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

IN REPLY REFER TO:

[redacted]

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

1. Contracting Activity:

This justification and Approval (J&A) #13818 is executed on behalf of the Naval Inventory Control Point, Philadelphia.

2. Description of the Action Being Approved.

The use of other than full and open competition to negotiate a Requirements long-term contract (LTC) to provide repair/overhaul support for thirty-five (35) various weapons replaceable assemblies (WRAs) and shop-replaceable assemblies (SRAs) that comprise the Multi-Mode Radar System (MMR) and Electronic Support Measures System (ESM) on the MH-60R helicopter, and the Aviation Mine Countermeasures (OAMCM) components utilized on the MH-60S helicopter.

This requirement will be negotiated with Lockheed Martin Systems Integration (LMSI), which is located in Owego, NY.

3. Description of Supplies/Services.

This J&A is for the negotiation and award of a Requirements long-term contract (LTC) through other than full and open competition. The proposed initiative shall provide for the repair, overhaul, and modification of thirty-five (35) weapons replaceable assemblies for the MH-60R/S helicopters. The proposed effort shall provide pricing for a total of five (5) years.

The total estimated five (5) year dollar value for this effort is [redacted] The maximum quantities for each of the thirty-five (35) dynamic components are identified in "Attachment A" of this J&A. Funding for the OAMCM components consists of Aircraft Procurement Navy (APN) funding through the Material Support Date (MSD) of April 2011 and Navy Working Capital Funding (NWCF) for the remainder of the contract, and NWCF being utilized for the entire life of the contract for the ESM and MMR systems. All funding is anticipated to be obligated on a semi-annual basis.

(Millions of Dollars)

FY09 (APN) OAMCM	FY09 (NWCF) ESM & MMR	FY10 (APN) OAMCM	FY10 (NWCF) ESM & MMR	FY11 (NWCF) ALL SYS.	FY11 (APN) OAMCM	FY12 (NWCF) ALL SYS.	FY13 (NWCF) ALL SYS.
[redacted]							

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

This Justification and Approval # 13818 is based upon the authority of 10 U.S.C. 2304(c)(1), one source or limited number of sources, as implemented by Federal Acquisition Regulation 6.302-1.

5. Rationale Justifying Use of Cited Statutory Authority.

LMSI is the original equipment manufacturer (OEM), and is solely responsible for the development and sustainment of system level software for the MH-60R/S, the integration of system hardware, and Integrated Logistics Support (ILS) to include Logistics Support Analysis (LSA), Maintenance plans, Organizational (O) level Integrated Electronic Technical Manual (IETM), Intermediate (I) level technical publications, provisioning data, support equipment data, Operational Test Program Sets (OTPS) for I-level maintenance and Contractor Engineering Technical Support (CETS) for the ESM, MMR, and OAMCM systems.

LMSI is the only source possessing the necessary proprietary data, test facilities, tooling, equipment and knowledge to provide the necessary repairs for this requirement. In addition, the Naval Air Systems Command/Program Office (PMA 299) currently procures all of the WRAs for the Common Cockpit directly from LMSI on a sole source basis under its production contracts. It is worth noting that the ESM, MMR, and OAMCM systems for the immediate requirement are all sub-systems of the Common Cockpit which is directly procured from LMSI on a sole source basis. No other source has the ability to perform this extremely complex repair, overhaul and modification work and has the detailed knowledge to support the weapon systems.

Since LMSI has proprietary rights to the software source code for the Aircraft Operating Program (AOP), only it can conduct the necessary system and sub-system compatibility testing, make the necessary repairs, and incorporate planned upgrades currently in process for the MH-60R & MH-60S (i.e. Pre-Planned Production Improvements (P3I) & Link 16) that will be required in the performance of this proposed contract.

In addition, the Government does not own or have rights to the technical data necessary to conduct a competitive procurement for this effort. Considering the absence of the required technical data and LMSI's ownership of the source code for the AOP, only LMSI has the capability to perform the repair/overhaul requisite for the subject requirement. Due to LMSI's experience with the ESM, MMR, and OAMCM programs, award to any other source would result in significant additional risk to the program and would result in unacceptable delays in fulfilling immediate fleet requirements. Specifically, the qualification timeframe for approval of alternate sources of supply is approximately two (2) years.

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

The Naval Inventory Control Point, Source Development Department has a breakout program designed to convert as many acquisitions as possible to full and open competition. In an effort to identify competitive interest, the Naval Inventory Control Point, Philadelphia, provides more than 2000 commercial entities, on an annual basis, a listing of items for which it is seeking competitive sources, as well as instructions for obtaining source approval information. Additionally, the availability of the listing is periodically publicized in FEDBIZOPS. To date, no companies have expressed an interest in becoming approved as sources for any of the items to be acquired under the proposed contract.

7. Federal Business Opportunities and Announcements

The proposed contract was synopsized in the Federal Business Opportunities website (FEDBIZOPPS) on 20 August 2008. No other source has expressed an interest in this acquisition.

8. 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, and will be based on certified cost and pricing data.

9. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Paragraph 5, the Naval Inventory Control Point 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, the Naval Inventory Control Point will assess whether competition for future requirements is feasible.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

Technical Cognizance:

[redacted]

Signature Name (Printed) Phone No. Date

Requirements Cognizance:

[redacted]

Signature Name (Printed) Phone No. Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

[redacted]

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.

[redacted]

Signature Name (Printed) Phone No. Date

SENIOR PROCUREMENT EXECUTIVE OF THE NAVY APPROVAL

Upon the basis of the above justification, I hereby approve, as Senior Procurement Executive of the Navy, 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) (1).

[redacted]