



DEPARTMENT OF THE NAVY

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IN REPLY REFER TO:
J&A_15_24615

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

1. Contracting Activity.

Naval Air Warfare Center Aircraft Division (NAWC-AD) Patuxent River, MD

2. Description of the Action Being Approved.

This justification and approval authorizes and approves on a sole source basis the authority for continuation of services for BAE Systems Technology Solutions & Services, Inc. (hereby referred to as BAE Systems) of Rockville, Maryland, under contract N00421-14-C-0040. This justification and approval (J&A) serves to amend the aforementioned contract and previously approved J&A, number 13_23655. The period of performance for this extension will begin 1 May 2015 and end on 30 April 2016. This will provide an additional level of effort of 389,000 hours on a Cost-Plus-Fixed-Fee basis, as well as incidental Other Direct Costs on a Cost Reimbursable basis, for a total potential period of performance extension of twelve (12) months. The additional level of effort will allow for the continuity of critical integration and engineering technical services required to support the Identification Systems (IDS) Division, 4.11.2 NAWCAD, St. Inigoes, MD, until the pending follow-on engineering and integration technical support procurement contracts, with estimated awards of 01 April 2016 and 06 April 2016 respectively, assigned to Patuxent River are awarded.

3. Description of Supplies and Services.

The purpose of this extension is to provide twelve (12) additional months of support to the Identification Systems Division, NAWCAD 4.11.2, in the design and feasibility evaluation, component and system design engineering, system integration engineering, installation testing and evaluation, in-service engineering, engineering logistics, repair and validation, training, lab maintenance, quality assurance, software engineering, and program management of cooperative identification (ID), non-cooperative target recognition (NCTR) and air traffic control (ATC) equipment, systems and subsystems. IDS requires these services to support the Navy, Air Force, Coast Guard and other DoD and FMS customers. Competitive contract N00178-04-D-4018/M801 expired 30 June 2014 and Contract N00421-14-C-0040 was a sole source bridge contract awarded to BAE Systems to provide continuous support services. In light of the current acquisition environment and the strategic guidance being provided by the Office of the Deputy Assistant Secretary of the Navy (ASN RDA) on the use of Cost-Type versus Indefinite

Delivery Indefinite Quantity (IDIQ) contract vehicles, NAVAIR and NAWCAD made the strategic decision to change the acquisition strategy for both the follow-on integration and engineering technical services procurements to an IDIQ structure during the first quarter of FY15. The IDIQ structure will provide increased flexibility for currently unknown/unprojected requirements while allowing for rigorous fiduciary oversight. The resultant change in strategy has necessitated additional market research and the development of new/updated procurement documentation, pushing the anticipated award dates for both follow-on procurements considerably out past initial assessments. This extension is necessary to allow sufficient time to process the competitive follow-on procurements while providing uninterrupted integration and engineering technical services to the IDS Division. Based on a planned prorated analysis of the current period of performance, it has been determined that the approximate value of this extension is \$34,066,199.25, which will be funded with FY15 and FY16 dollars, which are estimated to be appropriated as follows:



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

10 U.S.C. 2304(c)(1), Only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority.

BAE Systems has been performing these services under the awarded contract, N00421-14-C-0040, which expires 30 April 2015. An extension of services is required until the follow-on procurements can be awarded. Given the current acquisition environment, historical trends for the competitive award of NAVAIR IDIQ contract vehicles, and the current projected milestones for both competitive follow-on procurements, it is anticipated that 12 months would be required to openly compete these efforts to industry. BAE Systems is the only source capable of providing the necessary continuation of these services without causing this significant break in support. It is impossible for another contractor to assume the ongoing workload without a transition period, which would cause unacceptable delays in completing or continuing tasks under multiple Identification Systems Division programs. Many of these programs directly affect/support the fleet and the war fighter. NAWCAD 4.11.2 is the In-Service Engineering Activity for many systems that are no longer supported by the original equipment manufacturer. BAE Systems provides very specific technical services to NAWCAD in support of these systems. Some of the programs that would be disrupted

include: direct fleet support efforts including maintenance and overhaul of NAVAIR shipboard Air Traffic Control processing and display systems, including the AN/TPX-42 with associated radar and Joint Precision Approach and Landing Systems (JPALS) interfaces; MARK XIIIA Identification Friend or Foe systems, including air and ship capable interrogators/transponders supporting Mode 5/S and ADS-B projects directly related to war fighter support, systems design, prototype development, integration, repair, fleet maintenance and training activities.

A break in service would also adversely affect the mission critical installation, integration and lifecycle support of shipboard Identification Friend or Foe (IFF) interrogators (AN/UPX-29(V)) systems directly supporting the combat weapons system aboard all surface combatants in theatre. Artisans on this contract provide critical technical and engineering support to include Casualty Report (CASREP) response, system grooms, system tech-assists, real-time training and fleet overhaul of aging systems which all support the combat systems threat analysis through cooperative and non-cooperative target recognition. If NAWCAD 4.11.2 fails to provide a material response to the fleet requirements on these systems by not meeting delivery schedules or In-Service Engineering actions, safety of flight operations will be significantly compromised. This proposed extension is in the Navy's best interest, as it is a logical continuation of the current requirement and will provide the time required for the Navy to award the follow on procurements on a competitive best value basis.

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

A synopsis for this sole-source action was posted on FedBizOps on 21 January 2015. Thus far, no responses have been received and none are anticipated given the sole-source nature of the action. Market research was conducted for the follow-on efforts and it was determined that there are multiple vendors capable of providing the required services. These vendors will have the opportunity to compete for the subsequent follow-on procurements which are currently being solicited on a small business set-aside (engineering) and an unrestricted basis (integration).

7. Determination of Fair and Reasonable Cost.

In accordance with FAR 15.402, the Contracting Officer shall ensure that all supplies under this contract action are procured at a fair and reasonable price. The contractor will submit a formal cost/price proposal with certified cost or pricing data and sufficient information to support the negotiation of fair and reasonable pricing for this contract extension. Current burn rates recently submitted by BAE Systems via their monthly cost reporting requirements under the current contract, inputs from DCMA and DCAA, and other data will be utilized to ensure that the negotiated pricing is fair and reasonable. The Contracting Officer's Representative (COR) will continue to monitor BAE Systems' cost expenditures through the contract's period of performance to ensure costs are consistent with those negotiated by the Contracting Officer.

8. Actions to Remove Barriers to Future Competition.

This action is for an extension of the contract period of performance while the follow-on competitive procurements are awarded. The tasking under the current task order was separated into two competitive solicitations (engineering effort and integration effort) in order to stimulate competition and encourage small business participation. Currently, solicitation number N00024-15-R-0007 (formerly N00024-13-R-3034; Engineering effort) is being competed as a small business set aside and solicitation number N00024-15-R-0023 (formerly N00024-13-R-3035; Integration effort) is being competed on an unrestricted basis.