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IN REPLY REFER TO:

## **SOLE SOURCE JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION**

### **IBM Hardware with supporting Integration Services Requirement for the Naval Air Systems Command, Patuxent River, Md.**

#### **1. IDENTIFICATION OF REQUESTING AGENCY AND CONTRACTING OFFICE:**

- a. Agency Name: Commander  
Naval Air Systems Command HQ  
47060 McLeod Rd, Code 6.8  
Patuxent River, MD 20670-1547
  
- b. Contracting Activity: Naval Inventory Control Point  
5450 Carlisle Pike, Code M027  
Mechanicsburg, PA 17055-0788

#### **2. DESCRIPTION OF ACTION BEING APPROVED:**

The NAVICP Contracts Office M0271 has been asked to acquire hardware upgrades to support ongoing NAVAIR requirements. Current model IBM hardware will be purchased to augment existing quantities of the same type of equipment supporting NAVAIR's Deckplate and NALDA programs. NAVICP contracting plans to solicit this equipment and integration services from the unique vendor, CAS Severn.

#### **3. DESCRIPTION OF SERVICES:**

The requiring activity, NAVAIR Code 6.8.4, is responsible for the operation, maintenance, and protected access to Aviation Logistics Data of all types. This includes weapons systems engineering drawings, database administration, systems administration, networking services, production support, applications maintenance, help desk and user training. They operate under a large scale data processing center which is comprised of several programs, such as DECKPLATE and NALDA. These hardware additions will enhance the functionality of the IT systems adding to the high state-of-the-art required by the system's logistics function and purpose. The estimated total dollar value of this action is \$505,165.36.

4. IDENTIFICATION OF STATUTORY AUTHORITY:

This acquisition is conducted under the authority 10 U.S.C 2304(d)(1)(B) as implemented by FAR 6.302-1.

5. UNIQUE QUALIFICATIONS:

CAS Severn, Inc. is the sole vendor able to provide the required brand name hardware and has been and is the only vendor with access to proprietary knowledge and the levels of experience required to integrate the new hardware pieces into the existing system configuration as it is needed by NAVAIR.

Brand Name: The NAVAIR IT system is built on IBM hardware including these items to be acquired now to increase the NALDA & DECKPLATE program's technical or operational levels. The Government shall benefit from this simplified single brand name system configuration. NAVAIR can expect the components of the system to work seamlessly together as the components have undergone testing by the provider before being marketed. The NAVAIR management of its system is simplified because it's limited to the single brand name. As a result, the number of personnel on the Government payroll is kept to a minimum. Currently, the annual cost of the system management is approx. \$775K each year. NAVAIR has determined that adding another brand name to the mix with its different operating protocols and divided responsibilities would increase the management costs of the system by 60 percent, or another \$440K each year. A single brand name configuration means reduced maintenance and repair costs each year, and a single brand name configuration reduces the cost of training and the potential for operational performance problems. The rule of thumb for learning a multiple vendor system is a learning curve of two years. The reduced operational capability during these two years has not been quantified in dollars and cents, but to the fleet, this is the most significant factor.

CAS Severn is the sole vendor able to provide seamless service to NAVAIR as the systems integrator. As the Government's management goals move, as IT security requirements harden, or just day to day operations adjust, it is this sole vendor that is responsible for the answers and solutions when the IT system is at issue. CAS Severn is the responsible party. There is no room for finger pointing to another vendor. This single point of authority has value. It is this sort of argument that has moved the NAVY to a single NMCI provider for its IT desktops.

As a supporting point in this discussion, the manufacturer IBM has a business practice of not competing against its partners. In the instance of this NAVAIR program, IBM and Severn have maintained a partnering relationship. IBM will not offer its products to another vendor wishing to compete for this business. This business relationship with IBM serves to make CAS Severn a "unique source" apart from any other.

6. DETERMINATION OF FAIR AND REASONABLE PRICE:

The procurement of these IT products and installation services will be made in accordance with FAR Part 13.5. Existing price catalogs and IT expertise will be applied to the decision on price.

