



## DEPARTMENT OF THE NAVY

CRANE DIVISION  
NAVAL SURFACE WARFARE CENTER  
300 HIGHWAY 361  
CRANE INDIANA 47522-5001

IN REPLY REFER TO:

J&A Number: 12-062-01  
Code WXTM  
N00164-12-R-WT08

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

1. Contracting Activity.

Naval Surface Warfare Center, Crane Division.

2. Description of the Action Being Approved.

This addendum is being done to add Aero Precision Industries, 30 Lindbergh Avenue, Livermore, CA as an authorized distributor for CEF Industries.

Award of a firm fixed price Indefinite Delivery Indefinite Quantity (IDIQ) contract on a restricted basis to procure spares, repairs, and/or overhauls for the K/H/C-130J Type/Model/Series (T/M/S) Mechanical Actuators, Pallet Lock Assemblies, and Electronic Lock Assemblies to CEF Industries, Inc., 320 S. Church Street, Addison, IL, the Original Equipment Manufacturer, or other authorized distributors (Aero Precision Industries)..

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. PMA207-001, 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

I have determined this justification is legally sufficient.

[Redacted Signature Block]

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

CONTRACTING OFFICER CERTIFICATION

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 Competition Advocate for the Contracting Activity, the solicitation of the proposed procurement(s) using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304(1)(1).

(Competition Advocate for the Procuring Activity)

Signature [Handwritten Signature] Name (Print) Kelly Setlin Date 9/5/12



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

1. Contracting Activity.

Naval Surface Warfare Center, Crane Division.

2. Description of the Action Being Approved.

Award of a firm fixed price Indefinite Delivery Indefinite Quantity (IDIQ) contract on a sole source basis to procure spares, repairs, and/or overhauls for the K/H/C-130J Type/Model/Series (T/M/S) Mechanical Actuators, Pallet Lock Assemblies, and Electronic Lock Assemblies from CEF Industries, Cage Code 00268, 320 S Church Street, Addison, IL 60101.

3. Description of Supplies/Services.

The required supplies and services covered under this J&A are for the spares, repairs, and/or overhauls in support of the K/H/C-130J T/M/S specific CEF Industries equipment listed below.

| PART NUMBER        | NOMENCLATURE             |
|--------------------|--------------------------|
| 8222M18 or 8222M19 | Mechanical Actuator      |
| 3338700-5          | Pallet Lock Assembly     |
| 3338700-6          | Pallet Lock Assembly     |
| 3338863-1          | Electronic Lock Assembly |

A cargo handling system conveys and secures containerized and palletized cargo on an aircraft for fast and easy loading and unloading. Cargo systems are installed on the lower deck on passenger aircraft and also the main deck of freighter aircraft. A typical system consists of: conveyor rollers and tracks, side rail guides, side and end latches, power drive units (PDUs) and locking assemblies.

This J&A is also inclusive of future derivative equipment resulting from enhancements, obsolescence remedies and replacements, and follow on equipment installed as a result of approved Engineering Change Proposals (ECP's) Technical Directives (TD's), Time Compliance Technical Orders (TCTO's), or Federal Aviation Administration (FAA Technical Standards Order (TSO).

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

Estimated Dollar Value

|                     | FY12<br>QTR 4   | FY 13            | FY 14            | FY 15            | FY 16            | FY 17<br>QTR 1,<br>2, & 3 | TOTAL              |
|---------------------|-----------------|------------------|------------------|------------------|------------------|---------------------------|--------------------|
| <b>USCG HC-130J</b> |                 |                  |                  |                  |                  |                           |                    |
| AC&I                | \$0             | \$66,800         | \$68,746         | \$35,346         | \$36,319         | \$0                       | \$207,210          |
| OE                  | \$54,841        | \$300,725        | \$401,179        | \$524,003        | \$644,657        | \$569,329                 | \$2,494,735        |
| <b>GRAND TOTAL</b>  | <b>\$54,841</b> | <b>\$367,525</b> | <b>\$469,925</b> | <b>\$559,349</b> | <b>\$680,976</b> | <b>\$569,329</b>          | <b>\$2,701,945</b> |

4. Statutory Authority Permitting Other Than Full and Open Competition.

10 U.S.C. 2304(c)(1), Only one responsible source.

5. Rationale Justifying Use of Cited Statutory Authority.

The C-130J T/M/S and derivative aircraft entered into production in 1995, produced by Lockheed Martin, Marietta, Georgia under United States Air Force (USAF) contract F33657-90-C-0071. Additional aircraft were procured under USAF commercial contracts F33657-95-C-2055 (35), F33657-00-C-0018 (20), and F33657-03-C-2014 (60). The C-130J T/M/S aircraft is a congressionally directed COTS/Non-Developmental Item (NDI) aircraft procurement requiring minimal changes.

