



**DEPARTMENT OF THE NAVY**  
**SPACE AND NAVAL WARFARE SYSTEMS COMMAND**  
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4200  
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From: Contracting Officer, Space and Naval Warfare Systems  
Command (SPAWAR), Code 2.1.3

To: Interested Parties; Common Afloat Local Area Network  
Infrastructure (CALI)

Subj: POTENTIAL ORGANIZATIONAL CONFLICTS OF INTEREST; CALI

On February 5, 2009 SPAWAR released CALI draft solicitation N00039-09-R-0028 to promote the early exchange of information among all interested parties. SPAWAR has since received positive feedback on the CALI initiative, and plans to release CALI final solicitation N00039-09-R-0028 in the near future.

The principal goal of CALI is to procure shipboard network infrastructure and related engineering support services in the areas of production, engineering, and common computing environment (CCE) components. The contract also provides for engineering support services within these three main areas, including integrated logistics support; configuration management; test and evaluation; quality assurance; and installation support. Specific requirements will be identified at the individual order level consistent with a competitive multiple award contract environment.

CALI is intended to support the following systems: Combined Enterprise Regional Information Exchange System - Maritime (CENTRIXS-M); Integrated Shipboard Network System (ISNS); Sensitive Compartmented Information (SCI) Networks; Navy Tactical Command Support System (NTCSS); Common Submarine Radio Room (CSRR); and Submarine Local Area Network (SubLAN). Other systems also may utilize the CALI contract in support of the United States Navy's overall shipboard information technology portfolio.

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Since issuing the draft RFP, SPAWAR has received many inquiries regarding identification, evaluation and resolution of potential organizational conflicts of interest. In general, an organizational conflict of interest may exist when, because of previous activities or relationships, an organization is unable or potentially unable to render impartial assistance or advice, an organization has an unfair competitive advantage, or an organization's objectivity is or might be otherwise impaired.

As a result of these inquiries, SPAWAR has decided to remove clauses H-304 Organizational Conflict Of Interest (Access to Proprietary Information) and H-305 Existing Organizational Conflict Of Interest. As discussed in the CALI draft RFP questions and answers, H-304 does not apply because there is no requirement for awardees to perform advisory and assistance services at the present time. Additionally, H-305 does not apply at the basic contract level, but may be invoked at the individual order level as individual circumstances dictate.

However, clauses H-302 Organizational Conflict of Interest (Systems Engineering) and H-303 Organizational Conflict of Interest (Specification Preparation) will continue to apply at the individual order level as individual circumstances dictate. These clauses are intended to implement the general rules identified at FAR 9.505-1 and 9.505-2 such that conflicting roles, biased judgment, unfair competitive advantage and impaired objectivity are avoided, neutralized or mitigated to the maximum extent practicable.

Because the CALI RFP is expected to result in multiple awards consistent with 10 USC § 2304c and FAR 16.504, there is no sound basis for determining the extent of such organizational conflicts of interests beforehand at the basic contract level. For this reason, analyses of organizational conflicts of interest are being deferred to the individual order level as specific requirements are identified.

Nevertheless, SPAWAR is aware of several instances where certain interested parties have participated substantially in systems engineering, technical direction and requirements development in support of the systems identified above. Even though analyses of potential conflicts of interest are being deferred to the individual order level, interested parties are encouraged to take a realistic view of their previous activities and relationships such that fair opportunity at the individual order level is not unnecessarily impeded.

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Interested parties are further encouraged to review pertinent information at FAR 9.5, especially the examples at FAR 9.508. If you have any questions regarding your specific circumstances in relation to CALI, please contact me at 858-537-0364.

Sincerely,

/s/

DAVID CHESNUT  
Contracting Officer