Justification and Approval (J&A) *for* Other Than Full and Open Competition

Was a J&A approved for the preceding acquisition where that acquisition required a J&A? ☒ Yes ☐ No

!! Attach the preceding J&A in the staff package for this J&A. The preceding J&A will be used as a reference document.

Is this a new or amended J&A Document? ☒ New ☐ Amended (*Prior to Award Only!*)

Is this a Bridge Action as defined at DAFFARS 5302.101? ☐ Yes ☐ No

Dollar Value of this Acquisition: [redacted]

Contracting Activity: AFNWC/PZNT
7330 Sentry Blvd. Bldg 469 Post C6 Tinker AFB OK 73145-3032

Purchase Request (if available) / Local ID Number: FD2030-24-33766

Program / Project (and PE, if applicable): The Air Launched Cruise Missile (ALCM) Fuze Assembly (Impact Sensor)

Program Type (PEO, Enterprise, of Operational): AFPEO/Nuclear Air Delivered (NAD)

Authority:

6.302-1 – 10 USC 3204(a)(1), Only One Responsible Source - No Other Supplies or Services Will Satisfy Agency Requirements

Estimated Contract Cost (including options): [redacted] J&A Type: ☐ Class ☒ Individual

COORDINATION (DAFFARS 5306.304(a))

Sign and Save Procedure

** The text in the signature blocks below is editable, including the title.

** To remove a row, click the "X" next to the signature block. **CAUTION:** Once removed, it can only be restored by downloading the BLANK FORM again.

Date		
06 Dec 2024	[redacted]	X
06 Dec 2024	[redacted]	X
09 Dec 2024	[redacted]	X
12 Dec 2024	[redacted]	X
07 Feb 2025	[redacted]	X
10 Feb 2025	[redacted]	X
13 Feb 2025	[redacted]	X

Justification and Approval (J&A) *for* Other Than Full and Open Competition

APPROVAL (**DAFFARS 5306.304(a)**)

Date	
14 Feb 2025	[redacted]

Justification and Approval (J&A) *for* Other Than Full and Open Competition

I. Agency and Contracting Activity.

United States Air Force
AFNWC/PZNT
7330 Sentry Blvd., Bldg.469 Post C6 Tinker AFB, OK 73145-3032
(405) 739-8826
DSN 339-8826
Purchase Request: FD2030-24-33766

II. Nature and/or description of the action being approved.

Type of J&A: Individual; New Contract; Non-Commercial Acquisition

Previous Contract Number: FA8128-18-C-0002; Award Date: 17 May 2018; Performance Period: 20 May 2018 - 19 May 2025; Basis for Award: Sole Source

This contract will procure [redacted] Fuze Assemblies (Fuzes) to support Air Launch Cruise Missile (ALCM) reliability past 2030.

Official Contractor name: The Boeing Company, CAGE Code: 05HA6

Total Estimated Value: [redacted]

This will be a new, firm-fixed price, C-type, non-commercial production contract for the production of [redacted] new Fuze Assemblies for ALCM.

The delivery period for this contract will be 18 months with no option periods.

Estimated Award date: July 2025

III. Description of supplies/services required to meet agency needs.

This acquisition is for a supply.

This new production contract will be a follow-on to FA8128-18-C-0002 awarded in May 2018 for the production of Fuze Assemblies needed to sustain [redacted] FA8128-18-C-0002's last CLIN comes to an end on April 30, 2026. There is a need for [redacted] due to production fall out in 2022. An individual J&A is appropriate as there will be no additional Fuze requirements; this will be the final production run of Fuzes expected to be needed for the life of the ALCM program. The current contractor manufacturing Fuze Assemblies is The Boeing Company, in its Boeing Guidance and Repair Center (BGRC). The contract will consist of an 18-month basic production period utilizing Firm Fixed Price (FFP) contract line items (CLINs). The estimated contract award date is July 2025 with a projected value of [redacted].

