



DEPARTMENT OF THE NAVY
NAVAL AIR SYSTEMS COMMAND
NAVAL AIR SYSTEMS COMMAND HEADQUARTERS
47123 BUSE ROAD, UNIT # IPT
PATUXENT RIVER, MD 20670-1547

CJ&A Number: 21-0194

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

1. Contracting Activity.

Naval Air Systems Command (NAVAIR) Headquarters

2. Description of the Action Being Approved.

This Class Justification and Approval (CJ&A) authorizes and approves on a limited sources basis the award of two Indefinite Delivery Indefinite Quantity (IDIQ) Multiple Award Contracts (MACs) for the production and sustainment of Multi-Intelligence Sensor Development (MISD) components with a combined estimated value of [REDACTED]. Argon ST (Argon), a Boeing Company, Fairfax, VA, and Sierra Nevada Corporation (SNC), Sparks, NV, will receive award and the contracts will have five year ordering periods. Argon and SNC, under FAR 16.505 fair opportunity procedures, will compete for the MISD common chassis Contract Line Item Numbers (CLINs) that have an estimated combined value of [REDACTED]. The contracts will also include Argon sole source MISD low band component CLINs with an estimated value of [REDACTED] and SNC sole source MISD high band component CLINs with an estimated value of [REDACTED]. Orders issued under these IDIQ MACs will fulfill MISD component requirements not only for NAVAIR, U.S. Navy International Cooperative Partners (ICPs), and Foreign Military Sales (FMS) countries, but also for Naval Sea Systems Command (NAVSEA) Program Manager, Ship (PMS) 501 Littoral Combat Ships, Naval Information Warfare Center (NIWC), and the U.S. Army. Authority to act under this CJ&A expires after 31 December 2027.

3. Description of Supplies/Services.

The MISD program requires each contractor to manage, engineer, procure, integrate, install, test, sustain, and support MISD components for NAVAIR's Maritime Intelligence, Surveillance, Reconnaissance, and Targeting (MISR&T) Unmanned Aircraft Systems (UASs), Unmanned Aircraft Vehicles (UAVs), next-generation manned aircraft, and in-service legacy platforms within the U.S. Navy Chief of Naval Operations' (CNO's) Common Framework and Multi-INT Sensors (CFAMS) architecture. Additionally, each contractor shall fulfill similar common chassis requirements for U.S. Navy ICPs, other Military Departments (MILDEPs), and FMS countries.

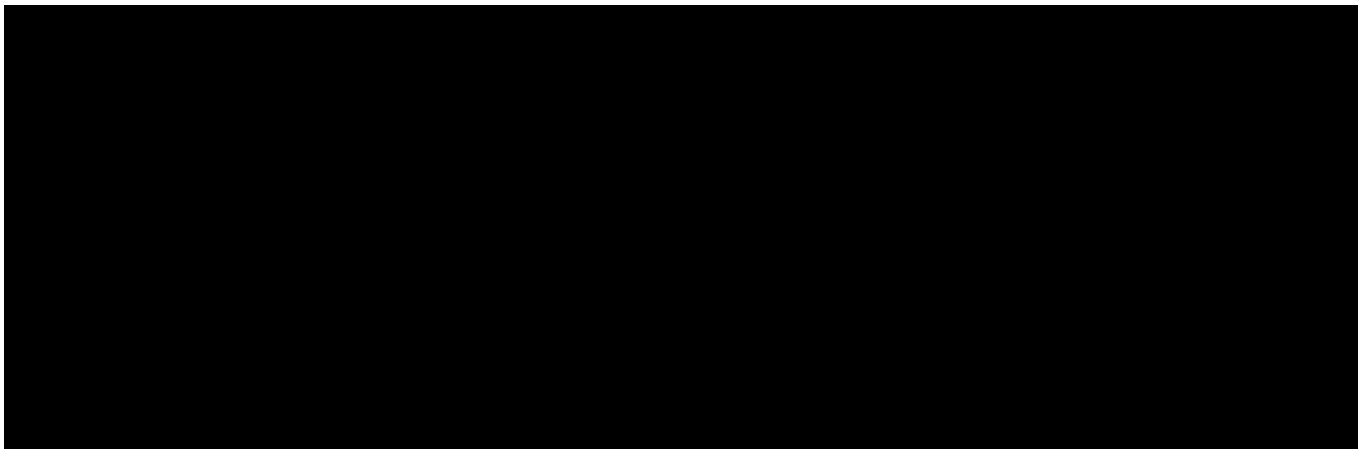
The MISD systems developed for the P-8A, P-8A Research & Development (R&D), MQ-4C, PMS 501, NIWC, and the U.S. Army use different variants of the common chassis, low band suite components, and high band suite components. The MISD processing open-architecture receiver chassis (common chassis) provides flexible receiver capability through employing both narrow and wideband digital controlled tuners, Field-Programmable Gate Array (FPGAs), and Linux-based general-purpose processors to host Signals Intelligence (SIGINT) processing application

configurations. For manned aircraft, the common chassis interfaces with aircraft crew stations to allow operator control of the tuners to search for signals of interest.

