



DEPARTMENT OF THE NAVY  
NAVAL INVENTORY CONTROL POINT

700 ROBBINS AVENUE  
PHILADELPHIA PA 19111-5098

5450 CARLISLE PIKE - PO BOX 2020  
MECHANICSBURG PA 17055-0788

COM & FTS (717) 605-4237  
DSN & EXT430-4255  
FAX #717-605-

IN REPLY REFER TO:  
NESP-001

**JUSTIFICATION AND APPROVAL  
TO PROCURE USING OTHER THAN FULL AND OPEN COMPETITION**

1. Contracting Activity:

Naval Inventory Control Point (NAVICP), Mechanicsburg, PA.

2. Description of Action Being Approved:

The use of other than full and open competition to award a Performance Based Logistics (PBL) contract to Raytheon Technical Services Company, Norfolk, VA. Raytheon manufactures and supports the AN/USC-38 Navy Extremely High Frequency Satellite Communication Program (NESP). Raytheon is the design agent and/or Original Equipment Manufacturer (OEM) of the NESP. The proposed contract is a Fixed Price Award Fee for five base years with no options.

3. Description of Supplies and Services

This justification and approval covers the negotiation and award of a follow on Performance Based Logistics (PBL) contract to Raytheon Technical Services Company, Norfolk, VA, for logistics support of the Navy's Extremely High Frequency Satellite Communication Program (NESP), an established legacy weapons system. Raytheon's responsibilities will include filling requisitions, reducing backorders, warehousing and tracking Government Furnished Material (GFM); identifying, planning, and executing the resolution of Diminishing Manufacturing Source/Material Supplier (DMS/MS) issues. Incentive for improving Fill Rate and reducing Contractor Response Time for all Issue Priority Group requisitions will be incorporated with the overall objective of reducing total support costs to the Navy. The items proposed for inclusion in the contract are contained in Attachment 1. Additional items within the scope of the contract may be added as it is unknown at this time what new items may be provisioned for NESP. An unforecasted CLIN will be included for this contingency.

(b) The total estimated dollar value of this acquisition for five years is \$62.0M.

	YR 1	YR 2	YR 3	YR 4	YR 5	Total
NWCF	\$14.0M	\$12.0M	\$12.0M	\$12.0M	\$12.0M	\$62.0M

Funds to be utilized are No Year Navy Working Capital Funds Appropriation, Subhead and Cost Code.

4. Statutory Authority Permitting Other than Full and Open Competition:

This justification and approval is based upon the authority of 10 U.S.C. 2304(c)(1), only one responsible source, as implemented by Federal Acquisition Regulation 6.302-1.

5. Rationale Justifying Use of Cited Statutory Authority:

Raytheon is the only producer of the NESP system described as follows:

The Navy's EHF Satellite Communications Program (NESP) provides unified command internet capability, force direction and secure voice and tactical communications for all submarines, major surface combatants and selected shore sites. The NESP consists of equipment that is located both inboard (sheltered environment) and outboard (unsheltered environment). The equipment located inboard consists of the Communications Equipment Group, High Power Amplifier, Transformer Unit, Antenna Junction Box unit or Antenna Waveguide Switch. The equipment located outboard consists of the Antenna Group.

Raytheon is familiar with all the design and operational characteristics of the NESP.

Raytheon owns engineering drawing masters, developmental specifications, interface specifications, and is tasked by the cognizant program office, SPAWAR, San Diego, to maintain corporate systems/equipment knowledge, manage depot repair facility, manage and maintain unique fixtures, jigs, test stands and precision equipment for NESP.

Raytheon is tasked by SPAWAR, San Diego, to design and develop Engineering Change Proposals (ECPs) and to resolve equipment and reliability problems for the NESP.

Raytheon provides logistics support services including training and documentation support for the NESP.

Raytheon possesses proprietary data, knowledge and experience on critical processes, procedures, components and test fixtures for NESP.

Based on the preceding rationale, Raytheon, by virtue of its knowledge and experience as the Design Agent and/or OEM of the above listed systems and its possession of specialized data, tools and equipment is the only viable source capable of performing the functions of both the OEM and the designated integrator in applying the full spectrum of technical and logistics functions required by this procurement. The lack of product drawings and associated lists and the impracticability of acquiring the data rights as well as the stringent quality control requirements and cost of production facilities, make it impossible to compete the major assemblies or critical components. Therefore, only Raytheon has the technical knowledge, data, background, production expertise, and design familiarity required to carry out the logistic support required by this procurement.

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

The requirement will be synopsisized in the FedBizOps. No additional market research will be conducted because it is not practicable for the reasons discussed in paragraph 5 above.

7. Determination of Fair and Reasonable Cost:

The Contracting Officer determines that the anticipated cost to the Government of the supplies/services covered by this J&A will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition:

For the reasons set forth in Paragraph 5, NAVICP has no plans at this time to compete future contracts for the types of supplies/services covered by this document. If another potential source emerges, NAVICP will assess whether competition for future requirements is feasible.

9. Contracting Point of Contact::

[REDACTED] Contracting Officer, [REDACTED]

**TECHNICAL/REQUIREMENTS CERTIFICATION**

I certify that the facts and representations under my cognizance which are included in this Justification are complete and accurate to the best of my knowledge and belief.

**Technical Cognizance:**

			5-6-09
Signature	Name (Printed)	Phone No.	Date

**Requirements Cognizance:**

			5-6-09
Signature	Name (Printed)	Phone No.	Date

(If a single individual has cognizance over both technical and requirements information included in the J&A, use of only one signature line is encouraged ("Technical Cognizance:" and Requirements Cognizance:" may also be deleted)).

**COMPETITION ADVOCATE REVIEW**

			5/6/09
Signature	Name (Printed)	Phone No.	Date

*Reviewed 5-6-09 JPD*

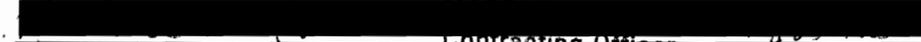
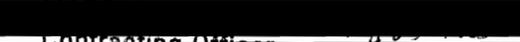
**LEGAL SUFFICIENCY REVIEW**

I have determined this Justification is legally sufficient.

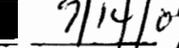
			9/2/09
Signature	Name (Printed)	Phone No.	Date

**CONTRACTING OFFICER CERTIFICATION**

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

			9/1/09
Signature	Name (Printed)	Phone No.	Date

**APPROVAL REQUIRED BY FAR 6.304**

			9/14/09
Signature	Name (Printed)	Phone No.	Date

