



DEPARTMENT OF THE NAVY

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

IN REPLY REFER TO:

J&A Number: 12-004

Code: GXR

P.R. Number: N00164-12-R-GR79

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

JUSTIFICATION

1. Contracting Activity

Naval Sea Systems Command, Naval Surface Warfare Center (NSWC) Crane, Contracting Operations Division

2. Description of the Action Being Approved

Award of a Basic Ordering Agreement (BOA) on a sole source basis for Design Agent and Technical/Engineering (DA/TE) services in support of the AN/SPS-73 Radar System to Raytheon Company - Integrated Defense Systems (IDS). Authority to act under this Class Justification and Approval (CJ&A) expires 3 years after award.

3. Description of Supplies/Services

The proposed acquisition is to provide approximately 78,489 hours of DA/TE services. The support includes system integration of the AN/SPS-73(V) radar on each ship class, obsolescence parts replacement and software/hardware upgrades. The ordering period is 3 years. The total estimated value of the procurement action is \$12,434,840.

Estimated Dollar Value

	FY 12	FY 13	FY 14	TOTALS
OPN	\$4,003,200	\$4,143,312	\$4,288,328	\$12,434,840

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 responsible source and no other services will satisfy agency requirements as implemented by FAR Subpart 6.302-1.

5. Rationale Justifying Use of Cited Statutory Authority

This is a follow-on acquisition as implemented in FAR 6.302-1(a)(2)(iii), in which the services are deemed to be available only from the original source. Initial United States Navy (USN) AN/SPS-73(V) Surface Search Radar (SSR) fielding requirements were filled from a 1997 competitively awarded United

States Coast Guard (USCG) contract to Hughes Aircraft Company – Radar Division and a subsequent sole source USN contract. In 1999, Raytheon Company – Integrated Defense Systems (IDS) bought that division and has been awarded two follow-on sole source contracts to provide DA/TE services totaling over \$20 million.

The total estimated costs that would be duplicated, if the Government were to make an award to another vendor, are \$5,616,000. This estimate is comprised of costs for software and hardware development. Raytheon - IDS has also been tasked with maintaining the Configuration Product Baseline since the initial manufacture of the AN/SPS-73 Radar. The baseline AN/SPS-73(V)12 radar utilizes proprietary interface software code called Radar Data Service Communication Software (RDSCOMM[®]), developed by Hughes Aircraft Company and has been maintained by Raytheon via independent research and development efforts. Raytheon has not licensed nor will it license the source code rights to any other company or to the Government. Government rights to the source code are limited to Restricted Rights. The USN does not own full rights to software code data to support a competitive procurement. For another vendor to successfully perform the required design agent tasking without access to RDSCOMM[®] source code is highly unlikely. In order to meet the Government's minimum requirements, Raytheon started with the base software called RDSCOMM and then further enhanced the program by writing additional software lines of code. The additional software programming includes 178,646 lines of code. If another vendor were to be awarded the contract, it is estimated that 25% of the enhanced programming code would need to be re-written. Therefore, all of the software would have to be re-developed. In addition, a technical data package (TDP) suitable for hardware competition is not available. The estimate is based on past actuals plus a Government estimate.

To add, the time required to develop another product to meet the Government's minimum needs is estimated at 3 years, which is based on the length of time it would take to re-write the software code, including test, fix and re-test scenarios and develop a hardware TDP.

Program funding is sufficient to cover emergent repairs with repair parts, field installation support, and DA/TE service support, but not the development of an alternate source.

Raytheon - IDS has provided design agent services for the AN/SPS-73(V) systems for over a decade, has the proprietary rights to required software code, and the necessary technical expertise and manufacturing capability to deliver in the required time frame. The estimated duplication of costs is so high they will not be recouped through competition and the delay is unacceptable in support of the program requirements.

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

The proposed contract action was synopsisized on the Federal Business Opportunities (FEDBIZOPPS) on 16 November 2011, advertising the Government's intentions in accordance with FAR 5.201 and 5.207. The synopsis indicates it is a sole source procurement contemplated for contract award to Raytheon Company – IDS.

Sterling Design expressed interest in this procurement action on 16 November 2011. The Requiring Technical Activity (RTA) reviewed the capabilities narrative from Small Business Administration. It indicated: 15 years designing/manufacturing rugged DISPLAYS for military, industrial, medical worldwide use, proprietary SUNLIGHT READABLE/EXTREMELY LOW LIGHT DISPLAYS based upon work on B2 aircraft for all cockpit/bridge use. Extensive analog/digital electronics. SBA further indicated business type percentages as: manufacturing as 75%; R&D as 20% & services 5%. There is no indication Sterling Design has the capabilities for Radar Design Agent Services. The keywords for searching SBA also indicated Sterling Design was very familiar and capable of MONITORS. Based on

this information, the RTA concluded that Sterling Design would be unable to satisfy the requirements of the proposed contract.

No additional market research was conducted because it is not practicable, for the reasons discussed in Paragraph 5 above, for any company other than Raytheon IDS to provide the required services. As previously stated, AN/SPS-73 SSR has been fielded over 10 years. The Government anticipates a future competition for the development and production of a replacement radar for the AN/SPS-73 radar in FY15.

Individual orders to be issued under this BOA will be published on the FEDBIZOPPS website. Any responses received will be considered.

7. Determination of Fair and Reasonable Costs

The Contracting Officer has determined that the anticipated cost to the Government for the supplies/services covered by the CJ&A will be fair and reasonable.

8. Actions to Remove Barriers to Competition

For the reasons set forth in Paragraph 5, NSWC Crane does not plan to compete future contracts for the types of services covered by this document. The circumstances surrounding the need to obtain the required services without providing full and open competition will be reviewed annually by the Contracting Officer.

No effort has been made to foster competition because of (1) the unique nature of the proprietary RDSCOMM software, (2) the duplicative costs estimated at ~5.6 million, and (3) the increase in time that fostering competition would take to fulfill these requirements, which would result in unacceptable delays in fulfilling the agency's requirements and could compromise the ability of the [REDACTED] ships to achieve the highest mission readiness and effectiveness.

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. NAVSEA PEO (IWS) 00-001 Rev02(11) 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 Crane Division Competitive Advocate, the solicitation of the proposed procurement described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304(c)(1).

[Redacted Signature Block] KELLY SUFFIN 12/15/11

Signature Name (Print) Date