



DEPARTMENT OF THE NAVY
SPACE AND NAVAL WARFARE SYSTEMS COMMAND
4301 PACIFIC HIGHWAY
SAN DIEGO, CA 92110-3127

J&A NO: 17,948

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

1. Contracting Activity.

Department of the Navy, Space and Naval Warfare Systems Command Headquarters (SPAWAR HQ), on behalf of the Program Executive Office for Space Systems, Navy Communications Satellite Program Office (PMW 146).

2. Description of the Action Being Approved.

This action is to award a sole source contract modification to increase the total ceiling of the Engineering Services, Interim Logistics Services (ILS), spares, and associated material and other direct cost Contract Line Item Numbers (CLINs) under Mobile User Objective System (MUOS) Contract N00039-04-C-2009 by \$92,800,000, from \$293,300,000 to \$386,100,000. This within - scope ceiling increase raises the total contract value by approximately 1.9% from \$4,943,000,000 to \$5,035,800,000. The estimated period of performance is through November 2018.

3. Description of Supplies/Services.

Required engineering services includes analysis of the MUOS baseline designs and the development and implementation of engineering changes needed to address evolving Information Assurance (IA) requirements, resolve operational performance issues, and operationally certify the system and the waveform.

Required space segment logistics support includes investigation and resolution of satellite anomalies, constellation maintenance, development of MUOS flight software updates, and performance analysis of all MUOS satellite subsystems.

Required ground segment logistics support includes updates, testing, and installation of ground software releases and software patches; depot-level maintenance and repair of ground system hardware; management and maintenance of stocks of depot spares and on-site organizational level spares; management of parts obsolescence issues; configuration management of all ground sites; and updated training and associated training materials, supply support data, and technical logistics documentation as software is revised and obsolete hardware is replaced.

The total maximum estimated value of this modification is \$92,800,000. The total estimated value of engineering services and ILS CLINs, including this ceiling increase, is \$386,100,000 if all line items are fully funded. A cost summary is detailed as follows.

FY16-FY17 Requirement	FY15 and Prior (\$M)	FY16* (\$M)	FY17* (\$M)	FY18* (\$M)	Total (\$M)
ILS (O&MN)					
Integrated Ground (WPN)					
Technology Refresh (WPN)					
Oceus SPMS/SLAs/TPS (WPN)					
Information Assurance (RDT&E)			(b)(4)		
Waveform Maintenance (O&MN)					
Sustainment Mgmt/Integration (O&MN)					
MUOS to Cypher Text Seam Solution (RDT&E)					
Total					

*FY 2016, FY 2017, and FY 2018 funding accounts for the requested \$92,800,000 ceiling increase. FY18 ILS (O&MN) is for space segment sustainment only.

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.

This interim support period conforms to the plan described in the MUOS Key Decision Point B Acquisition Strategy (KDP-B AS) approved on December 2007. However, maintaining the software for the MUOS system, managing parts obsolescence, and Information Assurance (IA) sustainment, are of much greater complexity than originally estimated. As a result, an interim support extension is required due to delays in fielding the MUOS. According to the KDP-B AS, "Interim Contractor Support (ICS) will be in place upon delivery of the first satellite with annual contract options to continue ICS through one year after Full Operational Capability (FOC) or until support transitions to the final performance-based solution." (b)(7)(e), (7)(f)

Full resolution of MOT&E issues regarding ground system reliability and availability, situational awareness of ground system operating status, and provisioning and keying capabilities is expected to take one to two years. This additional time allows for iterative release of ground system software and waveform

improvements that will address MOT&E findings. (b)(7)(e), (7)(f)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Lockheed Martin Space Systems Company (LMSSC) is responsible for the overall design, development, production, fielding, integration, and support of the MUOS networked constellation and with General Dynamics C4 Systems (GDC4S) as a subcontractor to perform MUOS Ground System design, production, fielding, integration, and sustainment tasks. MUOS equipment is installed at LMSSC's MUOS Space Support Center and GDC4S MUOS Ground Support Center (MGSC), for use in integrating and testing software upgrades and patches and hardware components that replace obsolete items. No other source has the necessary facilities or possesses this unique expertise. Attempting to relocate the MUOS equipment to another facility would create an unacceptable service interruption (b)(7)(e), (7)(f)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

