



DEPARTMENT OF THE NAVY
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVENUE, S.E., W5 2049
WASHINGTON NAVY YARD, DC 20376-2049

J&A Number: 40,783
Code: SEA 0243
PR Number: N00024-10-NR-93042

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

JUSTIFICATION

1. Contracting Activity

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

2. Description of the Action Being Approved

Contracting without providing for full and open competition with Lockheed Martin Maritime Systems and Sensors (LM MS2), in Moorestown, NJ. LM MS2 will be awarded a contract to operate the Worldwide Engineering Depot and Operations Center (WEDOC) and provide Aegis Weapon System (AWS) Integrated Logistics Support (ILS) sustainment support.

The resultant contract will cover a five-year performance period and is anticipated to begin in FY-11 and end in FY-15, should all options be exercised.

3. Description of Supplies/Services

The AWS ILS contract will allow for the sustainment and support of the installed AWS as the primary anti-air-warfare and ballistic missile defense system for the fleet. The AWS ILS program requires sustainment services to support the development, upgrades and acquisition of the AWS and to ensure sustainment and supportability is in place for the Fleet as the major upgrades are installed and supported. Efforts related to this contract are also directly tied to other Government Baseline Development contracts and the scope of work requires continuity between development, integration, production and lifecycle support. Whether Forward Fit or Backfit, ILS products are required for each change and this contract produces those ILS products from the technical data developed as a result of the change and for Backfit changes, the contract also includes testing the new equipment at the Backfit Program Test Facility (BPTF).

The contract scope of work includes personnel, facilities, and support to operate the Worldwide Engineering Depot and Operations Center (WEDOC), and Integrated Logistics Support (ILS) for the AN/SPY-1 Radar System and the integrated Aegis Weapon System (AWS). Additionally, the scope of work includes supply, repair and maintenance support for the integrated AWS for new and existing baselines at the Vice Admiral James Doyle Combat System Engineering Development Site, the Production Test Centers (PTC), the Naval Systems Computing Center (NSCC), and shipyards for AWS production hardware. The primary efforts under this contract include: integrated program management [which includes support and total ownership cost considerations, data management, configuration management]; engineering and technical support and services [Reliability, Maintainability and Availability, Support and Test Equipment (ST&E), BPTF, AWS Configuration Management]; life cycle engineering and technical services [Modernization, Depot Services, Maintenance Planning and Provisioning, Manpower and Training, Combat System Operation Sequencing System, Engineering Services]; engineering and technical services to manage the resolution of interim support and life cycle Diminishing Manufacturing Sources (DMS) issues; life cycle engineering and technical services in support of the AWS for Foreign Military Case; AWS ship assessment; and, spares support. The Government's minimum needs have been verified by the certifying technical and requirements personnel.

The estimated total value of this procurement is \$295.5M. The Program has substantial cost data based on prior ACS/AWS developments and upgrades of varying complexities, including cost of manufacturing, new equipment introduction, and computer program modification. The budget accommodates the change in AWS Production due to the restart of the DDG 51 Class Program, the increasing buys for Aegis Modernization (AMOD) in support of the DDG and CG Modernization programs, the new requirements for Combat System Assessment, the increase in DMS requirements and the funding of ILS responsibilities. The funding profile is as follows:

AWS ILS FY-11 through FY-15

Appropriation	FY11	FY12	FY13	FY14	FY15	Total
RDT&E	5.5	5.4	5.2	6.5	6.4	29.0
SCN	6.4	6.4	6.9	7.9	7.9	35.5
OMN	18.7	16.8	17.1	17.4	16.2	86.2
OPN	27.8	22.2	27.0	27.9	23.9	128.8
FMS	3.4	3.6	2.9	3.1	3.0	16.0
Total	61.8	54.4	59.1	62.8	57.4	295.5

4. Statutory Authority Permitting Other Than Full and Open Competition

As described in 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

Pursuant to 10 U.S.C. 2304(c)(1), LM MS2 is currently the only responsible source capable of satisfying the Navy's requirements of the AWS ILS Sustainment Support Services. LM MS2 is the only source with the technical expertise and knowledge required to provide timely and effective ILS sustainment support for all AWS Baselines, Advanced Capability Build (ACBs), and Technology Insertions (TIs). Under separate contracts, LM MS2 is simultaneously designing the specification and configuration upgrades for the Multi Mission Signal Processor (MMSP), Ballistic Missile Defense (BMD) 4.0.1 and AMOD equipment sets. These equipment sets require ILS support under this procurement while both these technologies remain under development and after they are fielded. Furthermore, LM MS2 provides repairs for highly specialized integrated components designed and installed for end items, beginning during system testing and continuing throughout the AWS life cycle. Only LM MS2 has the technical data and expertise to repair spare parts for piece parts of components manufactured by LM MS2 for all fielded and in-process AWS baselines/ACBs/TIs.

