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IN REPLY REFER TO:
J&A_11_2644

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 seeks authorization and approval for a 24 month Cost Plus Fixed Fee (CPFF) Indefinite Delivery Indefinite Quantity (IDIQ) Contract on a Sole Source Basis to Integrity Applications Incorporated (IAI) of Chantilly, Virginia in the estimated amount of \$7.5M and 45,000 hours. This action will allow IAI to continue the work being performed under N68936-07-D-0001, in order to complete and transition in process work under numerous task orders for N68936-07-D-0001. They provide research, development, testing and evaluation (RDT&E) of command and control (C2) and intelligence, surveillance, and reconnaissance (ISR) targeting prototype systems that advance state of the art technology in support of the Weapons Engagement Office (WEO) (41P000D) at NAWCWD, China Lake, CA.

3. Description of Supplies/Services.

Performance of individual task orders will require intelligence and targeting software and/or hardware systems engineering, software design, development, testing, evaluation, training, installation and technical assistance to the Weapons Engagement Office (WEO) at the Naval Air Warfare Center Weapons Division (NAWCWD), including Government operators at various test sites or test events. C2ISR prototype systems to be delivered require understanding of and expertise with integration of Navy and National Community-sponsored (National Reconnaissance Office (NRO) and National Geospatial Intelligence Agency (NGA)) processing, precision targeting, geospatial visualization and multi-intelligence (Multi-INT) exploitation systems. This contract effort provides further refinement, development and evaluation of NAVAIR C2ISR system prototypes in various stages of transition to Programs of Record (PORs) for direct fielding to the Fleet, including Distributed Common Ground Systems (DCGS) for the Navy, Marine Corp, and Air Force, and to National ISR collection, processing, exploitation and dissemination systems.

See Appendix A for Estimated Dollar Value

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.

Substantial Duplication of Cost - An estimated \$5,000,000 worth of work would be duplicated. This amount has been determined by compiling the costs associated with the work completed by IAI under task orders 0001-0024 of contract N68936-07-D-0001. It is estimated that \$5,000,000 of the total spent to date costs of \$12,885,511 would have to be expended in order to transfer technology, knowledge, and train qualified engineers on the details and history of developments in order to continue the design, development, testing and transition efforts, including training, installation and technical assistance support of the immature prototype systems. This information transfer could take up to two years, and much of the software already developed would need to be re-developed according the preferred processes of another vendor. Additionally, NAWCWD would have to continue to pay IAI an estimated \$200,000 per year month for twenty-four months to continue projects currently in development, while also paying approximately \$50,000 per month to train another vendor on the software design, implementation, installation and operation details on at least five projects in various stages of transition to operational deployment. Currently, the Government does not have existing infrastructure or trained resources to work the program in-house.

IAI provides prototype products to the Weapons Engagement Office (WEO) located at NAWCWD, China Lake, CA whose mission is to support the Department of Defense, Navy, Marine Corp, and Air Force Agencies/Programs by providing technical assistance and systems engineering in the development, testing, evaluation and integration of future C2ISR systems under contract N68936-07-D-0001. The WEO is a focal point for defining system requirements based on operational needs, system design and integration, prototype development, and testing/evaluation for programs fielding C2ISR systems or components that support or derive ISR products. The range of technical assistance provided by IAI extends from initial engineering designs to software/hardware solutions incorporated into existing Program of Record (POR) baseline capabilities, to operational deployments of C2ISR systems that provide imagery intelligence (IMINT), communications intelligence (COMINT), signal intelligence (SIGINT), and/or measurement and signature intelligence (MASINT) services to the war fighter. IAI delivers successful real time targeting products based on project/operational identified needs that are contributing significantly towards the war against global terrorism.

IAI's capabilities in ISR became known twelve years ago when they were working with PMA 281, the Cruise Missile Command and Control Program, where they developed the first web-enabled image processing and precision targeting capability. Over the next seven years, IAI proceeded to provide technical assistance services to the NRO, NGA, and Office of the Chief of Naval Operations (OPNAV) programs. The first contractual work from NAWCWD started in 2006, when Joint Forces Command (JFCOM) requested image processing capabilities and web services for the European Command (EUCOM) as an adjunct to the Global Command and Control System (GCCS). This joint urgent operational need (JUON) led to a letter contract, which NAWCWD followed with sole source contract N68936-07-D-0001 in order to take care of real-time immediate operational needs and expand into more Distributed Common Ground Systems (DCGS) related technologies.

