J&A Nosp 15,623

DEPARTMENT OF THE NAVY
STRATEGIC SYSTEMS PROGRAM
CLASS JUSTIFICATION AND APPROVAL
TO PROCURE WITHOUT USING FULL AND OPEN COMPETITION

Upon the basis of the following justification I hereby approve, as Head of the Contracting Activity, the use of other than full and open competition for the proposed contractual action pursuant to the authority of 10 U.S.C. 2304(c)(1).

1. Contracting Activity

Strategic Systems Programs (SSP)

2. Nature of Request

This request seeks the approval to issue a Cost-Plus-Fixed-Fee contract to Lockheed Martin Space Systems Company (LMSSC) using other than full and open competition.

Contractor:
Lockheed Martin Corporation
Lockheed Martin Space Systems Company
1111 Lockheed Martin Way
Sunnyvale, California 94088-3504

3. Description of Supplies or Services

SSP requires the services of LMSSC under procurement request 113QORP01. As a direct follow-on effort to contract N00030-12-C-0100, CLINs 0036 through 0040, and CMC standalone contract N00030-10-C-0043, LMSSC will provide support in 1) the integration of the TRIDENT II (D5) Missile and Reentry Subsystems into the Common Missile Compartment (CMC) for the OHIO Replacement and United Kingdom (UK) Successor Programs, and 2) the design of an updated Missile Service Unit (MSU) that will be compatible with existing and new fleets. Efforts will address integration impacts to the deployed and expected future configurations of the TRIDENT II Strategic Weapons System (SWS). Exhibit 1 below summarizes general contract requirements.

Exhibit 1: Planned CMC Contract Line Item Summary

CLIN	Contract Type	PoP/ Delivery	Description
0001: CMC Missile System LOE	CPFF LOE	1 Mar 13 to 31 Dec 13	Overarching CMC LOE support services, including the following: – Program planning and management (e.g., baseline planning, integrated program plan and master schedule development, etc.) – Systems requirements and verification (analysis and test) plans development – Missile and SWS integration (e.g., coordination drawings, CMC integration working group efforts, etc.) – Facility requirements and planning (e.g, integrating CMC platforms into the SWFs and NOTU) – Special studies (e.g., missile impingement and survivability focus areas)
0002: CMC Reentry System LOE	CPFF LOE	1 Mar 13 to 28 Feb 14	Reentry systems integration support services, including development of plans, specifications, and requirements for reentry interfaces and integration into CMC.
0003: CMC Missile System Completion	CPFF Completion	Delivery NLT Dec 17	Delivery of various mechanical controls and structures hardware components for incorporation into Special Test Vehicles (STVs) for use in the CMC and the SWS Ashore facility, and for construction of Nozzle Shield Retention Test Hardware. For example, components include the following: – Nozzle shield assembly components – Pressure transducers – Inert high voltage detonators (HVD) and post-boost control system (PBCS) gas generators (GG) – Inert linear ordnance shaped charges (LOS) – LOS harnesses – Miscellaneous brackets, clamps and plates – Conduit covers
0005: SWS Ashore LOE	CPFF LOE	1 Mar 13 to 28 Feb 14	SWS Ashore at Cape Canaveral Air Force Station (CCAFS) facility support services, including: – Program management, integrated planning and scheduling, and project integration – Facility engineering tasks including Facility Design Criteria, Facility Evaluation Test, and Facility Activation Plan document development
0006: Missile Service Unit	CPFF Completion	Delivery NLT Jun 15	Design and development of an updated MSU, including delivery of Preliminary and Critical Design Reviews.

In addition to the above, Item 0004 will provide SP29 SWS support for the UK. SSP is procuring this effort entirely with UK-unique funds and pursuant to the authority of 10 U.S.C. 2304(c)(4), in accordance with the Polaris Sales Agreement. This J&A therefore does not address CLIN 0004.

