



DEPARTMENT OF THE NAVY  
NAVAL SURFACE WARFARE CENTER - PANAMA CITY  
110 VERNON AVENUE  
PANAMA CITY, FL 32407

IN REPLY REFER TO:

J&A Number: 0040-0018

Code: [REDACTED]

P.R. Number 10466675

JUSTIFICATION AND APPROVAL  
TO PROCURE USING OTHER THAN FULL AND OPEN COMPETITION

JUSTIFICATION

1. Contracting Activity:

The Naval Sea Systems Command, Naval Surface Warfare Center Panama City Division (NSWC PCD), 110 Vernon Avenue, Panama City, FL 32407-7001 (Contracts Division Code [REDACTED]).

2. Description of the Action Being Approved

Authorization to modify contract N61331-10-C-0023 with Northrop Grumman Corporation, Aerospace Systems Battle Management & Engagement Systems, Melbourne, FL, on a sole source basis, to acquire three (3) Low Rate Initial Production (LRIP) Phase IV AN/AES-1 Airborne Laser Mine Detection Systems (ALMDS), Post-Delivery Technical Support (PDTS) and Provisioned Item Order (PIO) support.

3. Description of Supplies/Services

This requirement is for the modification of contract N61331-10-C-0023 to increase the contract ceiling and extend the period of performance. Additional Contract Line Items (CLINs) will be added to contract N61331-10-C-0023 for three (3) ALMDS LRIP Phase IV units and Post-Delivery Technical Support (PDTS). The PDTS support will consist of the following:

- Modify and/or repair delivered hardware. Only items which have already been accepted by the Government on DD 250 will be modified or repaired under this contract.

- Modify or build new ALMDS system components to resolve producibility, obsolescence, and end-of-life issues and update the technical data package (TDP) with respect to the changes implemented.

- Provide maintenance of delivered hardware as well as provide software maintenance required and provide the software upgrades and modifications required to optimize the performance of ALMDS.

- Provide required engineering services consisting of systems engineering; configuration and data management; quality assurance; manufacturing; test and evaluation; generation of presentations, white papers, trade studies; and development, tracking and updating of metrics.

The estimated dollar value of this contract modification is \$30,800,000; the total estimated contract ceiling amount is increased from \$45,016,222 to \$75,816,222. The Not-To-Exceed (NTE) amount under Firm-Fixed-Price (FFP) CLIN 0002 for PIO support will be increased by \$2,500,000 from \$5,000,000 to \$7,500,000 and the estimated number of labor hours for the PDS CLIN is 17,000. The contract will be funded from various program sources as shown below:

	FY11	FY12	Totals
OPN			
N85	\$14.1M	\$0M	\$14.1M
N86	\$ 7.4M	\$0M	\$ 7.4M
OPN	\$0M	\$2.5M	\$ 2.5M
Spares			
RDT&E	\$0M	\$6.8M	\$ 6.8M
(PDTS)			
Total	\$21.5M	\$9.3M	\$30.8M

The period of performance for the additional CLINs will be 36 months from modification award. 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) - FAR 6.302-1 - Only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority

This acquisition is unsuitable for full and open competition for the following reasons.

a. Northrop Grumman Corporation is and has been the sole developer of the AN/AES-1 ALMDS system since the competitive award of the Systems Development and Demonstration (SD&D) phase contract (Contract N61331-00-C-0022) in fiscal year 2000. This requirement is for the manufacture and assembly of ALMDS LRIP Phase 4 pods. Northrop Grumman will also perform functional testing on each system to ensure that the requirements contained in the ALMDS Prime Item Development Specification (PIDS) are met. Given the complexity of the ALMDS system and the level of system knowledge required to manufacture and assemble the systems, Northrop Grumman is the only source possessing the expertise, internal technical data, equipment, and experienced personnel necessary to successfully manufacture the ALMDS units and support equipment.

b. This contract action is for the acquisition of materials and engineering services for continued development and deployment of a major system or highly specialized equipment, including major components thereof, within the exact meaning of FAR 6.302-1(a)(2)(ii). Use of any other vendor would result in substantial duplication of cost (to date, approximately \$92,798,904 in engineering, development, and testing costs) that, given the limited number of systems being acquired, is not expected to be recovered through competition. The time required for another contractor to design and manufacture the required hardware, write and validate the required software, and provide the required qualification testing would exceed ten years. This time estimate was derived from the amount of time which was required by Northrop Grumman to perform these identical tasks.

c. In summary, there are no other possible sources that can satisfy this requirement without significant additional cost, significant schedule risk, and significant technical risk to the Government.

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

This acquisition was synopsisized in the Government Wide Point of Entry (FEDBIZOPPS) on 30 August 2011 as required by FAR 5.2. There have been no inquiries to that synopsis. No additional market research was conducted because it is not practicable, for

the reasons discussed in paragraph 5 above, for any company other than Northrop Grumman to provide the required supplies and services.

7. Determination of Fair and Reasonable Costs

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

8. Actions to Remove Barriers to Competition

PMS 495 expects to obtain a Level III build-to-print technical data package (TDP) at the end of this LRIP 4 procurement. The TDP will support a competitive full rate production in FY13.

---

**Nothing Left On This Page**

---

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 data, including SAMP-0001-02-PMS 495, Revision 3, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL COGNIZANCE:

[REDACTED]

REQUIREMENTS COGNIZANCE:

[REDACTED]

LEGAL SUFFICIENCY REVIEW

I have determined this justification is legally sufficient

[REDACTED]

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]

APPROVAL BLOCK (FAR 6.304 for Approving Official)

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

Signature Cindy R. Shaver,

[REDACTED]

12/9/2011

Date