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IN REPLY REFER TO:
J&A_12_22629

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

1. Contracting Activity.

Naval Air Warfare Center Weapons Division (NAWC-WD) - China Lake, CA

2. Description of the Action Being Approved.

This Justification and Approval (J&A) authorizes and approves the issuance of a contract modification for contract N68936-11-D-0015. This contract was awarded as a sole-source, Firm Fixed Price (FFP), Indefinite Delivery Indefinite Quantity (IDIQ) contract to Insitu Inc. (Insitu) under J&A 10-146. The modification will cover an increase in scope of \$7,200,000, due to accelerated usage that was not anticipated when the contract was first awarded.

3. Description of Supplies/Services.

This acquisition will provide subsystems, replacement subsystems and parts, both consumable and repairable, and upgraded parts for the Scan Eagle Unmanned Aerial System (UAS) family. The Scan Eagle UAS family consists of the Insite, Integrator and Night Eagle, with each using the same ground subsystems. The UAS subsystems consist of the Unmanned Air Vehicle (UAV), Ground Control Station (GCS), Forward Ground Control System (FGCS), Skyhook retrieval system and SuperWedge pneumatic launcher.

Incidental services are also needed for repair of repairables, installation of the replacement parts and additional engineering services, which will consist of integration analysis of developmental payloads, flight worthy analysis of these payloads, and assistance with developmental flight test.

The acquisition of these specific Scan Eagle family subsystems, parts and services are to maintain flight capability of the same and current UAS systems that are already being used out in the field and to be consistent with the continued development of new payloads for these UAS systems.

See Appendix A for Estimated Dollar Value

4. Statutory Authority Permitting Other Than Full and Open Competition.

Statute: 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.

Insitu is the original equipment manufacturer (OEM) that developed the Scan Eagle as a commercial item and is still the sole manufacturer. Insitu's UASs have unique parts within the subsystems that can only be replaced by or repaired through the manufacturer. Insitu's UASs have unique parts within the subsystems that can only be replaced by or repaired through the manufacturer. The Scan Eagle family consists of three different UAVs, two that are already in the fleet supporting the warfighter and one that is nearing deployment. Additional procurements of the Integrator and the Night Eagle UAVs are anticipated to satisfy customer Research and Development Test and Evaluation (RDT&E) requirements. Furthermore, payloads have already been developed for the Scan Eagle Insight through the Irregular Warfare Technology Office (IWTO) rapid integration projects with the anticipation of additional future projects.

These systems are maintained under VX-31 oversight and under the guidance of the Naval Aviation Maintenance Processes (NAMP) instruction OPNAV 4790.2 series. Under this process, all parts must be authorized under the OEM's (Insitu) maintenance manuals to maintain configuration management and flight worthiness of the system.

The associated subsystems, i.e., the Skyhook retrieval system and SuperWedge pneumatic launcher, are patented by Insitu and therefore Insitu is the only company that these products can be purchased from.

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

In accordance with FAR 5.201(b)(1), this requirement was synopsisized via the Federal Business Opportunities website on 10 July 2012. No responses or inquiries have been received. Any future responses will be evaluated by the Contracting Officer.

7. Determination of Fair and Reasonable Cost.

In accordance with FAR 15.402(a), the Contracting Officer must ensure that all supplies and support are procured at a fair and reasonable price. Analysis of the proposal will be performed by technical analysts and contract specialists, with the assistance of DCMA analysts and DCAA auditors as needed. The Procuring Contracting Officer (PCO) will use Government expertise, including DCMA, DCAA, and other Government resources to evaluate the proposal. A detailed report developed as part of the Government evaluation will be utilized to establish a NAVAIR position. As discussed in this paragraph, the PCO will use cost and price analysis as the basis for negotiating a fair and reasonable price for the supplies/support covered by this J&A.

8. Actions to Remove Barriers to Future Competition.

No significant action can be taken at this time to change the sole source nature of this procurement. As stated in paragraph 5 above, Insitu is the OEM that developed the Scan Eagle as a commercial item and is still the sole manufacturer. IWTO will continue to conduct market research and survey other commercial systems to identify possible future competitions for the required supplies/services.

Appendix A

Estimated Dollar Value In Thousands

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Total
(b)(2) High	(b)(2) High	█	█	█	█	█	█	█
(b)(2) High	█	█	█	█	█	█	█	█
Total	(b)(2) High	█	█	█	█	█	█	7200