The following delineates the estimated value by appropriation, inclusive of the option to increase level-of-effort by 30 percent:

FY12 WPN:	$20,811,169
FY13 RDT&E:	$43,195,157
FY14 RDT&E:	$600,741
FY15 RDT&E:	$33,319
Total:	$64,640,386

4. Statutory Authority

10 U.S.C. 2304(c)(1), only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rationale Supporting Use of Authority Cited Above

LMSSC is the only responsible source capable of integrating the submarine platform with the existing D5 missile system, developing and producing missile support equipment and test vehicles required in support of the CMC and SSBN Replacement Programs, and developing the updated MSU. The use of LMSSC is the only means available for meeting the schedule needs of this complex, bilateral development and procurement effort for the US and UK. Therefore, SSP intends to contract with LMSSC in accordance with FAR 6.302.1 and l0 U.S.C. 2304(c)(1).

As described in further detail below, contracting with LMSSC is necessary to:

- Ensure SWS interfaces and technical requirements are maintained in the design of the CMC and the MSU
- Avoid additional and duplicative costs that would result from contracting with another source
- Meet CMC and MSU component design and construction dates to support the schedule

Unique CMC Capabilities

This effort will support the initial design efforts for the CMC program. CMC design must be compatible with the deployed and expected future configurations of the TRIDENT II SWS. The CMC program will require significant prototyping efforts to

successfully verify and subsequently qualify the ability of the SWS to launch D5LE missiles from the new platforms in a relevant environment. As the prime TRIDENT II contractor, LMSSC is the only source qualified to meet these requirements.

The CMC effort entails integration of the submarine platform, and development and production of missile support equipment and test vehicles. Success will require in-depth knowledge of the Missile and SWS design, integration, test, manufacturing, and operational requirements. Only LMSSC has the design knowledge and capabilities required to fully address the impacts and implications pertaining to changes in the TRIDENT missile system, the missile environment onboard the SSBN, operations at the existing facilities, and systems and support equipment. LMSSC has been the sole contractor that designed, developed, produced, integrated and supported each D5 missile and the last five generations of SSBN missile systems. As such, LMSSC is the only contractor with the engineering and technical skills and proficiency relative to the tasks involved.

Additionally, LMSSC owns and operates specialized facilities that are necessary to develop and field missile subsystem support equipment and to integrate the missile subsystem into new platforms. LMSSC is the prime, sole-source contractor for SWF operations at Bangor and Kings Bay and the Eastern Range, where the systems integration tests and the operational assessment will occur. Another contractor could not meet the technical requirements of this effort without access to these specialized facilities.

LMSSC has also provided significant efforts in supporting the UK's replacement platform and CMC program, and has gained substantial CMC expertise. This expertise is essential in delivering the technical requirements for this procurement. Contracting with another source would require the contractor to gain this same level of expertise. The result would be additional costs, lost time, and ultimately schedule delays that the program could not tolerate.

Unique MSU Capabilities

The MSU allows for servicing of the TRIDENT missile while on-board the submarine. It facilitates installation of re-entry bodies and the test missile kit, as well as START inspections. Thus, the MSU effort requires comprehensive knowledge of the TRIDENT SWS and related support equipment, the current and future submarine platforms, the Strategic Weapons Facilities (SWFs), and associated nuclear weapons security (NWS).

As the prime contractor for the missile subsystem, CMC missile system integration, and NWS, no other contractor has the breadth of expertise and capabilities relative to the range of tasks required for this procurement. Only LMSSC has the unique facilities, tooling, and equipment necessary for MSU design and production, as well as the ongoing engineering, logistics, and nuclear weapons security expertise in support of the MSU

program. As discussed above, the Contractor operates key activities at the SWFs and the main design center at the Eastern Range. Only LMSSC has the facilities access and personnel with the engineering and technical proficiencies uniquely required to successfully perform the scope of this contract.

