



**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: 40,856.6

Code: 02433

P.R. Number: N00024-12-NR-92201

**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 Actions Being Approved

Award of a sole source modification increasing the value of contract N00024-12-C-4301 by [REDACTED] from [REDACTED] to [REDACTED] for in scope supplemental and emergent work.

3. Description of Supplies/Services

The contract increase is required for the procurement of unexpected supplemental and emergent work including: the replacement of the TD-100 hull casting, the rebuilding of the Torpedo Ejection Pump, additional Special Hull Treatment (SHT) tiles and repairs to shaft bearings. The increase will require that four additional supplemental and emergent work CLINs for USS TOLEDO be added to the contract. It is estimated that CLIN 0026 will need to be in place by 10 June 2013.

This contract action was initially addressed as a two ship contract with the USS HARTFORD (SSN 768) DSRA, also being conducted in FY13. However, as the hull specific requirements for USS TOLEDO and USS HARTFORD became more well defined, the required maintenance grew the availabilities to such an extent that their cost consumed most of the estimated value approved in the original J&A thus requiring USS HARTFORD's DSRA to be addressed separately. The original J&A was written using the assumptions prescribed in OPNAV NOTICE 4700 dated Aug 2006. The estimated values for both SSN 688 Class DSRA availabilities were based on notional values prescribed in the OPNAV NOTICE which provides the guidance for planning, programming, budgeting, scheduling, performing and evaluating the maintenance of ships. In 2009 a comprehensive study was conducted to reduce maintenance schedules and extend the duration required between planned CNO availabilities. As a result of more time between scheduled maintenance periods, the work required during what was once a notional number of mandays and duration for a DSRA, are nearly doubling. This recent increase in the DSRA maintenance requirements was not addressed in the original J&A thus presenting an inaccurate notional representation of the actual requirements. Increased scope includes areas such as additional docking and layday services, more major ship alterations, added alteration team support services, as well as additional work in

the areas of the pressure hull, tanks, shafting, transducers, ventilation, and steering and diving. This J&A is to support the efforts required for planning and execution of USS TOLEDO.

In accordance with SECNAV Waiver of Ship Depot Maintenance Policy for Submarine Short-Term Availabilities, dated 1 April 2003, the USS TOLEDO DSRA was awarded to General Dynamics Electric Boat (EB) without utilizing full and open competition. The Firm Fixed Price (FFP) award provided for advance planning, engineering and design efforts, prefabrication, and shipyard execution work necessary to prepare and accomplish maintenance and modernization work in support of the USS TOLEDO DSRA. The estimated value of this effort is revised to [REDACTED]. 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

10 U.S.C. 2304(c)(1). Only one or a limited number of responsible sources and no other type of supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority

The procurement of the supplies/services described above using other than full and open competition is appropriate because, in accordance with Federal Acquisition Regulation (FAR) 6.302-1(b)(1)(ii), there are only two qualified sources with unique capabilities to satisfy these requirements:

Electric Boat Corporation (EB), 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 these submarines. Only EB and HII-NNS have the knowledge and expertise required to perform intermediate and depot-level nuclear submarine maintenance, modernization and repairs during the operational phase.

EB is the Design Agent and the designated planning yard contractor for TRIDENT, SSBNs, and all unique SSN classes. Additionally, EB operates the Reactor Plant Planning Yard for all nuclear powered submarines. EB also maintains the repository for all as-built engineering data for TRIDENT, SSBNs, and all unique SSN classes. HII-NNS has acquired similar

expertise through their work on various nuclear submarine programs.

Under the homeport statute, (10 USC 7299a), where competition exists at a vessel's homeport for short term availabilities (e.g., 6 months or less in length), the contract for that work must be awarded to a firm that will perform the work in the vessel's homeport. USS TOLEDO (SSN 769) is homeported in New London, Connecticut. EB is the only source possessing the required facilities and expertise necessary to perform the required DCMAV effort in the designated homeport area. In particular, the only drydock within the homeport area available for use during the period of performance of the DSRA is located within EB's Groton facility. The only other qualified source (HII-NNS) would have to be granted access to EB's facility to accomplish this work. No government facility is available to accomplish this effort. Because HII-NNS does not have the necessary facilities to perform the work at the vessel's homeport, and there is no Government drydock available, there is inadequate competition at the vessel's homeport. Under these circumstances, the Navy's Ship Depot Maintenance Solicitation Policy would normally require that the geographic area for solicitation be expanded until "adequate competition" is achieved. However, because of the demand created by the war on terrorism for maximum submarine deployment availability, and retention and recruitment of sailors, and recognizing that performance of submarine overhaul and repair outside the homeport area will have an adverse impact on mission availability, the Secretary of the Navy has waived the above-stated requirement, thereby permitting all short-term submarine availabilities to be performed in the homeport area even if adequate competition is not present. Therefore, because EB is the only source with the necessary facilities and expertise to perform the DCMAV in the homeport of the vessel, the work was sole sourced to EB.

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

The proposed contract action was synopsized 03 October 2011 on the Federal Business Opportunities (FEDBIZOPS) website in accordance with FAR 5.201. No additional market research was conducted because it is not practicable, for the reasons discussed in paragraph 5 above, for any company other than EB to provide the required supplies and services.

7. Determination of Fair and Reasonable Costs

In accordance with FAR 15.402(a), the Contracting Officer must ensure all supplies and services are procured at a fair and reasonable price. The contractor will submit cost and pricing data in accordance with FAR 15.403-4. Analysis of the proposals will be performed by technical analysts and contract specialists, with the assistance of the Supervisor of Shipbuilding Groton analysts and the Defense Contract Audit

Agency auditors. The Contracting Officer will use cost and price analysis to determine that the final price is fair and reasonable.

8. Actions to Remove Barriers to Competition

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.

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. 392-15, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL COGNIZANCE:

[Redacted signature block]

Signature / Name (Print) and Title (Code) Phone No. Date

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(b)(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 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).

Director of Contracts

[Redacted signature block]

Signature

Jerome F. Punderson

6/10/13

Date