DEPARTMENT OF THE NAVY
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVE SE
WASHINGTON NAVY YARD DC 20376-OOO1

IN REPLY TO:

J&A Number: 63925
Code: [redacted]
P.R. Number: N00024-11-NR-99589

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

JUSTIFICATION

1. Contracting Activity

The Naval Sea Systems Command, Undersea Systems Contracts Division, NAVSEA [redacted].

2. Description of the Action Being Approved

Award of a contract on a sole source basis for the Remote Minehunting System (RMS) Reliability Growth Program (RGP) to Lockheed Martin Corporation, 100 East 17th Street, Riviera Beach, FL 33404. The RGP completion requirement is planned as a cost plus incentive fee (CPIF) contract. The contract base and options will encompass 36 months (planned Oct 2011 through Sep 2014).

3. Description of Supplies/Services

The services and supplies contemplated will support the RMS RGP. This effort is required to improve the Remote Multi-Mission Vehicle (RMMV) reliability to at least [redacted] Mean Time Between Operational Mission Failures (MTBOMF) to meet the Material Reliability (Rm) Key System Attribute (KSA) threshold requirement as stated in the updated Capabilities Development Document (CDD). The RMS RGP systems engineering effort will include Critical Systems Reviews (CSRs) and subsequent Design Reviews (DRs), use of predictive reliability tools; build spiral development with in-water testing to assess progress and potential areas for reliability growth development; and installation of RMMV reliability upgrades; and all ancillary support.

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

The estimated value of the proposed acquisition is [redacted] for a period of performance of 36 months, anticipated to end September 30, 2014, shown as follows:

[redacted]

4. Statutory Authority Permitting Other Than Full and Open Competition

The statutory authority permitting other than full and open competition is contained in 10 U.S.C. 2304(c)(1) as implemented in FAR 6.302-1, "Only one or a limited number of responsible sources and no other type of supplies or services will satisfy agency requirements." (48 C.F.R 6-302-1).

5. Rationale Justifying Use of Cited Statutory Authority

Pursuant to 10 U.S.C 2304(c)(1), Lockheed Martin is the only responsible source capable of providing the required services, material, and documentation necessary for the RMS RGP. RMS is a fully integrated system consisting of a semi-submersible Remote Multi-Mission Vehicle (RMMV) carrying a towed variable depth sensor.

Lockheed Martin is the sole designer, developer, and producer of the RMMV units. Lockheed Martin has been the prime contractor during all phases of the RMS evolutionary development strategy beginning with prototype development of the RMS (V) 3, which was competitively awarded to Lockheed Martin in August 1996. The RMS (V) 4, officially designated AN/WLD-1(V) 1, is based upon the RMS (V) 3 design and was developed under a sole source contract, N00024-02-C-6309, with Lockheed Martin. A sole source Low Rate Initial Production (LRIP) contract, N00024-05-C-6327, was awarded to Lockheed Martin in September 2005. Lockheed Martin is the only source with the expertise required to provide the highly specialized equipment, technical services, maintenance, and upgrade kits needed to perform the reliability and maintability improvements that will be implemented under the RGP.

Although the Government currently possesses a Technical Data Package (TDP) for the RMS, including the RMMV, the TDP is not

yet sufficiently mature to allow a source other than Lockheed Martin to perform the requirements to be fulfilled under the RGP contract. Subsequent to delivery of the TDP in fiscal year 2007, the RMMV design has continued to mature through numerous configuration changes while in development. These configuration changes must be addressed and appropriately reflected in the updated TDP.

The RGP effort will require the contractor to have detailed knowledge of the versions of the RMMV that have already been (or are currently being) manufactured and delivered. For example, the contractor will likely be required to design and develop upgrade kits to improve the reliability of the vehicles. In order to perform this requirement, a company other than Lockheed Martin would need to develop an understanding of the existing RMMVs that is adequate both to maintain and overhaul the vehicles themselves and to implement effective and timely improvements to the design of the vehicles.

Government analysis of RMMV design, development and subsequent production and delivery of LRIP units to date indicates that it would take a company other than Lockheed Martin approximately two (2) years to gain the requisite knowledge and experience to perform the tasks required under this RGP effort. This analysis, based on actual costs and man-hours performed by Lockheed Martin on RMMV also indicated that the Government would likely incur an estimated $37,000,000 in duplicative costs for a new contractor to accomplish the requirements of the RGP effort. This amount includes an estimated $26,000,000 in contractor labor cost, an estimated $5,000,000 in test equipment and in other facilities costs including building acquisition/equipment leases, $4,000,000 in Navy Technical Design Agent (TDA) labor cost (with TDA support) for familiarization with shipboard equipment/systems, Littoral Combat Ship (LCS), reliability modeling, and operation sheets; and $2,000,000 in anticipated cost calculated on program historical information for required engineering changes.

These additional costs and schedule delay are unacceptable to the RMMV RGP effort and dependent platforms such as the LCS. The procurement plan is to reach Milestone C in FY14, per the June 1, 2010 Acquisition Decision Memorandum. A two-year delay in the RGP effort would prevent the timely achievement of this milestone and unacceptably delay the delivery of mine warfare capability to the LCS class. A sole source award to Lockheed Martin is therefore the only way to satisfy this RGP requirement.

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

The proposed contract was synopsized on the Navy Electronics Commerce Online (NECO) and Federal Business Opportunities (FEDBIZOPPS) websites on 30 September 2011 in accordance with FAR 5.2 and no responses have been received to date. No additional market research was conducted because it is not practicable, for the reasons discussed in paragraph 5 above, for any company other than Lockheed Martin to provide the required supplies and services.

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

PMS403 will develop a performance based specification (PBS) that will support competition for future acquisitions of the same or similar items. The Performance Specification is dependent upon a validated TDP at the completion of the RGP effort. The estimated date of the first competitive procurement (using the Performance Specification) of LRIP units, with options for Full Rate Production units, is FY14.

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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. PEO (LCS) PMS403-AP-11-001, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL COGNIZANCE:

[redacted]

REQUIREMENTS COGNIZANCE:

[redacted]

LEGAL SUFFICIENCY REVIEW (NMCAG 5206.303(90))

I have determined this justification is legally sufficient.

[redacted]

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]

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 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).

DESIGNEE OF THE HEAD OF THE PROCURING ACTIVITY

[redacted]

13 Oct 2011

Signature Cindy Shaver, [redacted] [redacted] Date