CLIN descriptions:

18 Month (Basic year CLIN structure) 01 July 2025 - 30 Dec 2026, Firm Fixed Price (FFP)

Contract Line Item (CLIN) Number-CLIN Type; funding type; min/max

0001- Fuze Assembly; [redacted]; funding type 3020; [redacted]

0002- Data- Not Separately Priced (NSP) Weapon System Management; funding type N/A

CONTRACT SUMMARY

[redacted]
Estimated Total Contract Value= [redacted]

The estimated total value of this award is [redacted]. The methodology used to estimate the value on all CLINS was the use

of fully burdened labor rates, as well as hours based upon Government Program Office Estimate completed in July 2024. These hours and associated costs were derived from the ongoing production contract with BGRC. The previous contract historically increased price 3% annually. Option periods were proposed, evaluated, negotiated, and pricing was determined to be fair and reasonable annually. Furthermore, the consumer price index average inflation since 2017 averages approximately 3%. The estimate for this new contract incorporates the same 3% annual increase. For a more detailed breakout of costs and hours, please see the IGCE.

Due to the circumstances described below in Sections IV, V, and X, there are no immediate actions that could be taken to develop competition.

IV. Demonstration that the contractor's unique qualifications or the nature of the acquisition requires use of the authority cited above.

Subsection 1

[redacted]

The ALCM became operational in 1982 with a projected [redacted] In order to ensure ALCM reliability past 2030, it is critical all Fuzes be replaced with newly manufactured ones. A continuous and timely follow-on contract award plays a critical role in ensuring that replacement of Fuzes in the remainder of the ALCM fleet takes place efficiently and expeditiously.

Under the current Fuze production contract (FA8128-18-C-0002), BGRC has been actively delivering new Fuzes since 2020. BGRC has delivered [redacted] to date with [redacted] on contract to deliver by April 2026. The current contract expires in May 2026, driving the need for this additional buy. In order to meet the original intended requirement of [redacted] to complete the ALCM fleet, [redacted] Fuzes need to be procured.

BGRC is the OEM and the only company with the specialized tooling and equipment and highly trained personnel to satisfy the Air Force's minimum need. Therefore, this acquisition will be for a follow-on contract for the continued production of a highly specialized component of a major system.

Subsection 2

BGRC owns the data rights to the top-level Fuze assembly drawings, and developed the manufacturing and acceptance test plans internally, and is not interested in selling. In 2011, BGRC purchased the Fuze Assembly data rights for approximately [redacted] from Vacco Industries. The cost would be much higher today; however, tBGRC has expressed no interest in selling the data. Multiple attempts were made by the government to purchase the Fuze Assembly data rights from the sole source contractor BGRC. The last attempt was on May 29, 2024. Their response was "Boeing owns the data rights to the top-level Fuze assembly drawings, the manufacturing and acceptance test plans developed internally and is not interested in selling any of the data rights. Boeing's sub vendor PTI, also owns the sensor level drawings and data."

The efforts mentioned below took place under the Fuze Assembly's Phase II Boeing OKC Contract FA8119-09-0024 mod P00028. The cost estimates below are derived from recent actuals from similar complexity ALCM Service Life Extension Programs (SLEPs); and actuals from CLINs in the current Fuze Assembly production contract.

1. Manufacturing Plans to include testing are estimated at [redacted] and a six-month duration. This estimate is based on actuals from the Guided Missile Flight Controller (GMFC) SLEP and Rotary Switch (RS) manufacturing plan development. It has taken BGRC approximately eight (8) years to create a steady manufacturing process and work with sub-tier vendors to develop a successful program. The learning curve for production was very steep and initially had

high fallout rates. Currently, BGRC has achieved a steady production line with very minimal fallout.

2. Test plans development is estimated at [redacted] and three-months to develop based of the recent actuals for GMFC and RS programs

3. Trained personnel and production proficiency is estimated at [redacted] and approximately three years. During the initial Fuze Assembly production lots, BGRC unexpectedly spent an additional [redacted] for NRE labor to accomplish a repeatable and stable manufacturing process that addressed issues and dialed in manufacturing. Awarding this effort to another contractor would increase the risk of returning to a much higher fallout rate and drive additional technical risk and schedule to production.