**7. DESCRIPTION OF THE MARKET RESEARCH CONDUCTED:**

NAVAIR personnel have a long-standing, up-to-date understanding of the Information Technology (IT) marketplace. They have working level experience with the technologies and maintain relationships with the manufacturers and vendors active in many areas of DoD IT endeavors. It is NAVAIR's determination that there is no vendor capable of providing these requirements with technical superiority and/or improved prices without substantial infusions of Government resources to make such a competition possible.

**8. OTHER SUPPORTING DATA:**

The table below represents the NAVAIR history of purchasing this hardware/software requirement from with this CAS Severn since 2001 when the initial IBM system was installed.

| <b>Contract</b>  | <b>Cage/Contractor</b> | <b>Quantity</b> | <b>Unit Price</b> | <b>Date</b> |
|--|------------------------|-----------------|-------------------|-------------|
| N0010409FQ091  | CAS SEVERN, INC        | 1               | \$108,151.20      | 9/18/2009   |
| N0010409FQW68  | CAS SEVERN, INC.       | 1               | \$500,000.00      | 9/14/2009   |
| N0010409FQ587  | CAS SEVERN, INC        | 1               | \$996,350.09      | 6/14/2009   |
| N0010409FQ476  | CAS SEVERN, INC        | 1               | \$563,390.30      | 3/31/2009   |
| N0010409FQ173  | CAS SEVERN, INC        | 1               | \$87,579.02       | 11/26/2008  |
| N0010409FQ179  | CAS SEVERN, INC        | 1               | \$154,925.78      | 11/25/2008  |
| N0010408FQ825  | CAS Severn, Inc.       | 1               | \$995,000.00      | 8/05/2008   |
| N0010408FQ486  | CAS Severn, Inc        | 1               | \$67,286.34       | 4/3/2008    |
| N0010408FQ448  | CAS Severn, Inc        | 1               | \$296,077.25      | 3/20/2008   |
| N00104-08-F-Q155   | CAS Severn, Inc.       | 1               | \$364,397.00      | 12/08/ 2007 |
| <b>TABLE 1 – CAS SEVERN IT HDWR &amp; SW ACQUISITION HISTORY</b> |                        |                 |                   |             |

**9. POINT OF CONTACT**

Questions regarding this J&A can be directed to  
 Greg Mohn M0271.A1, 717-605-3786, DSN: 430-3786  
 Email: Gregory.mohn@navy.mil

**TECHNICAL AND REQUIREMENTS CERTIFICATION**

I certify that the facts and representations under my cognizance which are included in this justification and which form the basis for this justification are complete and accurate.

Technical Cognizance:

*Curtis Bowers* 7/19/10  
Naval Air Systems Command DATE  
Code 6.8.4  
Curtis Bowers

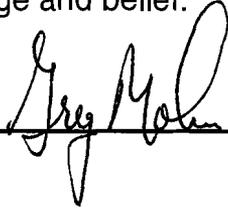
Requirements Cognizance:

*Curtis Bowers* 7/19/10  
Naval Air Systems Command DATE  
Code 6.8.4  
Curtis Bowers

**CONTRACTING OFFICER'S APPROVAL/CERTIFICATION**  
**REQUIRED BY FAR 8.405-6**

*(Represents approval if less than \$100K; Certification and approval above \$100K but below \$550K)*

I approve this justification and certify that it is accurate and complete to the best of my knowledge and belief.



*19 July 2010*

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Greg Mohn / Contracting Officer  
NAVICP Mechanicsburg, Code 0271.A1  
Phone: (717) 605-3786

**JUSTIFICATION APPROVAL\***  
**REQUIRED BY FAR 8.405-6(b)(3)**

*(Required for acquisitions valued above \$550K)*

N/A

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NAVICP Competition Advocate

\*Approval Levels:

Contracting Officer: Up to \$550,000  
Competition Advocate: \$550,001 to \$11,500,000  
HCA: \$11,500,001 to \$78,500,000  
DASN(RD&A): over \$78,500,000