The MUOS design also includes both developmental and proprietary commercial hardware and software, incorporating significant commercial technology designed exclusively at private expense with limited and restricted data rights. Most significant is Ericsson's WCDMA Radio Access Network (RAN) Software Development Environment (SDE), originally developed for use in cellular communication systems with WCDMA handsets. No other source possesses this exclusive special license, (b)(4) or the WCDMA waveform license, (b)(4). Moreover, GDC4S possesses the expertise in the modification of these licensed software items and their incorporation into the MUOS design. Sustainment of the Ericsson-supplied hardware is provided under a Spare Parts Management Service (SPMS) agreement under the MUOS Contract. (b)(7)(e), (7)(f)

[Redacted]. Any other source would require a new SPMS agreement. Therefore, the Government would incur an unacceptable schedule delay (b)(7)(e), (7)(f)

[Redacted] t to plan and establish the SPMS agreement.

As identified above, LMSSC along with GDC4S as a subcontractor are the only sources capable of satisfying requirements. J&A number 17,194, approved on 21 March 2014, increased the aggregate engineering and ILS contract ceiling by [Redacted] to perform these services through

FY 2016. Efforts under this J&A are required due to delays in MUOS fielding, completing MOT&E, and achieving FOC.

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

SPAWAR HQ posted a synopsis of the required efforts to FedBizOps in accordance with FAR Part 5 on 28 April 2016 stating the Government's intention to award a sole source contract modification to LMSSC. Responses from interested vendors were due by 13 May 2016. No responses were received.

7. Determination of Fair and Reasonable Cost.

The required engineering and ILS requirements will be implemented by written Technical Direction Letters (TDLs). SPAWAR HQ requires LMSSC to submit FAR 15.403-4 certified cost or pricing data in support of Technical Direction proposals. By utilizing historic cost information and the data to be provided with the proposals, the contracting officer will have adequate information to ensure that the negotiated cost to the Government for this acquisition will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition.

In addition to the synopsis posted on 28 April 2016, described in Paragraph 6 above, market research, in accordance with FAR Part 10, was conducted during fiscal year 2015. A Request for Information (RFI) soliciting information on industry capabilities, including 16 support service areas for providing MUOS contractor logistics support and integration services, was posted to FedBizOps 13 January 2015 through 27 February 2015. Nine responses were received. Only LMSSC demonstrated ability to perform MUOS space segment sustainment at an acceptable level of risk. Only GDC4S demonstrated the ability to perform the MUOS Ground System sustainment tasks. While three respondents, including LMSSC, demonstrated ability to perform at least some of the support service areas required, these responses rely on GDC4S as a subcontractor to perform MUOS Ground System sustainment tasks. Therefore, the Government is pursuing a strategy to break out MUOS Ground System sustainment as a sole source contract to GDC4S in FY 2017, and MUOS Space Segment sustainment as a sole source contract to LMSSC in FY2018. The requested MUOS contract ceiling increase will allow adequate time to award separate sole source contracts with LMSSC and GDC4S, facilitating seamless coverage for sustainment of the Space Segment and Ground System during the transition. Additionally, the market research suggests that a small subset of ground system sustainment services may either be competed or performed organically.

CERTIFICATIONS AND APPROVAL

TECHNICAL AND 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:

(b)(6)

CAPT Joseph V. Kan
Navy Communications Satellite Program Manager

23 Sep 2016
Date

Requirements Cognizance:

(b)(6)

RDML Christian D. Becker
Program Executive Officer, Space Systems

23 Sep 16
Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

(b)(6)
, SPAWAR 3.0

26 Sep 2016
Date

CONTRACTING OFFICER CERTIFICATION

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

(b)(6)
Mr. Jeffrey C. McCoy, SPAWAR 2.0

26 Sep 2016
Date

DIRECTOR OF CONTRACTS APPROVAL

Upon the basis of the above justification, I hereby approve, as Director of Contracts for SPAWAR, 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) Only one responsible source and no other supplies or services will satisfy agency requirements.

(b)(6)
Ms. Nancy Gunderson,
Director of Contracts, SPAWAR 2.0

26 Sep 2016
Date

***ALL QUESTIONS REGARDING THIS J&A ARE TO BE REFERRED TO:**

(b)(6)

(b)(6)