



DEPARTMENT OF THE NAVY
NAVAL AIR WARFARE CENTER AIRCRAFT DIVISION

IN REPLY REFER TO:
J&A_11_16035

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

1. Contracting Activity.

Naval Air Warfare Center Aircraft Division (NAWC-AD) Lakehurst, NJ

2. Description of the Action Being Approved.

AIR 4.5x Special Surveillance Programs (SSP) has been tasked by the Department of Defense with the enhancement of existing Persistent Ground Surveillance Systems (PGSS) and the procurement of additional enhanced PGSS systems for Forward Operating Bases (FOBs) throughout Afghanistan and Iraq. This action is for a three year Firm Fixed Price (FFP) (hardware) and a Cost Plus Fixed Fee (CPFF) (services) contract with Aerostar Integrated Systems of Huntsville, AL.

3. Description of Supplies/Services.

The United States (U.S.) military has had a continuing and urgent problem with maintaining the physical security and force protection of FOBs in remote locations operating as part of the global war on terror. Isolated FOBs have been repeatedly attacked without warning by enemies of freedom which have inflicted heavy casualties on U.S. forces. The technology being fielded as part of the PGSS is specifically tailored to protect U.S. forces by providing the ability to detect, locate, and surveillance forces that are approaching in the distance, giving U.S. forces ample time to assess and respond.

This procurement action is in direct support of the PGSS which addresses Joint Urgent Operational Needs Statement (JUONS) designated by the U.S. Central Command as being critical to the warfighting activities in Afghanistan. JUONS CC-0306 through Modification 3 dated January 7, 2011 supports this requirement. This requirement has been designated a priority 02 and given a DO-A7 rating.

This contract will be for commercial items that will provide the aerostat portion of the PGSS. Up to twenty five (25) TIF-25K split-trailer aerostat systems, nineteen (19) TIF-25K High Strength Laminated Material (HSLAM) aerostat systems, twenty five (25) split-trailer tether-up spare kits, nineteen (19) HSLAM tether-up spare kits, fifty (50) site spares kits, three (3) split-trailer hub spares kits, three (3) HSLAM hub spares kits, six (6) man years of Field Service Representative support personnel Outside the Continental United States (OCONUS). The planned period of performance is 36 months. The requested Aerostar hardware and support is designed to outfit and enhance the capabilities of the existing PGSS systems currently fielded in support of Operation Enduring Freedom (OEF) as well as outfit additional PGSS sites as requested by the JUONS CC-0306 through Mod 3.

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

Technical subject matter experts from AIR 4.5x (AIR 4.5x) conducted market research to identify manufacturers with the needed capability that have been deployed and demonstrated operation in a wartime environment similar to Afghanistan. This included both an internet search to identify possible vendors and a query through the Central Contractor Registration System. AIR 4.5x conducted market research to identify manufacturers of aerostats that can operate in a wartime environment that are capable of hoisting aloft over 200 pounds of payload for periods exceeding 7 days while minimizing the usage of helium. AIR 4.5x contacted potential manufacturers in order to determine company capabilities. Based on AIR 4.5x experience with Special Surveillance contractors and equipment, along with research done under existing contracts for similar surveillance programs, potential sources conducted demonstrations and assessments of their equipment at Yuma Proving Grounds. These demonstrations took place in several phases from September 8 to 22, 2009, October 19 to 23, 2009 and November 16 to 20, 2009. As a result of these demonstrations a candidate system was configured and tested prior to deployment to Afghanistan. More than 100 operators and mission commanders have been trained prior to deployment. Operation and maintenance manuals have been developed. A system has been established to provide spares and other logistics support. Since 2010, more than 10 of these systems have deployed and incremental improvements have been made based on feedback from operators.

A synopsis was posted to the Federal Business Opportunities Page on March 17, 2011, with a response date of April 1, 2011. There were a total of two responses received. SkySentry LLC responded on March 22, 2011 and Global Near Space Services responded on March 31, 2011. AIR 4.5x provided a technical analysis of both responses. The contract specialist provided each of the interested parties with a letter to discuss the Government's decision to continue the requirement with Aerostar Integrated Systems. The following is a brief description of the Government's response;

The first interested party was SkySentry LLC. While the SkySentry aerostat envelope and mooring platform is similar to the Aerostar TIF-25K, there are significant differences. The SkySentry submission appears to be a system solution containing a proprietary Ground Control Station (GCS), camera and sensors and a proprietary power/payload interface. The SkySentry solution also features a GMTI radar not used in the baseline Persistent Ground Surveillance System (PGSS) aerostat. A significant, duplicated integration, logistics and training effort would be required if the SkySentry solution were purchased. Incorporation of this aerostat into the PGSS would necessitate either (1) purchasing the entire aerostat as a system (including payloads) or (2) repeating the effort required to integrate the MX-15i camera system and PGSS GCS into a new suite of aerostat avionics, including software development. The SkySentry system solution approach would also require significant integrations of the SkySentry solution with Persistent Ground Surveillance Towers (PGST) and Unattended Transient Acoustic MASINT Sensor (UTAMS) systems. Additionally, SkySentry provided a baseline delivery schedule of 1 aerostat every other month or 18 units over the 3 year period of performance. The total requirement is for up to 55 systems plus spares in three years. SkySentry also did not mention spare parts capability (envelopes, tethers, replacement parts) or the capability for deployed FSR support. For the above stated reasons the SkySentry solution is not considered viable. No further interest has been provided by SkySentry.

The second interested party was Global Near Space Services (GNSS). The GNSS Star Tower aerostat was tested during the initial testing at Yuma Proving Grounds. A modified system was tested again in February 2010 and was again not recommended for fielding. Incorporating the GNSS Star Tower aerostat into PGSS would

cause significant delays in the delivery of the systems to the Warfighter as well as significant costs to fully demonstrate and Test and Evaluate the GNSS solution. While the GNSS response appears to include several design improvements, all of these design changes will require rigorous testing prior to a deployment that will, as stated above, result in significant fielding delays and other duplicated costs. For the above stated reasons the SkySentry solution was not considered a viable solution.

7. Determination of Fair and Reasonable Cost.

In accordance with FAR 15.402, the Contracting Officer shall ensure that the price negotiated for this acquisition is fair and reasonable price. An independent government estimate and price analysis has been provided for this effort.

The proposal will be reviewed by experienced technical personal at SSP, cost analysts and contract specialists. The price reasonableness for the commercial hardware will be based on prices for the commercial items sold to the public, acquisition history, as well as product catalogs and price list. The cost proposal for the FSRs will be forwarded to DCMA and/or DCAA for verification of labor rates. The Contracting Officer will utilize cost and price analysis in accordance with FAR 15.404-1, including a review of historical data, as the basis for negotiating a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in paragraph 5, NAVAIR has no plan at this time to compete this contract for the types of supplies/services covered by this document. The Government does not possess the technical data required to compete this contract since the items being procured are commercial items. Also, these items were previously procured by another prime vendor who went to Aerostar as a subcontractor. The Government has broken this requirement out and gone directly to the vendor. This procurement will support the existing systems now and in the future. If another potential source emerges, NAVAIR will assess whether competition for future requirements is feasible.