DEPARTMENT OF THE NAVY
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVE SE
WASHINGTON NAVY YARD DC 20376-0001

IN REPLY TO:
J&A Number: 40,866
Code: SEA 02433
P.R. Number: N00024-12-NR-92204

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

Award of a contract on a sole source basis to General Dynamics Electric Boat (EB) for nuclear submarine repair work under the Nuclear Regional Maintenance Department (NRMD).

3. Description of Supplies/Services

The proposed contract action is to staff and operate a NRMD at Naval Submarine Base (SUBASE), New London in support of returning mission ready submarines to the Fleet. The level-of-effort contract will require project management, technical analysis, engineering and planning, training, inspection and nuclear services to accomplish intermediate-level nuclear submarine maintenance, modernization, and repairs in support of operational nuclear submarines, including maintaining and modernizing Government-owned facilities and equipment and providing off-hull support of submarine maintenance. The contractor shall accomplish naval nuclear work tasks using approved processes, technical work documents, and equipment. The scope of this work includes overhaul, maintenance, repair and modification upgrades, technical and engineering support, and supplies and/or ancillary services uniquely manufactured by EB in support of maintaining nuclear powered submarines. Work will be performed at the submarine base in New London, CT with occasional efforts at the contractor's shipyard. The base period of performance will be one-year beginning in FY-13, with four one-year options. The estimated value of this procurement, including options, is [redacted]. Funding is Operations and Maintenance, Navy (O&MN).

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

Estimated Dollar Value (In Millions)

[redacted]

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 procurement of the supplies/services described above by other than full and open competition is appropriate because it requires a nuclear qualified shipyard with staff within close proximity of the SUBASE, New London. There are only two private shipyards qualified in accordance with NAVSEAINST 9210.12 to conduct radiological work associated with U.S. Naval nuclear propulsion plants:

Electric Boat Corporation
A General Dynamics Company
75 Eastern Point Road
Groton, CT 06340-4989

Huntington Ingalls Industries
Newport News Shipbuilding (HII-NNS)
4101 Washington Avenue
Newport News, VA 23607

Through their extensive previous experience with nuclear-powered submarine programs, EB and HII-NNS have developed unique expertise and facilities for the design, engineering, construction, and maintenance of nuclear submarines. Only EB and HII-NNS have the knowledge and expertise required to perform intermediate-level nuclear submarine maintenance, modernization, and repairs during the operational phase. EB is the Design Agent and the designated planning yard contractor for SSBNs and all unique SSN classes. Additionally, EB operates the reactor plant planning yard (RPPY) for all nuclear powered submarines. EB also maintains the repository for all as built engineering data for SSBNs, SSGNs, and all unique SSN classes. HII-NNS has acquired similar expertise through their work on various nuclear submarine programs.

The dynamics of submarine force operation requires a NRMD capable of meeting workload surges and shifting skill requirements on a daily basis. This requires a NRMD contractor to be a nuclear qualified shipyard and able to maintain a staff of nuclear qualified personnel in close proximity to SUBASE, New London. EB is the only shipyard close enough to the SUBASE at New London to provide the required response times. Therefore, EB is the only source capable of fulfilling the Government's requirements.

HII-NNS, the only other private shipyard qualified in accordance with NAVSEAINST 9210.12 to conduct radiological work associated

with U.S. Naval nuclear propulsion plants, is not capable of meeting the Navy's requirements because its distance from the worksite makes it impossible to meet the workload surge and shifting skill mix requirements. In reaction to the FedBizOpps announcement, HII-NNS has informed the Government that they would not be interested in participating in contemplated NRMD New London efforts.

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

A synopsis covering the contemplated contract effort was published on the Federal Business Opportunities (FedBizOpps) website, in accordance with FAR 5.201, on 15 November 2011. EB expressed an interest in the requirement and HII-NNS expressed no interest in the requirement. To date no other responses have been received, but any that are received will be evaluated and considered 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 this J&A will be fair and reasonable. The NAVSEA contracting office will use cost and price analysis to determine that the final price is fair and reasonable. Assistance from the Defense Contract Audit Agency (DCAA), the Naval Submarine Support Facility (NSSF), and the Supervisor of Shipbuilding Groton (SOSG) will be utilized to analyze, evaluate, and negotiate based upon detailed cost or pricing data, which will be certified by EB at the conclusion of negotiations. In addition, significant relevant historical data exists for similar work performed by EB on two prior NRMD contracts. This data will be used as necessary for the Navy to negotiate a fair and reasonable contract value.

8. Actions to Remove Barriers to Competition

For the reasons set forth in Paragraph 5, the Naval Sea Systems Command has no plans at this time to compete future contracts for the types of supplies/services covered by this document.

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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. 392-12, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL AND REQUIREMENTS COGNIZANCE:

[redacted]

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 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 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(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] Sean J. Stackley 13APR12

Signature Name (Print) Date