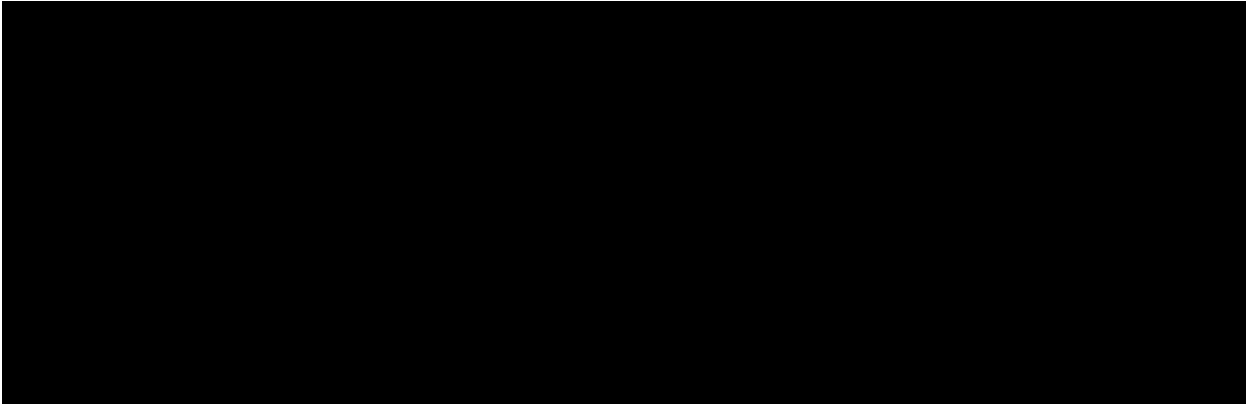
The MISD processing open-architecture of the low band suite includes the low band chassis, associated Radio Frequency Distribution (RFD) units, Scanner RFD unit and Junction Boxes. The low band suite incorporates the SIGINT architecture for signal processing, which is equipped with a Global Positioning System Disciplined Oscillator (GPSDO) to provide both GPS navigation data and acts as a timing source to both the platform and low band suite system.

The MISD processing open-architecture of the high band suite includes the high band chassis, with both Multi-Channel Narrowband (MCNB) and High Probability of Intercept (HPOI) operations. Each contractor will provide the qualified personnel, material, facilities, equipment, software, test benches, and other supplies to accomplish: (1) the production and delivery of MISD components, (2) the installation and integration of MISD components into platforms and systems, (3) support for and sustainment of MISD components, (4) the development and delivery of MISD component training supplies and services, and (5) furnishing MISD component technical data. Each contractor will provide the technical work, management, processes required for system defect correction, modernization, enhancements and improvements, and obsolescence related upgrades. Each contractor shall perform fleet support, software corrections, system production changes, system/subsystem updates, and incorporation of approved Engineering Change Proposals (ECPs).

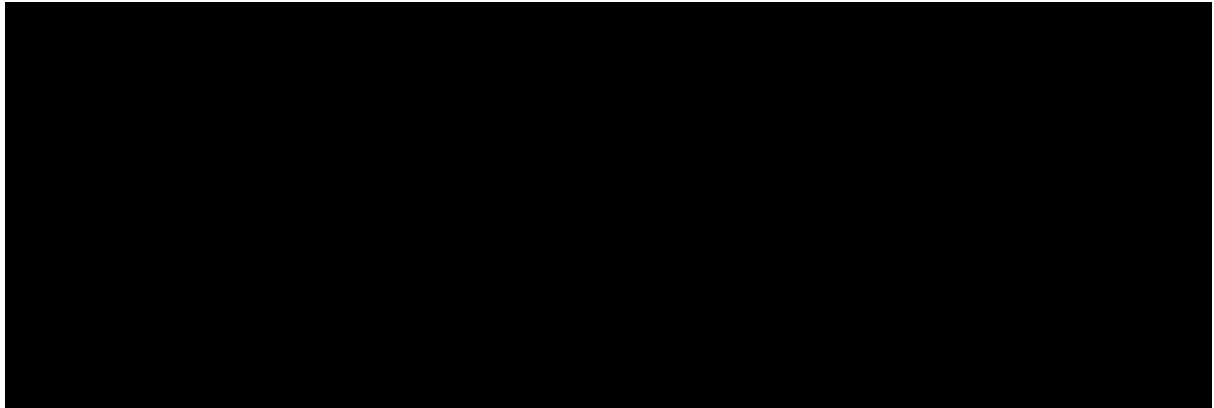
To enable the procurement of the maximum quantities of supplies and services, the combined estimated maximum value of the two contracts is [REDACTED]. The following table depicts the estimated amounts by funding type and fiscal year to procure the estimated maximum quantities of supplies and services utilizing orders against either one or both IDIQ MACs.