4. As a part of the Fuze production stand up, the government also paid [redacted] for BGRC to set up facilities and equipment. These facility improvements and equipment included contractor labor, construction material, improvements to the electrical system, plumbing, electrical, vacuum, nitrogen, and air necessary for a sanitized work environment to build and test Fuzes. The government also paid for BGRC to acquire work benches, scopes, measurement equipment, form boards, epoxy applicators, racks, and other miscellaneous equipment for production line of the Fuze. These efforts took approximately one year to complete.

5. Certifying facilities and production process is estimated at [redacted]. This time and cost are associated with certifying a room to the required standards for particulate, humidity, temp, etc., as well as the cost to qualify the Fuze build.

6. Duplicating BGRC's facilities to ensure a vendor meets Nuclear Certified Impact Statement (NCIS) and Master Nuclear Certification Listing requirements is estimated at [redacted] and three years to complete. This is an estimate of work essential to meet all the requirements that BGRC currently complies with to work on the ALCM workload. This includes all the security and cyber requirements the building has to meet, as well as required facility certs like the AS9100 and ISO standards.

Based on the costs previously discussed, it is estimated that it would cost a total of [redacted] to start up an ALCM Fuze program and reach the level of proficiency BGRC has on the product as well as add up to three years to the program.

Adding schedule would also drive a gap in production that would result in additional costs associated to manpower loss/ inefficiencies and equipment use. If this J&A is not approved, the Air Force's strategic nuclear commitments will be delayed, and viability of the ALCM weapon system will be jeopardized

Subsection 3

The ALCM cannot enter a competitive environment. See the discussion below:

1. The Contract Deliverables (CDRLS) received from the current contract are: Item Unique Identification (IUID) Marking Plan; Project Management Plan; Status of Government Furnished Equipment (GFE) Report; Engineering Change Proposals; Bill of Materials for diminishing manufacturing sources and material shortages management; Integrated Program Management Review; Production Report; Contract Funds Status Report & a Quality Assurance Program Plan.

2. No data rights clauses were included in previous Fuze Assembly contracts, nor this acquisition, and there are no future plans to procure the data rights.

3. The current requirements owner does not have the information about why the data rights were not purchased. BGRC declined to provide the government a dollar value or opportunity to purchase the IP on the previous contract.

4. Reverse engineering was not considered as the Air Launch Cruise Missile had a projected service life through 2030 in accordance with the current ALCM Program Management Directive (PMD 4084(32)/PE#11122F). The ALCM does not have a new service life date but the Fiscal Year (FY) 2026 President's Budget (PB) ties divestment timeline to Long Range Standoff (LRSO) missile deliveries.

5. As the design approval authority, BGRC is still in charge of all potential changes or source approvals throughout the life of

this contract. Given the ALCM's initial projected lifespan and the subsequent discontinuation of its intended replacement, the AGM-129 Advanced Cruise Missile, it appears that outright acquisition of the data rights was never deemed financially justifiable.

Accordingly, BGRC is the only firm capable of providing the supplies described in section III above without the U.S. Air Force experiencing a [redacted] duplication of cost that could not be expected to be recovered through competition and unacceptable delays estimated at three years to fulfill program requirements.

V. Description of efforts made to ensure that offers are solicited from as many potential sources as practicable, including whether a notice was or will be publicized as required by subpart 5.2 and, if not, which exception under FAR 5.202 applies.

Market Research was conducted to identify potential manufacturing sources. A 30-day sources sought synopsis (SSS) was posted July 19, 2024, Notice ID#FA8128-25-FUZE, on the Government Point of Entry (GPE) www.sam.gov to support Market Research. There were two responses to the SSS that are identified below. Internet searches conducted for this effort did not reveal any potential new sources.

The Boeing Company Missile and Weapons Systems, Boeing Guidance Repair Center (BGRC), Cage Code: 05HA6

Northrop Grumman Systems Corporation, Defense Sector (NGDS), Cage Code: 8K4J7, was deemed unsuitable due to their response not addressing the requirement. They proposed a different solution that suggested a different type of “Fuze” (see Section VIII for more information).