Under the contract, IAI has designed, developed, and delivered rapid prototype systems as well as provided continual technical evaluation of C2ISR program shortfalls, needs, and technical requirements. Their service-oriented architecture (SOA) software services are made available via web based applications that appear as plug-ins which are accessed via web page portals or "front ends" to data warehouses. IAI's technology solution deliverables are deployed over DoD networks via their SOA. The current and ongoing

projects include the Radiant Gemini, Meteorite, Virgo, Pluto, Scorpio, Polaris and other classified web services or real time imagery collections. They also provide technical assistance in the form of training, installation and/or coordination during field training or exercises such as Empire Challenge.

IAI is the only source with in-house software technology, intelligence systems experience and expertise needed for continued development and sustainment of current prototype and transitioning capabilities. Comprehensive knowledge and extensive experience is required in the areas of Navy and Joint Service C2ISR systems, interfaces among those systems, as well as National, Joint and Navy-specific architectural standards, requirements and limitations. The current and prototype Radiant systems including DCGS-Navy/Marine Corp/Air Force and F/A-18 development and transition to POR, are in various stages of maturity and completeness in terms of software testing, documentation, training and support. Successful transition of the software and hardware baselines already in process will require two to five years depending on the Program and their current schedules for development and plans for addressing new technology insertion. IAI has provided Government Purpose Rights for Non-commercial technical data, software, software documentation and training manuals for the mature systems transitioned to date, allowing for quick transfer directly to the fleet. Lastly, the previous contract effort did not have a requirement that source code be a data deliverable. The Statement of Work and Contract Data Requirements List requires that all systems and software source code delivered under this effort become US Government property without proprietary, restricted data or intellectual property rights.

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

Currently, no other vendor has the insight into capability gaps that have been identified by evaluations of C2ISR program needs, and the technical skills required to develop and integrate rapid prototype software/hardware solutions into the current Radiant products. This research is based on the WEO's close, continual monitoring of C2ISR system developments in the Navy, Air Force, and Marine Corps over the past thirteen years. The WEO office employees attend a minimum of two NGA sponsored conferences on GEOINT and Precision Targeting each year, and a yearly NRO sponsored conference on ISR system development. They also conducted multiple program reviews and demonstrations for OPNAV within the last twelve months.

A sources sought synopsis was posted to the Federal Business Opportunities on 23 June, 2010. Review of the fifteen responses received confirmed the market research conducted over past years. Several large defense contractors claimed expertise, but could not provide evidence where an actual prototype SW/HW development was delivered to the Government. Some companies can show systems engineering design, analysis and trade studies; however, they do not develop HW/SW prototype systems. Lastly, a few systems engineering support companies can provide documentation, requirements tracking software, and T&E planning and tracking, but do not have trained in-house staff to develop, integrate, and deploy rapid prototype systems. IAI is currently the only company that can provide all of the required capabilities identified in fleet operational needs statements and meet the rapid delivery requirements.

7. Determination of Fair and Reasonable Cost.

In accordance with FAR 15.402, the Contracting Officer shall ensure that all supplies and services provided under this contract are procured at a fair and reasonable price. The Contractor will submit a formal price

proposal with certified cost or pricing data and sufficient information to support the accuracy and reliability of the estimate. IAI's proposal will be reviewed by experienced technical analysts and contract specialists with the aid of necessary field pricing support. The Contracting Officer will utilize cost and price analysis as the basis for negotiating a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition.

Market research will be continued to search for and identify other potential sources. Also, the products being delivered to the Government under the Contract Data Requirements Listing (CDRLs) for this effort will contain software source code allowing for competition on future procurements. SPAWAR recently awarded multiple award IDIQs, five year contracts for Common Afloat Local Area Network Infrastructure services including common computing environment components (test and evaluation, quality assurance and installation). It is anticipated that at the end of the contract period of performance, those contractors will have gained sufficient experience and expertise, building a competitive knowledge base which will enable them to propose on future C2ISR effort. The Navy intends to initiate a competitive re-compete of this acquisition after two years, with the intention of awarding multiple award IDIQ contracts for these efforts on approximately 1 March, 2013

Appendix A**Estimated Dollar Value In Thousands**

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Total
(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High
(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High
(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High
(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High	(b)(2) High
Total	(b)(2) High	\$ 7500k						