



DEPARTMENT OF THE NAVY

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

IN REPLY REFER TO:

J&A Number: 12-081
Code: CXMR
P.R. Number:
N00164-12-R-GR24

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

JUSTIFICATION

1. Contracting Activity

Naval Surface Warfare Center, Crane Division (NSWC Crane)

2. Description of the Action Being Approved

Award of an IDIQ on a restricted source basis for production of Double Duty Crossed Field Amplifiers (CFAs) in support of AN/SPY-1D(V) System. Competition will be limited to the two certified sources - Communications and Power Industries LLC, Beverly, MA and L-3 Communications Corporation, Williamsport, PA.

3. Description of Supplies/Services

The requirement is for procurement of new Double Duty CFAs which are microwave tubes installed in the AN/SPY-1D(V) Radar System used on board the DDG 51 Class AEGIS Destroyers meeting requirements of WS-21608 and NAVSEA drawing 6155761. This procurement is planned to be a Firm Fixed Price Supply type contract in support of U.S. Navy new ship construction. The IDIQ quantity requested is a minimum of 36 and a maximum of 147. The estimated dollar value for this procurement is \$6,615,000. Deliveries for production quantities will commence in 30 April 2013 for shipment to customer by 31 May 2013 to meet ship/system construction schedules and deadlines. The remainder is expected to be authorized in FY13 and expected to be ordered in FY13 with delivery in FY14. The Government's minimum needs have been verified by the certifying technical and requirements personnel.

Estimated Dollar Value

	FY12	FY13	Total
SCN			
RDT&E			
Total			6,615,000

4. Statutory Authority Permitting Other Than Full and Open Competition

10 U.S.C. 2304(c)(1), One source or limited sources.

5. Rationale Justifying Use of Cited Statutory Authority

CPI Beverly and L-3 Williamsport are the only sources certified which have demonstrated capability to produce the Double Duty CFAs for use in the AN/SPY-1D(V) Radar System in the required timeframe. A quantity of 36 CFAs are required to be delivered to NAVSEA Crane by 30 April 2013 for shipment to customer by 31 May 2013 to meet ship/system construction schedules and deadlines. This 30-day window includes the acceptance, logistical movement of the units out of shop, preparation for shipment and actual shipping time.

Federal Acquisition Regulation (FAR) 6.302-1(a)(2)(ii) indicates that supplies may be deemed to be available only from the original source in the case of a follow-on contract for the continued development or production of a major system or highly specialized equipment, including major components thereof, when it is likely that award to any other source would result in-

- (A) Substantial duplication of cost to the Government that is not expected to be recovered through competition, or
- (B) Unacceptable delays in fulfilling the agency's requirements.

Award to any other source would result in both substantial duplication of cost to the Government that is not expected to be recovered through competition and result in unacceptable delays fulfilling the agency's requirements. The rationale for these determinations is provided below.

History of P/N 6155761

The original effort to select a source for certification began with two contract awards, one to Varian (now CPI) and one to Litton (now L-3) for certification samples in 1981/1982 respectively. A design run off was held with the Litton design selected in November 1983. Varian was contracted to retool and produce new certification samples from the Litton design which was transferred to Varian by Litton. These contracts were subsequently terminated for convenience of the government. Litton continued the production of their selected design but a problem with the design occurred in December 1985. It did not perform well in the system. Varian transferred their design to Litton and Litton was contracted to retool and provide new samples in 1989. A new contract was awarded to Varian in October 1986 for production. Varian continued production through 1999 on final contract N00164-96-C-0039. Litton commenced production in 1991 with contract N00164-91-C-0102 and continued in production through 1999 on final contract N00164-96-C-0038.

Certification is a lengthy process which takes 3 - 4 years. The Weapon Specification requires demonstration of a 2 year shelf life and an operating life of 5,000 hours. These factors are required to be demonstrated as part of the certification, which therefore takes a minimum of 2 years and is the lengthiest of all required testing. In addition, certification requires 10 certification samples required at a delivery rate of 1 - 2 per month with a lead time of 6 months. This delay in certification of another source is unacceptable and would delay the shipbuilding schedule for the Ship Hulls DDG-116 and DDG-117 for the 3-4 year period for certification.

Inspection test equipment currently located at CPI and L-3 is provided as Government Furnished Equipment. Value of this equipment is approximately \$5,000,000 at each vendor's site. This equipment is correlated to nearly identical equipment located at NAVSEA Crane providing repeatable results regardless of test location. This provides several advantages: (1) provides maximum usage from warranty coverage (2) provides reliability data for tracking trends and drifts in performance. This equipment is required to remain at the existing vendor sites to administer existing warranty provisions for the next 2 years even if no further contracts were awarded to one or both sources. Expected duplication of costs would also include the correlation testing and resolution which is estimated to be \$82,400. The total

duplication of costs is estimated to be \$7,989,050. This duplication of costs to the Government associated with awarding to any other source is significant and not expected to be recovered through a full and open competition.

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

A synopsis was issued through the Government Point of Entry as required by FAR 5.2 on 7/25/12. To date, no parties have expressed an interest in this procurement. Any response received will be evaluated to determine whether to conduct a full and open competitive procurement.

Market research was conducted in accordance with FAR Part 10 to locate sources for microwave tubes meeting key requirements. The market research identified four sources (including CPI and L-3) as Double Duty CFA manufacturers. However, only CPI and L-3 have a product that meets the Government's operating and size requirements, verifying the Government's position, as stated in section 5, that substantial duplication of costs and unacceptable schedule delays will be incurred if award is made to a source other than CPI or L-3.

7. Determination of Fair and Reasonable Costs

The Contracting Officer has determined that the anticipated cost to the Government for the supplies covered by the J&A will be fair and reasonable. The contracting officer anticipates strong competition thereby using price analysis to determine a fair and reasonable price. Comparisons to prior contracts for same or similar items and the Independent Government Estimate may be used as necessary.

8. Actions to Remove Barriers to Competition

Follow-on procurement actions for these supplies are planned to continue with the same practice of limited competition between two certified sources.

For the reasons set forth in Paragraph 5, NSWC Crane has no plans at this time to utilize full and open competition for future contracts for the types of supplies covered by this document. If another potential source emerges, NSWC Crane will 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. CR 12-006, 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 Competition Advocate for the Procuring Activity, Contracting Officer, 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) ().

(TITLE OF APPROVING OFFICIAL)

[Redacted signature block]

Signature

Kelly Sartin
Name (Print)

9/12/12
Date