Although Lockheed Martin designed and produced the K/H/C-130J aircraft, the majority of the C-130J T/M/S airframe components were procured from Original Equipment Manufacturers (OEMs), to include CEF Industries' Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuators, and incorporated them into the C-130J T/M/S aircraft. Inasmuch, these specific systems are repaired, upgraded, and modified by CEF Industries. The Government does not own or possess the necessary Level III hardware documentation or specialized tooling necessary for full and open competition. The documentation, drawings, specialized tooling, testing specifications and procedures for the Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuators are proprietary to CEF Industries. From an interfacing perspective, Lockheed Martin developed the C-130J aircraft model and retained all rights to the C-130J airframe component peculiar proprietary data, drawings, tooling, interfacing requirements, and software rights (Operation Flight Programming (OFF)). In manufacturing the C-130J aircraft, Lockheed Martin selected CEF Industries' Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuator systems for installation into the C-130J aircraft.

Due to cost constraints, the Government does not intend to obtain government purpose licensing rights, valued [REDACTED] for airframe components alone. In the development of the KC-130J Acquisition Plan (AP), reference Section 1 paragraph 1.2, the Naval Air Systems Command (NAVAIR) formally requested a quote from Lockheed Martin to procure a complete technical

data rights package. However, Lockheed responded in writing that the data rights were not for sale and a business decision was made not to sell their repair level data to the US Government. Further, CEF Industries stated that they are unwilling to sell the proprietary data rights and Level III documentation for the Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuators to the US Government.

Since the subject rights are not available to the Government, it is not possible to obtain the required Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuators documentation required to manufacture, repair, or upgrade these complex flight critical systems. As CEF Industries is unwilling to sell the data rights for the Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuator components to the Government, a reverse engineering effort would be required to develop Government capabilities to manufacture, repair, and upgrade these systems. This duplication of costs relative to system hardware, software, and testing specifications development is estimated approximately and conservatively at \$10.4M. This duplicative cost consists of the required efforts to reverse engineer the Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuator components, development of Level III drawing packages, software and hardware development, manufacturing of prototype units, First Article and Environmental Stress Screening, Airworthiness certification, and Federal Aviation Administration (FAA) TSO certification testing. The duration of this effort is estimated minimally at 24 months, excluding budget lead-time. The Government does not have \$10.4M in order to develop another vendor in order to compete this requirement, nor is it anticipated that these costs would be recovered through competition.

The K/H/C-130J's are currently deployed in direct support of [REDACTED] and Weather related disaster relief efforts. The time and costs associated with the development of alternate sources for K/H/C-130J airframe component support would negatively impact current and future K/H/C-130J mission requirements.

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

The proposed contract was synopsisized on the FEDBIZOPS website at [www.fbo.gov](http://www.fbo.gov) on 23 April 2012. Market research performed by the Requiring Technical Activity (RTA), indicates there are other vendors capable of manufacturing similar Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuators. However, substitutions are not authorized for flight on the C-130J aircraft. Any replacement other than the unit specified would require development, integration, testing and Airworthiness Certifications (FAA and TSO) prior to authorization for flight, which would be cost prohibitive. Therefore, it is not practicable for the reasons discussed in Paragraph 5 above, for any company other than CEF Industries to provide the required supplies and services.

No other vendors can meet the Government's requirements in terms of weight, form, fit, and function for the current requirement. For specific requirements, both in terms of design and operational compatibility at the aircraft platform level, the CEF Industries Pallet Lock Assemblies, Electronic Lock Assemblies, and Actuators has been approved, accredited and authorized for utilization on the C-130J aircraft.

Any new requirements and/or modifications to existing contracts will be synopsisized and published in FEDBIZOPS in accordance with FAR 5.201. New Request for Proposal's will be posted to the World Wide Web and any interested sources will be able to obtain a copy via the electronic means.

7. Determination of Fair and Reasonable Cost.

The Contracting Officer has determined 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, NSWC Crane 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, NSWC Crane Division will assess whether competition for future requirements is feasible. The synopsis includes a statement that sources may submit an offer.

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TECHNICAL/REQUIREMENTS CERTIFICATION (FAR 6.303-2(b))

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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

[Redacted Signature Block]

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

CONTRACTING OFFICER CERTIFICATION

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

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Upon the basis of the above justification, I hereby approve, as Competition Advocate for the Contracting Activity, the solicitation of the proposed procurement(s) using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304(1)(1).

(Competition Advocate for the Procuring Activity)

Signature [Handwritten Signature]      Name (Print) KELLY SIFFIN      Date 6/14/12