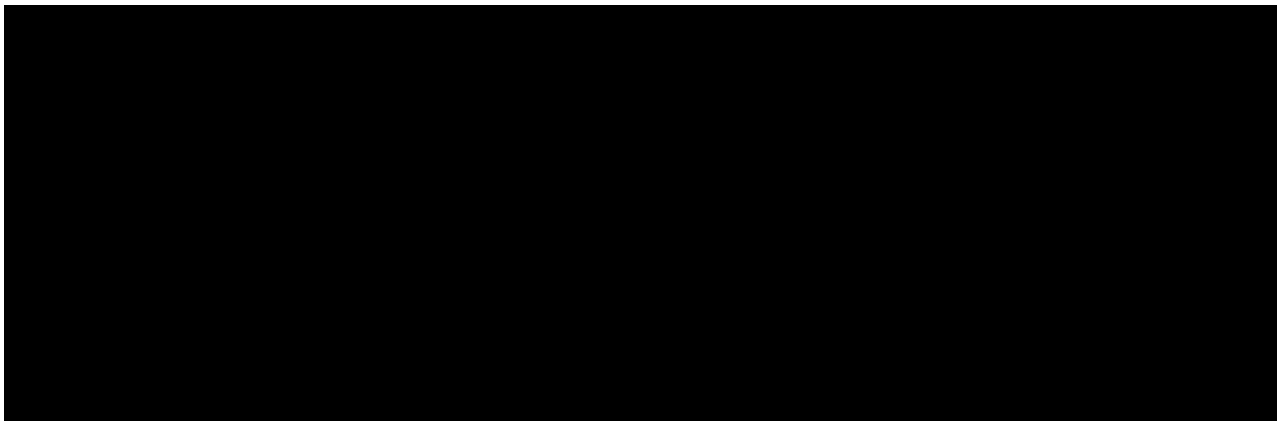
The following table, a subset of the above table, depicts the estimated amounts by funding type and fiscal year to procure the estimated maximum quantities of supplies and services to fulfill common chassis requirements.

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The following table, a subset of the first table, depicts the estimated amounts by funding type and fiscal year to procure the estimated maximum quantities of supplies and services utilizing orders against the Argon IDIQ MAC to fulfill low band requirements.

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The following table, a subset of the first table, depicts the estimated amounts by funding type and fiscal year to procure the estimated maximum quantities of supplies and services utilizing orders against the SNC IDIQ MAC to fulfill high band requirements.

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

10 U.S.C. 2304(c)(1), Only one or a limited number of responsible sources and no other supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority.

In 2013, Argon and SNC each received award of a sole source contract to develop MISD systems. In 2017, Argon and SNC each received follow-on sole source Basic Ordering Agreements (BOAs) to complete development of MISD systems.

Argon and SNC are the original joint designers, developers, and manufacturers of the MISD common chassis. Additionally, Argon and SNC are intimately familiar with the various airframe designs, interface restrictions, integration requirements, sustainment and training requirements, and airframe limitations. They are the only responsible sources with the requisite knowledge, expertise, engineering facilities, testing facilities, training facilities, tooling, special-test equipment, technical data, computer software, and computer software documentation necessary to meet the contemplated requirements within the necessary time frames. NAVAIR estimates, based on the time it took Argon and SNC to do that work under the original developmental contracts, it would take at least 5 years for an alternate source to design, develop, build, test, and qualify another source's different variants of the common chassis. This would result in unacceptable delays in fulfilling the MISD Program's requirements for the P-8A, P-8A R&D, MQ-4C, PMS 501, NIWC, and the U.S. Army.

