



DEPARTMENT OF THE NAVY
PORT HUENEME DIVISION
NAVAL SURFACE WARFARE CENTER
4363 MISSILE WAY
PORT HUENEME, CALIFORNIA 93043-4307

IN REPLY REFER TO:
HUE NO. 50,019
012.PJ

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

JUSTIFICATION

1. Contracting Activity

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

2. Description of the Action Being Approved

The proposed action is for the award of a contract for the acquisition of Key Generator Receivers, Model KGR-135A (Encryption Devices) for the Naval Surface Warfare Center (NSWC), Corona Division. This Justification and Approval (J&A) authorizes the establishment of a sole source contract to L3 Communications, Telemetry East, 1515 Grundy's Lane, Bristol, Pennsylvania 19007. This J&A shall be effective from the date of approval through 30 September 2010. The solicitation number for this procurement is N63394-10-T-5027.

3. Description of Supplies/Services

The agencies need is for the non-commercial procurement of 36 Key Generator Receivers, Model KGR-135A. The Key Generator Receivers are used exclusively by Government Agencies for encrypting/decrypting telemetry data. The total estimated value of the requirement is \$403,560.00 and is composed of the funding sources by fiscal year shown below:

	FY 10	Total
SM6 (RDT& E)	\$403,560.00	\$403,560.00
Total	\$403,560.00	\$403,560.00

The Government's minimum needs have been verified by the certifying technical and requirements personnel, with expenditure authorized by the program sponsor.

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

NSWC, Corona Division, has been assigned tasking to provide engineering, acquisition and installation services to meet expanded telemetry mission requirements in support of SM-6 missile firings scheduled to be conducted at the Pacific Missile Range Facility.

The Key Generator Receiver Procurement requires urgent contractual award to meet Program Office mission schedules which are determined by Range, Aircraft, Ship and Missile availabilities.

This urgent requirement is based on the recent Standard Missile-6 Research and Development (R&D) Test Event planning identified decryption device shortfalls at the Pacific Missile Range Facility for testing scenarios that can only be met by an increase of decryption assets. To address this asset shortfall and accommodate unit production timelines influenced by the quantity requirements, it is critical to submit the procurement expeditiously. Delays will result in a negative impact to Operational Readiness. Failure to meet the required operational dates for the data collection system will jeopardize a major test event, resulting in substantial delays and additional logistic costs to the Standard Missile-6 R&D Program. It is not possible to identify an exact financial impact as specific repositioning and rescheduling costs for air, sea and land assets to support a major test event are difficult to individually specify by our organization, but are recognized as substantial and could have a multi-million dollar impact.

There are no system alternatives or spares to complete this unique data collection function without these devices in place and operational prior to 30 September 2010.

The impact to the mission or financial loss/liability to the Government if the item is not received by required delivery date is the failure to meet the 15 November 2010 operational date for the data collection system. This will jeopardize the test event, resulting in substantial delays and additional logistic costs to the Standard Missile-6 R&D Program. Specific repositioning and rescheduling costs for air, sea and land assets to support a major test event are difficult to individually specify by our organization, but are recognized as substantial and could have a multi-million dollar impact.

L3 Communications, Telemetry East is the only National Security Agency (NSA) approved Original Equipment Manufacturer, of the only next generation NSA approved decryption device that was developed to be utilized for telemetry data collection activities which acquire missile telemetry encrypted with the KGV-135 encryption chip. The unit is backward compatible with the KGR-68B encryption device, but, KGR-68B's are anticipated to be phased out by higher authority direction, over a period of years and replaced with this unit.

The Model KGR-135A Key Generator Receivers unit is the only next generation device that is compliant with the telemetry technical requirements outlined in Telemetry Standards, Range

Commanders Council Documents, which are mandated for Department of Defense (DoD) agencies. The device has also just completed robust certification testing, managed by NSA.

The combined rationale is given for justification of this sole source procurement and why it is the only off-the-shelf unit that satisfies all the requirements:

A. The Model KGR-135A Key Generator Receiver is certified/approved by NSA as a compliant encryption/decryption device for our telemetry applications. This unit is the next generation model for telemetry applications, with production of previous models expected to end in the near future.

B. The Model KGR-135A Key Generator Receiver procurement increases quantities of our present encryption/decryption stock to meet expanded mission requirements and conforms to existing system configurations that have achieved Information Assurance accreditations per DoD Instruction 8500.2, Information Assurance Implementation mandated for all DoD activities.

C. The Model KGR-135A Key Generator Receiver meets financial considerations to begin purchases of next generation devices in preparation for decertification of present encryption/decryption inventories.

D. The Model KGR-135A Key Generator Receiver Unit meets programmatic security mandates for operation at high security classifications within high security areas.

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

The Contracting Officer has determined that a market survey, other than the synopsis notice, is not practical; as it would not generate any additional qualified sources capable of satisfying this requirement, since L3 Communications, Telemetry East is the only vendor certified/approved by NSA to produce the device. It is also not cost effective to attempt redundant development initiatives for an available item, where we are not the cognizant Government Agency responsible for development efforts related to encryption/decryption technology.

7. Determination of Fair and Reasonable Costs

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

8. Actions to Remove Barriers to Competition

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

TECHNICAL AND REQUIREMENTS CERTIFICATION REQUIRED BY FAR 6.303-2(b)

I certify the facts and representations under my cognizance which are included in this justification HUE 50,019 and its supporting data, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL COGNIZANCE:

[REDACTED] [REDACTED]
[REDACTED] Phone No. Date

REQUIREMENTS COGNIZANCE:

[REDACTED] [REDACTED]
[REDACTED] Phone No. Date

LEGAL SUFFICIENCY REVIEW (NMCAG 5206.303(90))

I have determined this justification is legally sufficient.

[REDACTED] [REDACTED]
[REDACTED] Phone No. Date

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] [REDACTED]
[REDACTED] Phone No. Date

APPROVAL

Upon the basis of the above justification, I hereby approve, as the Competition Advocate 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 USC 2304(c)(1).

[REDACTED] [REDACTED]
DAVE RUEHLIN, CAPT SC, USN, Code 300 Phone No. Date