Due to the complexity of the AWS, a contractor must have intimate knowledge of all system requirements, weapons specifications, equipment design, and interfaces in order to provide real-time ILS support to the production, fielding, and testing of AWS ship sets and modernization upgrades, including the components still under concurrent development. AWS ILS Sustainment Service delivery requirements are driven by AWS new Baseline developments, upgrades and incremental improvements, scheduled ship availabilities and operational ILS sustainment concerns across all Baselines. LM MS2 is the only source that can provide the rigorous integration testing required for the AMOD Baseline Equipment, ACB12/TI12 equipment and ACB14/TI12 equipment at the Backfit Program Test Facility (BPTF) operated under this contract. The AMOD upgrade equipment for TI12 is being developed and produced by LM MS2 under a separate contracts, and LM MS2 is in a unique position to perform testing on the AMOD and BMD Equipment suites prior to acceptance by the Government under the production contract. More importantly, LM MS2 can resolve all hardware and integration issues before the equipment is packaged and sent to the installing activity. Award of the ILS Sustainment Services contract including acceptance testing of LM MS2 products, to anyone other than LM MS2 would result in a delay in the delivery of the required services and parts to all locations supported by this procurement, including shipbuilding and executing shipyards, onboard and in support of in-service surface ships, Combat System Engineering Development Center (CSEDS), PTC, IAegis Sites (IWSL, Surface Combat Systems Center (SCSC), and Aegis Readiness and Training Center (ATRC)), NSCC, and BPTF. The technical, cost, and schedule risk inherent in such an action are deemed unacceptable.

The development and delivery of AWS logistics products for any given ACB/TI requires at least two full years of effort predicated on development schedules leading to delivery of the completed logistics products. The development of these logistics

data packages consisting of Technical Manuals, diagrams, provisioning lists, spares allowances, Combat Systems Operational Sequencing Systems (CSOSS) packages, and critical crew training products commence with delivery of the raw technical and design data packages from the development and production contractor. The crew training logistics data package (technical manuals/drawings) are required to be delivered to the Aegis Readiness and Training Center (ATRC) to support critical crew training on the actual Baseline equipment for each successive AWS baseline. LM MS2 also provides logistics data package support to NSWC Dahlgren, Surface Combat Systems Center (SCSC) Wallops Island, VA, and the Combat System Engineering Development Center (CSEDS) in direct support of the AMOD program, and testing and maintenance of the six prior AEGIS Baselines. Additionally, LM MS2 provides to these sites the logistics data package and hardware for suitability and integration testing of second source and redesign of Diminishing Manufacturing Sources and Material Shortages (DMSMS) solution sets. This includes licensing agreements with the commercial notification systems as well as management of DMSMS by their subcontractors. Furthermore, the critically mandated National Defense BMD upgrade program deliveries starting in FY 12 with DDG 53 and its associated logistics data package, requires a uniquely experienced source like LM MS2 to ensure delivery and update of information for the execution of total Fleet Surface Combatant Modernization Program through FY 2015 without adverse impact to fielding schedules.

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

The proposed contract was synopsisized via posting on Federal Business Opportunities (FEDBIZOPPS) and Navy Electronic Commerce On-Line (NECO) websites on 26 FEB 10. To date, no other potential sources expressed an interest in this requirement. No additional market research was conducted because it is not practicable, for the reasons discussed in paragraph 5 above, for any company other than LM MS2 to provide the required services.

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 the J&A will be fair and reasonable.

8. Actions to Remove Barriers to Competition

Under the proposed sole source procurement, LM MS2 will complete development and delivery of ACB12/TI12 and ACB14/TI12 logistics products, for which it has already begun development under N00024-00-C-5139. While competition is not a viable option for the remaining TI12 logistics products, the Program Office is planning to conduct a full and open competition for all logistics services and products being procured under this contract beginning with the requirements of ACB16/TI16, with the exception of the integration and testing of AWS equipments delivered to the BPTF from the production site and DMSMS support. This plan allows the Navy a

smooth transition to the competitively awarded contract, with no tasking overlap between different contractors, while still allowing the Navy to meet the critical AMOD and BMD equipment/systems deliveries to the CG and DDG Modernization Program in TI12.

The requirement of having trained Depot personnel and the transition of the specialized Depot equipment to another vendor through competition will impact Modernization Testing and Logistics Data Product deliveries and continuous maintenance and repair to the Fleet. Efforts will be taken to standardize test equipment with common Navy and Industry test stations and strive to eliminate the development of unique repair and testing standards for the AWS new and legacy equipment.

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 Number SEA 21-10-004, 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(a)(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 Senior Procurement Executive of the Navy, the solicitation of the proposed procurement described herein using other than full and open competition, pursuant to the authority of 10 U.S.C 2304 (c) (1).

SENIOR PROCUREMENT EXECUTIVE APPROVAL

[Redacted Signature Block]

Signature SEAN J. STACKLEY 15 APR 11 Date