to provide the required services.

7. Determination of Fair and Reasonable Costs:

The Contracting Officer has determined the anticipated cost to the Government for the supplies/services covered by the J&A will be fair and reasonable. The NAVSEA contracting office will use cost and price analysis to determine a fair and reasonable price. Assistance from the Defense Contract Management Agency and the Defense Contract Audit Agency (DCAA) will be utilized to analyze, evaluate, and negotiate based on detailed cost or pricing data, which will be certified by GD-AIS at the conclusion of negotiations. Although there is no Forward Pricing Rate Agreement, GD-AIS has recently accepted the DCAA's Forward Pricing Rate Recommendation in similar negotiations. GD-AIS, as previously stated, is the incumbent on the existing AADC/MIPS effort and has established actuals for similar type work that will be utilized in this present requirement to arrive at a fair and reasonable cost/price analysis.

8. Actions to Remove Barriers to Competition:

As stated in Paragraph 5, a full and open competition is planned for AADC/MIPS sustainment capability and follow-on evolution development beginning in 2<sup>nd</sup> Quarter FY13 with award anticipated in [REDACTED].

**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 Single Acquisition Management Plan (SAMP), PEO IWS MIPS 6.0-10-1 Revision 1, except as noted herein, are complete and accurate to the best of my knowledge and belief.

**TECHNICAL COGNIZANCE:**

[Redacted]			7/20/12
Name and Title	Code	Phone	Date

**REQUIREMENTS COGNIZANCE:**

[Redacted]			7/20/12
Name and Title	Code	Phone	Date

**REVIEW FOR LEGAL SUFFICIENCY REVIEW (NMCARS 5206.303(90))**

I have determined this justification is legally sufficient. August 1, 2012

[Redacted]			<i>[Signature]</i>
Name and Title	Code	Phone	Date

**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]			08/06/2012
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 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).

(TITLE OF APPROVING OFFICIAL)

[Redacted]		James G. Loftgren	8-17-12
Signature	Name (Print)		Date