



DEPARTMENT OF THE NAVY
NAVAL AIR WARFARE CENTER TRAINING SYSTEMS DIVISION
12350 RESEARCH PARKWAY
ORLANDO, FLORIDA 32826-3275

IN REPLY REFER TO:
J&A_15_24421

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

1. Contracting Activity.

Naval Air Warfare Center Training Systems Division (NAWCTSD) - Orlando, FL

2. Description of the Action Being Approved.

This Justification and Approval (J&A) authorizes and approves the issuance of a sole source Firm-Fixed Price contract for the procurement of Mission Computer spares for the E-2D devices to:

Raytheon
Network Centric Systems
1001 Boston Post Road
Marlborough, MA 01752-3770

3. Description of Supplies/Services.

NAWCTSD is responsible for the acquisition, fielding and life cycle support of the E-2D training system, which includes Operational Flight Trainers (OFTs), Aircrew Procedure Trainers (APTs), Tactic Trainers (TTs), Courseware, and Instructor Classrooms. Ensuring the availability of a material spare support package after the trainer has been upgraded is critical in fulfilling NAWCTSD's supportability requirements in accordance with Performance Specification, PRF 070064C, for the E-2D Advanced Hawkeye Tactics Trainer Device 15F14 dated 13 August 2012 under the E-2D Hawkeye Integrated Training Systems (HITS)-II delivery order. The E-2D Mission Computer spare parts must meet form, specification, fit and function requirements and are available only from the Original Equipment Manufacturer (OEM), Raytheon, for the parts included in the E-2D tactics training devices. Only Raytheon, OEM, E-2D aircraft Mission Computer parts can be procured to ensure the integrity of the Mission Computer is not compromised. The spare parts required are provided as Attachment 1. The acquisition of these spare parts is essential to ensure uninterrupted training system operational availability. In the absence of the timely availability of spare parts, valuable training assets would not be available; therefore, trainee effectiveness would be diminished. The loss of training due to a failure per day is estimated at \$2,500 (estimate is based on the Naval Station Norfolk Wing Contracting Officer Representative, [REDACTED], daily operation cost). The lead time to acquire the parts is estimated at an average of 12 months. Maintaining an adequate level of mission computer spares is critical for the sustainment of training capabilities of the E-2D Hawkeye devices. The estimated total dollar value of this action is \$800K. This procurement will be funded by [REDACTED] type funds and no other funding type will be used in any subsequent year. The estimated delivery is 18 months after contract award.

| Estimated Dollar Value (In Thousands) | | | | | | | | Funding Start Year: | |
|---------------------------------------|--|--|--|--|--|--|--|---------------------|--|
| | | | | | | | | ROW TOTALS | |
| | | | | | | | | | |
| Total | | | | | | | | \$800K | |

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.

Raytheon is the original designer, developer, and manufacturer of the E-2D Aircraft Mission Computer parts provided in the training device and is the only source with the requisite knowledge, experience, and technical expertise to continue production of the aircraft parts. In accordance with the Aircraft Acquisition Plan (which includes the training systems), numbered [REDACTED] Section 5.9 (Industrial Preparedness), Raytheon is listed as the sole supplier for the Mission Computer. Raytheon designed these spare parts exactly to aircraft specifications. Accordingly, Raytheon remains as the OEM for the mission computer parts and is the only source who can meet the form, fit, function requirements necessary for timely delivery. There are no similar spare parts or alternate parts available that can be used without negatively impacting the trainer’s functionality based on the form, fit and function requirement for proper system operation of the training system.

It should be noted under a previous delivery order, numbered N61339-03-D-5007-0002 in support of the HITS-Aircrew (HITS-A), mission computer spares manufactured by Raytheon were procured. The E-2D training devices are currently under modification under the HITS-II efforts and require the same Raytheon parts as used on the original order.

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

Pursuant to FAR Subpart 10.001(a)(2)(ii), ongoing market research has been conducted to determine if there exists a commercially available item or non-developmental item to satisfy the Government's requirement, or if the Government's requirement could be modified such that a commercially available item or non-developmental item could satisfy the Government's requirements. It has been concluded through reliance on on-going continuous market research, that there does not exist a commercially available item or non-developmental item to satisfy the Government's requirement. The market research also finds the OEM (Raytheon) has data rights to these components.

Additionally, under the HITS-A and HITS-II delivery orders, the training system prime manufacturer (Rockwell Collins) conducted market research and analysis that takes into consideration form, fit and function requirements to permit precise interaction with other selected trainer components, subassemblies and assemblies. The tactics trainer utilizes the identical aircraft E-2D Mission Computer components and

there are no substitutions. The interchangeability and reliability of spare parts, with the items currently installed in the tactics trainer, are essential and does not lend to substitution.

In accordance with FAR 5.201, the Procuring Contracting Officer (PCO) issued a pre-solicitation notice to Federal Business Opportunities (FedBizOpps) via the Navy Electronic Commerce Online (NECO) on 20 October 2014. The intent of the notice was to ensure full consideration is given to all potential sources. The Government did not receive any interest in this requirement. The lack of interest confirms the assertion that no firm, other than Raytheon, is capable of meeting and delivering the Government's spare requirements for the Mission Computer. Accordingly, no other company, other than Raytheon, can provide the required spare supplies. It should be noted the Small Business Office on 20 October 2014 concurred with the decision to sole source to the OEM (Raytheon).

7. Determination of Fair and Reasonable Cost.

In accordance with FAR Part 15.402(a), the Contracting Officer shall ensure that all supplies provided under this contract are procured at a fair and reasonable price. The contractor will submit a formal price proposal with certified cost and pricing data in accordance with FAR 15.403-4 and sufficient information to support the accuracy and reliability of the estimate. Raytheon's proposal will be reviewed by experienced technical analysts and contract specialists with the aid of necessary field pricing support. The Contracting Officer will utilize cost and price analysis as the basis for negotiating a fair and reasonable price. Price analyses will be conducted in accordance with FAR Part 15.404-1. Lastly, historical contract cost data and other relevant information will be utilized in the establishment of a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition.

For the reason set forth in Paragraph 5, NAWCTSD has no plans at this time to compete future contracts for the types of supplies covered by this document. If another potential source emerges, NAWCTSD Orlando will assess whether competition for future requirements is feasible.