



DEPARTMENT OF THE NAVY
 PORT HUENEME DIVISION
 NAVAL SURFACE WARFARE CENTER
 4303 MISSILE WAY
 PORT HUENEME, CALIFORNIA 93043-4307

IN REPLY REFER TO:
 HUE 10,665.3
 111.SG

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

JUSTIFICATION

1. Contracting Activity

The Naval Sea Systems Command, Port Hueneeme Division, Naval Surface Warfare Center (PHD NSWC), Acquisition Division, Code 111.

2. Description of the Action Being Approved

This Justification and Approval (J&A) authorizes and approves the issuance of a contract modification to Lockheed Martin Maritime Systems & Sensors, Moorestown, New Jersey for an increase to the ceiling of Contract N63394-06-D-1158 in support of the Fire Control System (FCS) Mk 92 program.

3. Description of Supplies/Services

The proposed contract LOE and ceiling increase will provide additional contractor's support for design agent and engineering services in support of the FCS Mk 92 program on a sole-source basis. The contractor will provide materials and services to procure FCS Mk 92 equipments (i.e. Ordnance Alteration Kits), engineering services, and field services in support of in-service engineering requirements. The requirements of the modification shall also include (i) material and services required for equipment changes, (ii) repair, and (iii) spare and repair parts. The contractor will also provide drawings, software engineering, and documentation development. In addition, field engineering services are required to support U.S. Navy, U.S. Coast Guard, and Foreign Navies through Foreign Military Sales Cases.

The Government's minimum needs have been verified by the certifying technical and requirements personnel.

The Period of Performance (PoP) shall be for six months and falls within the PoP of the basic contract. The total estimated dollar value of this modification requirement is \$11,480,394 and will be incrementally funded as estimated below:

| Type of Fund | FY11 | FY12 |
|--------------|-------------|-------------|
| OM&N | \$0 | \$0 |
| OPN | \$770,000 | \$708,000 |
| FMS | \$5,114,000 | \$4,888,000 |
| TOTAL | \$5,884,000 | \$5,596,000 |

4. Statutory Authority Permitting Other Than Full and Open Competition

10 USC 2304 (c)(1); only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rational Justifying Use Of Cited Statutory Authority

The FCS Mk 92 is the U.S. produced version of the WM 25/27 FCS designed and produced by Signaal Apparaten of the Netherlands, who granted Lockheed Martin Maritime Systems & Sensors the exclusive U.S. rights to its manufacture. Naval Sea Systems Command (NAVSEA) has designated Lockheed Martin Maritime Systems & Sensors as the "Design Agent" for the FCS Mk 92. Lockheed Martin Maritime Systems & Sensors has been the sole design agent/manufacturer and licensee from Signaal Corporation for all FCS Mk 92 Mods (both Research and Development and production).

Lockheed Martin Maritime Systems & Sensors has been the sole contractor involved in performing design agent engineering support services for design, fabrication, installation, modification and repair/refurbishment of the FCS Mk 92 systems and equipment. Lockheed Martin Maritime Systems & Sensors has unique knowledge of FCS Mk 92 combined with numerous years of experience they have acquired because of hardware design and manufacture and software developed for the FCS Mk 92 systems.

The Level II drawing package as maintained by Lockheed Martin Maritime Systems & Sensors for the U.S. Navy does not include full disclosure of specialized technical data as related to manufacture and/or fabrication processes for assembling a full FCS Mk 92 system or equipment. The drawing package also contains limited data rights on all Mk 92 drawings licensed from Signaal Corporation. The design agent efforts of Lockheed Martin Maritime Systems & Sensors cannot be performed by another source without a full disclosure Level III drawing package for all FCS Mk 92 Mod variants. The limited data rights for Mk 92 drawings require that any potential source be licensed by Signaal Corporation.

It is estimated that the cost to the Government that would be duplicated will exceed \$25,800,000.00. This estimate was derived from a contractor performing the same effort as Lockheed Martin Maritime Systems & Sensors including all reverse engineering/redesign costs, knowledge training of the system, establishment of a depot facility, and procurement of unique Mk 92 test fixtures and moldings that are proprietary to Lockheed Martin Maritime Systems & Sensors. The knowledge and training required for a different contractor to become familiar with the Mk 92 system was estimated to be nine months due to the complexity of the repairs required for the system. The reverse engineering/redesign of components of the Mk 92 system was estimated for a period of one year. Since this system was developed in the early 1970's much of the equipment within the system utilizes that era's technology. Therefore; to recreate that technology would require time to examine each signal utilized within the system.

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

The proposed contract modification was synopsisized in Navy Electronic Commerce Online website as a sole source procurement as required by Federal Acquisition Regulation Part 5 on 24 November 2010. The synopsis specified Note 22 to determine if there are any other sources qualified. No responses have been received in regards to this synopsis. No additional market research, other than the synopsis notice, was conducted as it is not practicable, for reasons discussed in paragraph 5 above, for any company other than Lockheed Martin Maritime Systems & Sensors to provide the required services. This synopsis will satisfy the requirement for all task orders under the contract supported by this J&A.

7. Determination Of Fair And Reasonable Cost

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

8. Actions To Remove Barriers To Future Competition

For the reasons set forth in paragraph 5, PHD NSWC Acquisition Division 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, PHD NSWC Acquisition Division will assess whether competition for future requirements is feasible.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION REQUIRED BY (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. AP 04-1158 as revised on 09 December 2010, 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 (NMCARS 5206.303(90))

I have determined that 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 Competition Advocats for the Procuring Activity, the solicitation of the proposed procurement described herein using other than full and open competition, pursuant to the authority of 10 U.S.C.2304(c)(1).

COMPETITION ADVOCATE FOR THE PROCURING ACTIVITY

DAVE RUEHLIN
CAPT, SC, USN

Date: 1/26/2011