Argon is the original designer, developer, and manufacturer of MISD low band suite components under the originally awarded contracts to develop the MISD system and is the only responsible source with the requisite knowledge, experience, technical data, computer software, and computer software documentation necessary to timely fulfill the contemplated MISD low band component requirements. The Government neither possesses nor has adequate rights in sufficient technical data, computer software, and computer software documentation to provide to an alternate source to enable competition. Furthermore, Argon is unwilling to sell to the Government the necessary data rights to enable competition. The Government possesses only the rights to the level II technical data packages and software documentation for the purpose of maintaining configuration control to manage future engineering changes. The level II technical data package and software documentation are insufficient for the purpose of manufacturing MISD components. Award to any other source would result in unacceptable delays in fulfilling the Government's requirement to meet MISR&T hardware and software requirements and system support to multiple platforms. NAVAIR estimates, based on the time it took Argon to do that work under the original contract, it would take at least 5 years for an alternate source to design, develop, build, test, and qualify another source's different variants of the low band suite components. This would result in unacceptable delays and failure to meet CNO direction to retire legacy ISR&T airframes in the 2025 timeframe.

SNC is the original designer, developer, and manufacturer of MISD high band suite components under the originally awarded contracts to develop the MISD system and is the only responsible source with the requisite knowledge, experience, technical data, computer software, and computer software documentation necessary to timely fulfill the contemplated MISD high band component requirements. The Government neither possesses nor has adequate rights in sufficient technical data, computer software, and computer software documentation to provide to an alternate source to enable competition. Furthermore, SNC is unwilling to sell to the Government the necessary data

rights to enable competition. The Government possesses only the rights to the level II technical data packages and software documentation for the purpose of maintaining configuration control to manage future engineering changes. The level II technical data package and software documentation are insufficient for the purpose of manufacturing MISD components. Award to any other source would result in unacceptable delays in fulfilling the Government's requirement to meet MISR&T hardware and software requirements and system support to multiple platforms. NAVAIR estimates, based on the time it took SNC to do that work under the original contract, it would take at least 5 years for an alternate source to design, develop, build, test, and qualify another source's different variants of the high band suite components. This would result in unacceptable delays and failure to meet CNO direction to retire legacy ISR&T airframes in the 2025 timeframe.

As such, the common chassis requirements are available only from Argon and SNC as a limited number of responsible sources for the follow-on contract for the production of the highly specialized equipment without resulting in unacceptable delays in fulfilling the agency's requirements. Additionally, the MISD low band and high band suite component requirements are available only from Argon and SNC respectively for the follow-on contract for the production of the highly specialized equipment without resulting in unacceptable delays and failure to meet CNO direction to retire legacy ISR&T airframes in the 2025 timeframe.

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

For the MISD common chassis, NAVAIR posted a Sources Sought Notice on the betaSAM.gov website on 3 December 2020. In response to inquiries from both Argon and SNC expressing interest in the Notice, NAVAIR responded that capability statements were not required from those companies due to their familiarity with the MISD program given the execution under current government contracts. Company brochures providing general information were received from Columbia Research Laboratories, Inc. and Starblast Corporation to which NAVAIR notified each company that its submission did not address each of the Notice's Capability Statement submission requirements. Deltek and Northrop Grumman Corporation submitted initial inquiries regarding the Notice but did not submit capability statements. The only capability statement that addressed each Notice submission requirement was received from Advanced Acoustics Concepts (AAC), LLC. On 12 January 2021, NAVAIR notified AAC that its capability statement did not include either: (1) a teaming agreement (or equivalent document) signed by SNC or Argon indicating agreement to partner with or be a subcontractor to the interested party for the contemplated procurement; or (2) a document signed by SNC or Argon indicating agreement to offer a license to the interested party for the technical data, computer software, and computer software documentation. On 13 January 2021, AAC conveyed that it had preliminary discussions with Argon and that AAC expected to have an agreement in place with Argon in time for contract award. A Presolicitation Notice was posted on the betaSAM.gov website on 29 January 2021 announcing NAVAIR's initial determination of pursuing a limited competition for the common chassis and providing an additional opportunity for interested parties to submit capability statements. Also on 29 January 2021, NAVAIR conveyed to AAC that AAC had another opportunity to update and resubmit its capability statement in response to the Presolicitation Notice posting but that its capability statement would need to include a teaming agreement (or equivalent document) or a document signed by SNC or Argon indicating agreement to offer a license to the interested party for the technical data, computer software, and computer software documentation. Since AAC had previously indicated that it had preliminary discussions with Argon, NAVAIR also provided to AAC point of contact information for one of the Argon program managers supporting the MISD program. AAC did not submit an updated

capability statement in response to the Presolicitation Notice. The only capability statement received was from DRS Signal Solutions; however, the capability statement did not address the common chassis, but only lower level parts, such as tuners and receivers, which are incorporated into the overall sensor systems. On 9 March 2021, NAVAIR notified DRS that its capability statement did not demonstrate DRS's capability to fulfill the common chassis requirements described in the Notice. On 18 March 2021, DRS responded to NAVAIR indicating that DRS did not intend to compete for common chassis opportunities, but was interested in being an alternative and/or second source for radio frequency tuner/receiver cards for the common chassis or future upgrades/enhancements.

