



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: 40,974
Code: SEA 02411
N00024-14-NR-92305

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

JUSTIFICATION

1. Contracting Activity

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

2. Description of the Action Being Approved

The Naval Sea Systems Command intends to negotiate an Indefinite-Delivery/Indefinite-Quantity (IDIQ) contract through the Canadian Commercial Corporation (CCC) to OceanWorks International Corp. (OWC) #120 - 6741 Cariboo Road, Burnaby, BC V3N 4A3 Canada, for supplies and services in support of the Submarine Rescue Diving and Recompression System (SRDRS). The Submarine Rescue Diving and Recompression System is the U.S. Navy's system for rescue of submariners from undersea vessels. The contract action will encompass one base year and four option years with an estimated value of \$4.95M. Authority to act under the C J&A expires on 30 October 2019.

3. Description of Supplies/Services

The supplies and services to be acquired are in support of two sub-systems of the Submarine Rescue Diving and Recompression System (SRDRS) as follows:

- (1) Auxiliary Undersea System (AUWS), and
- (2) The Pressurized Rescue Module System (PRMS).

AUWS: The AUWS consists of the Atmospheric Diving System 2000 hard suit (ADS 2000), a launch and recovery system, support equipment and control van. The ADS 2000 is a rapid-deployable "hard" dive suit that enables a diver to operate safely at depth for extended periods. It is deployed and recovered by means of the Launch and Recovery System (LARS). The Control Van aboard the surface support vessel monitors the dive mission.

PRMS: The PRMS consists of a Pressurized Rescue Module (PRM), a Control Van, an Umbilical Winch and the PRMS Mission Support Equipment (PRMS-MSE). The PRM is a remotely-operated undersea shuttle craft that ferries submariners to the surface. The Control Van operates and monitors the dive mission.

The PRMS-MSE consists of a PRM LARS, other support equipment and a Deck Cradle for the PRM to rest on when out of the water.

Portsmouth Naval Shipyard will procure both labor and material with this contract. Labor will consist of: engineering and technical support services, design change support, operations support and logistics support. Material to be procured will include spares, repair parts, replacement and add-on parts required to ensure the system is capable of meeting mission requirements. Procuring services and materials from the Original Equipment Manufacturer (OEM) shall greatly reduce repair time, rescue system down time and overall costs due to their specialized knowledge in unique design features, direct access to historical build documents, and inherent knowledge of current system specifications and in-service quality, maintenance, and operating requirements to support emergent repairs, future design changes, training and operational support.

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

The period of Performance is five (5) years. The estimated value is \$4,950,000, and the work is expected to be completed via the issuance of Cost Plus Fixed Fee (CPFF) and Cost only orders.

	FUNDING	FUNDING	TOTAL CONTRACT
Base Year			
Option 1			
Option 2			
Option 3			
Option 4			
Total			\$4.95M

4. Statutory Authority Permitting Other Than Full and Open Competition

10 USC 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 use of the authority cited above (10 U.S.C. 2304(c) (1)) is appropriate because only OWC can perform the services described herein within the required timeframe. OWC is the only qualified source that has the technical capabilities to safely and adequately perform the services and procure the materials required on the AUWS and PRMS within the timeframe to fulfill the agency's requirements. In accordance with FAR 6.302-1(a) (2), full and open competition need not be provided for when services are available from only one or a limited number of responsible sources, and no other type of services will satisfy agency requirements. Pursuant to FAR 6.302-1(a)(2)(ii)(B) and (iii)(B), this authority is appropriate in the case of follow-on contracts for the continued provision of highly specialized service when it is likely that award to any other source would result in unacceptable delays in fulfilling the agency's requirements (see 10 U.S.C.

2304(d)(1)(B)). Currently OWC is the only manufacturer of a one atmosphere diving suit utilizing a unique design consisting of [REDACTED]

[REDACTED] Very few companies worldwide build and maintain submarine rescue vehicles and even fewer have designed and built remotely operated (fly by wire) vehicles for this purpose similar to the PRM.

