



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

IN REPLY REFER TO:
HUE 12,238.1
022.SG

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

JUSTIFICATION

1. Contracting Activity

The Naval Sea Systems Command, Port Hueneme Division, Naval Surface Warfare Center (PHD NSWC), Acquisition Division, Code 022.

2. Description of the Action Being Approved

Award of a basic ordering agreement (BOA) on a sole source basis for AEGIS Weapon System (AWS) and Ship's Self Defense System (SSDS) AN/UYQ-70 Advanced Display System (Q-70 ADS or Q-70) Equipment Legacy Life-Cycle In-Services support to Lockheed Martin Corporation, Maritime Systems & Sensors Tactical Systems (LMMS2TS), St. Paul, Minnesota. Authority to act under this CJ&A expires 30 September 2014.

3. Description of Supplies/Services

The services and materials to be provided include support of AN/UYQ-70 equipment including sub-assemblies, operating systems, and computers. This also includes provisions of spares, repair of components and assemblies; upgrading technical refresh kits including Integrated Logistics Support (ILS) product change development; production and installation, software maintenance and upgrades, equipment refurbishment, in-service engineering and field services, reliability engineering, failure analysis and redesign and commercial component; and obsolescence management including vendor monitoring, replacement qualification, testing, and ILS product updates. This scope will apply to all phases of support for the AWS and SSDS Q-70 ADS Displays and processors on AEGIS and SSDS-Equipped Ships.

Orders issued under the BOA will be either firm fixed price (FFP) material or cost plus fixed fee (CPFF) services based upon the requirements of the individual order. The proposed period of performance is 01 August 2012 through 30 September 2014.

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

The total estimated dollar value of orders to be placed under this BOA is not to exceed 49,000,000.00 and is composed of the funding sources by fiscal year shown below:



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

LMMS2TS is the original equipment manufacturer (OEM) and sole system integrator for the AN/UYQ-70 Systems and has significant and unique knowledge of the design and engineering processes of the systems as well as the technical data (including enclosure-unique configurations on multiple equipment deliveries) to support technical refresh development. An additional source could not provide this knowledge without a duplication of effort, at significant cost, time and programmatic risk to Navy Combat System schedules. All previous basic ordering agreements for AEGIS Weapon System (AWS) and Ship's Self Defense System (SSDS) AN/UYQ-70 Advanced Display System (Q-70 ADS or Q-70) Equipment Legacy Life-Cycle In-Services support was awarded on a sole source basis to LMMS2TS. LMMS2TS has established an infrastructure to include the development of on-site facilities and equipment to support testing and life cycle engineering not readily duplicated due to test fixtures and moldings being proprietary to LMMS2TS. LMMS2TS established vendor agreements for commercial-off-the-shelf (COTS) parts support and repair that would take significant time and cost to replicate by a new contractor. The contractor has the technical detailed knowledge of the operating systems and diagnostic software and the interface required for this effort. LMMS2TS also possesses a qualified Depot Capability with established facilities, procedures and processes, trained personnel, support, and test equipment, which requires no re-certification.

Additionally, it is estimated that the cost to the Government that would be duplicated will exceed [REDACTED]. This estimate was derived from a contractor performing the same effort as LMMS2TS including all reverse engineering/redesign costs, knowledge training of the system, establishment of a certified depot facility, and procurement of test fixtures and moldings that are proprietary to LMMS2TS. The knowledge and training required for a different contractor to become familiar with

the Aegis Display System was estimated to be eighteen months due to the complexity of the system and the magnitude of efforts and products required for the system. The reverse engineering/redesign of components of the Q-70 Advanced Display System Equipment was estimated for a period of twenty-four months.

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

The proposed BOA was synopsisized on the Federal Business Opportunities (FEDBIZOPS) website on 18 August 2011 and no other potential sources expressed an interest in this requirement. The synopsis specified Note 22 to determine if there are any other sources qualified. 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 LMMS2TS to provide the required services.

This synopsis will satisfy the requirement for all orders under the contract supported by this J&A.

7. Determination of Fair and Reasonable Cost

The Contracting Officer will use cost and pricing analysis, including historical cost estimating relationships from previous AWS and SSDS AN/UYQ-70 ADS efforts, to determine that the final price to the Government is fair and reasonable. Assistance from the Defense Contract Audit Agency (DCAA), the Defense Contract Management Agency (DCMA), and the AWS and SSDS AN/UYQ-70 ADS Technical Representative will be utilized to analyze, evaluate, and negotiate based upon detailed cost or pricing data, which will be certified by LMMS2TS at the conclusion of negotiations. The Contracting Officer has determined that the anticipated cost to the government for the supplies and services covered by this CJ&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. The circumstances surrounding the need to obtain the required supplies/services without providing full and open competition will be reviewed annually by the Procuring Contracting Officer (PCO).

CERTIFICATIONS AND APPROVAL

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 acquisition planning data, including Acquisition Plan No. 93-007, except as noted herein, are complete and accurate to the best of my knowledge and belief.

TECHNICAL COGNIZANCE:

REQUIREMENTS COGNIZANCE:

LEGAL SUFFICIENCY REVIEW (NMCARS 5206.303(90))

I have determined that this justification is legally sufficient.

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.

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, 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).

DESIGNEE OF THE HEAD OF THE PROCURING ACTIVITY

5-22-12

Date