Although NGDS is a well-established, reputable company with plenty of experience in defense systems, their response was focused on a modernization of the Fuze architecture, which is not what the government requires at this time. Their response suggests that NGDS did not understand the requirement at hand and it was more descriptive of a "fuzing of materials" or different type of fuze, vs a Fuze Assembly that senses impact and signals the WAD. This proposed modernization is unrelated to the government's requirement.

This requirement will be synopsized in https://sam.gov as a notice of proposed contract action IAW FAR 5.201.

VI. Determination by the Contracting Officer that the anticipated cost to the Government will be fair and reasonable.

The Contracting Officer will ensure that the supplies described herein are negotiated at a fair and reasonable price to the Government. IAW FAR 15.4, as supplemented, the contractor will be required to submit Certified Cost or Pricing data and/or other than certified cost and pricing data. A detailed cost and price analysis will be performed. The contracting officer will request a technical evaluation from AFWNC/NDME to aid in the evaluation of the contractor's proposal. The Contracting Officer will seek audit assistance from the Defense Contract Audit Agency (DCAA) if necessary.

VII. Description of the market research conducted and the results, or a statement of the reasons market research was not conducted.

Market research was signed by the PM and PCO on 3 Oct 2024.

Internet Searches and an SSS were conducted. Internet searches did not provide any results. There were two responses to the SSS. After evaluation of the two responses to the Sources Sought Synopsis for the follow-on Fuze Assembly contract, the United States Government determined that BGRC is the best available interested source. It is in the government's best interest that the remaining amount of Fuze Assemblies be manufactured by the contractor that is currently successfully producing them. BGRC possesses the history, knowledge, manpower, expertise, equipment and certifications to manufacture the Fuze Assembly with the least amount of technical risk and cost.

Although NGDS is a well-established, reputable company with plenty of experience in defense systems, their response was focused on a modernization of the Fuze architecture, which is not what the government requires at this time. Their response

suggests that NGDS did not understand the requirement at hand and was more descriptive of a "fuzing of materials" or different type of fuze, vs a Fuze assembly that senses impact and signals the WAD. This proposed modernization is unrelated to our requirement.

Market research was conducted using the FAR guidance as stated above.

VIII. Any other facts supporting the use of Other Than Full and Open Competition.

BGRC is the OEM for the Fuze Assembly and the U.S. Air Force chosen system integrator and prime contractor for the Air -to-Ground Missile (AGM-86) since the ALCM's inception in 1974. BGRC has extensive knowledge, capabilities, and experience across multiple organizations including experience in manufacturing and qualifying ALCM components.

IX. List of any sources that expressed, in writing, an interest in the acquisition.

Boeing Guidance and Repair, CAGE CODE: 05HA6, 801 Irving Wick Dr W, Heath OH 43056 USA

Northrop Grumman Systems Corporation, Defense Sector (NGDS), CAGE CODE: 8K4J7, 4700 Nathan Lane, Plymouth, MN 55442

See Section V for more detail.

X. A statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisitions for the supplies or services required.

As a result of continued refusal by the Sole Source contractor to sell data rights, as well as the duplication of cost of developing additional sources per Sections V and IX, there are no known additional actions which can be taken to remove barriers to competition and therefore, specific actions and milestones cannot be established.

Per DFARS PGI 206.304(a)(S-70)- As indicated by signature on the Coordination and Approval Document, the previous J&A has been reviewed and the Approval Authority determines that all stated actions to remove barriers to competition have been accomplished.

XI. Certification by the Contracting Officer.

As evidenced by my signature above, I certify that this justification is accurate and complete to the best of my knowledge and belief.

XII. Certification by the technical/requirements personnel.

As evidence by their signatures, the technical and requirements personnel have certified that any supporting data contained herein, which is their responsibility, is both accurate and complete.

☒ Remove the Guidance pages below.