Regarding the low band and high band components, NAVAIR posted Sources Sought Notices on the betaSAM.gov website on 11 December 2020. For low band, a company brochure providing general information was received from Columbia Research Laboratories, Inc. to which NAVAIR notified the company that its submission did not address each of the Notice's Capability Statement submission requirements. For high band, only SNC provided a response. Presolicitation Notices were posted on the betaSAM.gov website on 5 February 2021 announcing NAVAIR's initial determination to pursue sole source procurements with Argon and SNC for the low and high band components respectively and providing an additional opportunity for interested parties to submit capability statements. NAVAIR did not receive any subsequent capability statements or expressions of interest.

7. Determination of Fair and Reasonable Cost.

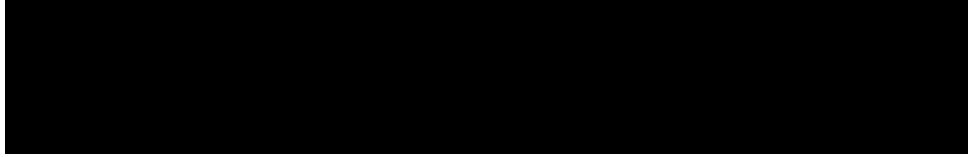
The Contracting Officer has determined the anticipated cost to the Government of the supplies/services covered by this CJ&A will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Paragraph 5, NAVAIR has no plans at this time to extend to additional sources the opportunity to compete for future contracts for the types of supplies/services covered by this document. If another potential source emerges, NAVAIR will assess whether to extend to that source any opportunities to compete for future requirements. Because the contemplated contract actions are follow-on efforts for supplies and services previously awarded on a non-competitive basis, the following information regarding the predecessor contract actions' CJ&As is provided to address DFARS PGI 206.304(a)(i). CJ&A 16-287, held at a higher classification level, was approved by Director of Navy Material Support Office on 25 October 2016, and authorized a sole source BOA to Boeing-Argon. CJ&A 17-003, held at a higher classification level, was approved by Director of Navy Material Support Office on 4 November 2016, and authorized a sole source BOA to SNC. Regarding actions to remove barriers to future competition, both CJ&As state, "For reasons set forth in Para 5, NMSO has no plans at this time to compete future contracts for the supplies/services covered by this document. If another potential source emerges, NMSO will assess whether competition for future requirements is feasible. The extent and nature of any future requirements beyond the effective period of this CJ&A cannot be readily predicted at this time." Approval of this CJ&A signifies the approval authority has made the determination required by DFARS PGI 206.304(a)(ii).

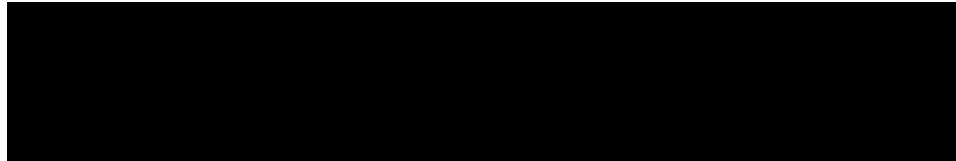
**CERTIFICATIONS AND APPROVAL
TECHNICAL/REQUIREMENTS CERTIFICATION**

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.



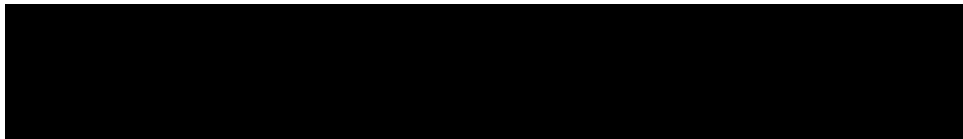
LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.



CONTRACTING OFFICER CERTIFICATION

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



SENIOR PROCUREMENT EXECUTIVE APPROVAL

Upon the basis of the above justification, I hereby approve, as Senior Procurement Executive of the Navy, the solicitation of the proposed procurement(s) described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304(c)(1).