Only OWC has the highly specialized personnel and equipment with the technical capabilities to provide maintenance and continued technical/engineering support services, production, supply spares, logistics support and operational support for SRDRS elements that as the OEM, designed, fabricated, tested and helped certify. These Deep Submergence Systems have very detailed and unique certification requirements that very few contractors have knowledge of let alone the unique capability to design, build and have certified two very different systems, one a PRM (utilized to recover submariners from disabled submarine on the ocean floor), the other an ADS (utilized to remove and clear debris from a disabled in support of a PRM and the U.S. Navy's Submarine Rescue Chamber) and is periodically audited by NAVSEA for continued support in maintaining certification of these systems.

The proposed contractor, OWC, is currently under contract with the US Navy under sole-source contract N66604-09-D-0025, which expires in January 2015. This contract provides maintenance, continued technical/engineering support services, spares, logistics support and operational support for SRDRS elements in accordance with both Certification standards per NAVSEA SS800-AG-MAN-010/P-9290 and NAVSEA SSS21-AA-MAN-010 relating to the SRDRS. As the OEM of the AUWS and PRMS (under completed NAVSEA Contracts N61331-97-D-0013, N61331-98-C-0036 and N00024-00-C-4010), OWC has specialized knowledge of both the systems and all associated proprietary data that the US Navy needs to ensure safe and secure operations. The depths at which these systems are operated and the life-saving efforts for which they are used entail significant dangers that deem the contractor's intimate knowledge of the systems a necessity.

To provide the necessary critical support for these systems, the Government would have to incur additional costs of 2 to 3 million dollars for proprietary rights in data, and expend non-recurring equipment investment cost of 5 to 10 million dollars. These costs are based on historical data in obtaining similar proprietary data and equipment. In addition, an estimated learning lead-time of at least 24 months would be required to bring another vendor to an acceptable level of knowledge. This estimated lead time is based on the expertise of the technical personnel working on the SRDRS program as well as their extensive experience working with this vendor. Such an extended time period would result in unacceptable delays in meeting critical mission requirements. The costs associated with the delays and additional data and equipment costs would not be recouped through the use of competition.

Therefore, only OWC, as the OEM, has the specialized knowledge, and is capable of providing the services and supplies without the unacceptable delays in fulfilling the U.S. Navy requirements.

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

This requirement was synopsised via posting on the Federal Business Opportunities (FedBizOps) website on 21 January 2014 in accordance with FAR 5.2. To date there have been no responses. If any responses are received they will be considered. A search in Thomas Register was performed for vendors of deep sea hardsuits with no results. Web searches revealed information relating to the NATO Submarine Escape and Rescue Working Group (SMERWG) hosted on the sonistics.com website and an extensive list there of vendors in the undersea product line; however, the list of vendors for hardsuits provided no further information other than what was already known for OceanWorks International Corp. NAVSEA PMS 391, as the principal customer for any related research, engineers are continually apprised of any developments by firms with related technology.

7. Determination of Fair and Reasonable Costs

The Government of Canada through CCC will provide contract administration services. Public Works and Government Services Canada (PWGSC) arranges audits on contracts with the Canadian Commercial Corporation. An audit will be requested through DCMA Americas to PWGSC, to assure a fair and reasonable cost and that the contractor has an accounting system adequate to support a cost type contract. Additionally, the cost data will be compared by SEA 0241 against historical data on the existing contract to ensure a fair and reasonable contract amount.

8. Actions to Remove Barriers to Competition

For the reasons set forth in Paragraph 5, Naval Sea Systems Command currently has no plans to compete for the type of services/supplies covered by this document. There is no plan to acquire a technical data package for the ADS2000 as efforts are in process to transition from ADS2000 to Remote Operated Vehicles for Submarine Escape and Rescue intervention requirements over the next few years. Additionally, Portsmouth Naval Shipyard; Code 205 along with PMS 391 will continue to monitor and survey developments in the field and market and assess whether competition for future requirements is feasible.

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. N/A, 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(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 *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).

DESIGNEE OF THE HEAD OF THE CONTRACTING ACTIVITY

[Redacted Signature Block]

Jerome Ponder 4/5/14
Name (Print) Date