Impact from Development of an Alternate Source

The scope of the CMC integration and MSU efforts required under this contract, including efforts to maintain SWS interfaces and technical requirements, requires the use of a subset of the TRIDENT II technical expertise and capabilities possessed by LMSSC. SSP estimates that replication of the requisite technical expertise and capabilities at another contractor would require an investment on the order of 20 percent of the investment required to replicate the full TRIDENT II capabilities of LMSSC. This translates to approximately $240 million over a period of approximately three years. SSP estimates that replicating current LMSSC missile system support capabilities at other sources would cost approximately $1.2 billion, based on the actual cost and time required to establish TRIDENT II technical expertise, production and repair/maintenance capabilities.

Duplication of the required facilities and operations by another contractor could only be accomplished at great expense, and impose unacceptable schedule delays in completion of the technical requirements of this contract. The expense for duplication of the existing facilities is estimated at 15 percent of the investment required to replicate current LMSSC missile system support capabilities, or in the range of $180 million, over a period of approximately six years.

Finally, LMSSC has been sole provider of SP27 Missile technical and programmatic support during both the CMC Concept Definition and Design Phases. During the period from March 2008 through May 2012, LMSSC has provided the following at a cost of roughly $34 million: project management; systems integration planning; system test/special vehicles concept definition; flight sciences/missile system analysis in support of concept designs and trade studies; support equipment concept planning and alternative analysis, including support of the MSU; field engineering evaluations of design concepts; and liaison services with the Ship Design Agent (SDA) through a CMC Subbase New London (NLON) office on-site representative. The development of an alternate source with the requisite knowledge of the missile aspects of the CMC Concept Design and Program Plan would require an additional investment of approximately $10 million over the period of two years.

The technical requirements and the cost and time required to develop a new source for the CMC and MSU efforts are prohibitive. The risk associated with obtaining competition through qualification of an alternate source far outweigh any price or quality benefits that could be reasonably anticipated from such a competition. In addition, the above impacts are for this procurement only, which is a relatively small but integral part

of the larger Ohio Replacement and Successor programs. Unacceptable technical risks and cost and schedule delays could grow exponentially when considered in the context of the larger program. Procurement from LMSSC is therefore essential to deliver the proposed effort within existing cost, schedule, and technical constraints.

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

SSP posted a pre-award synopsis in accordance with the Federal Acquisition Regulation to Federal Business Opportunities (FedBizOps) on 13 June 2012. SSP did not receive any credible inquiries of interest.

7. Determination of Fair and Reasonable Cost

The Contracting Officer will utilize various methods and analyses to determine that the cost to the Government for the supplies and services covered by this J&A will be fair and reasonable in accordance with FAR 15.402(a). These methods include but are not limited to thorough technical analysis of hours by Government subject matter experts, the use of DCMA negotiated FPRAs and FPRRs, and cost and price analyses. Additionally, cost analyses, to include DCAA assist audits when appropriate, are performed for all major subcontractors over the certified cost and pricing data threshold. For subcontractors under the certified cost and pricing data threshold, various methods including but not limited to competitive pricing, commercial pricing comparisons, historical pricing reviews, and price analyses are utilized to determine fair and reasonable cost.

8. Actions Taken to Remove Barriers to Future Competition

SSP will continue to monitor the market in an attempt to identify potential sources of these supplies and services for future requirements, while analyzing any potential impact to cost, schedule and program risk. Additionally, the prime contractor for this effort will continue to utilize competition and commercial item procurement when possible for component parts.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

Technical Cognizance:

Signature	Name (Printed)	Phone No.	Date

Requirements Cognizance:

Signature	Name (Printed)	Phone No.	Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

Signature	Name (Printed)	Phone No.	Date

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

Signature	Name (Printed)	Phone No.	Date

COMPETITION ADVOCATE REVIEW

Signature	Name (Printed)	Phone No.	Date

HEAD OF THE CONTRACTING ACTIVITY APPROVAL

Upon the basis of the above justification, I hereby approve, as the Head of the Contracting Activity, the proposed action using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304 (c) (1).

Signature	Name (Printed)	Phone No.	Date
T. J. Benedict DIRSSP	T. J. Benedict	2024837001	11 SEP 12