DEPARTMENT OF THE NAVY
NAVAL AIR SYSTEMS COMMAND
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PATUXENT RIVER, MARYLAND 20670-1547

IN REPLY REFER TO:
CJ&A Air-2.6/17-0005

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

1. Contracting Activity.

Naval Air Systems Command
Joint Strike Fighter Contracts Division (AIR-2.6)
c/o F-35 Joint Program Office
200 12th Street South, Suite 600
Arlington, VA 22202-5402
[redacted]

2. Description of the Actions Being Approved.

This Class Justification and Approval (CJ&A) authorizes and approves the issuance of contract actions on a sole-source basis to Lockheed Martin Corporation, Lockheed Martin Aeronautics Company (LM Aero), Fort Worth, TX for non-recurring and recurring sustainment support for all fielded F-35 aircraft. This CJ&A is for award of a Site Activation and Hardware (SAHW) contract and subsequent modification, award of the FY20 Annual Sustainment contract, and any contract modifications necessary within the foregoing scope. Authority to act under this CJ&A expires on 30 September 2021.

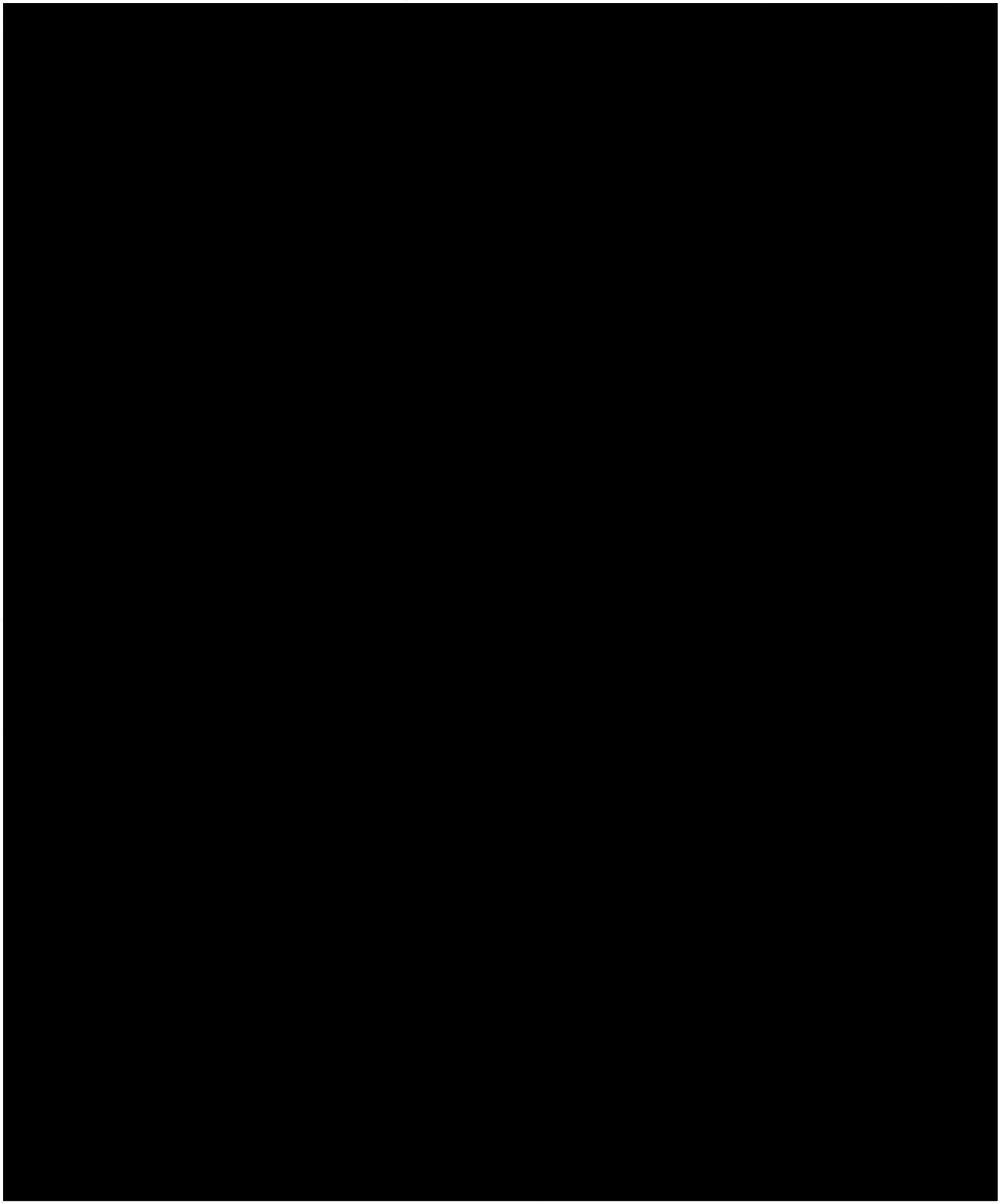
3. Description of Supplies/Services.

The first portion of the SAHW effort will be awarded for the period of 1 August 2019 – 31 July 2024 and the remainder of the SAHW effort will be awarded for the period of 1 December 2019 – 30 November 2024 to support non-recurring sustainment activities including: Training Material and Infrastructure, Support Equipment, Autonomic Logistics Information System (ALIS) Material and Infrastructure, Site Surveys and Site Activation Activity, Depot Activation, Reliability, Maintainability and Health Maturation, and Structural Integrity Program. The SAHW contract includes standup of F-35 locations, including global depot facilities, and procurement of infrastructure needed at each site.

The FY20 Annual Sustainment contract provides follow-on support for recurring sustainment and Performance Based Logistics (PBL) Operations across all fielded F-35 aircraft and has an estimated period of performance of 1 January 2020 – 31 December 2020. The FY20 Annual Sustainment contract support includes: Program Management, Sustainment Integration Activities, Sustaining Engineering Support, Configuration Management, Product Support Management, Software Sustainment, ALIS Maintenance and Operations, Fleet Management,

Security Management, Joint Technical Data Management and Upkeep, Low Observable Management, Training and Training Support, Training Systems Operations, Support Equipment, Supply Support and Management Services, Industrial Operations, Configuration Management, Reliability and Maintainability Improvements, Performance Monitoring/Trending, Cost Reporting, Operations and Support Cost Reduction Initiatives, Warfighter Support, Support of Partner/Customer Unique requirements, Ferry of Aircraft, Engineering Change Management, Support of the Joint Reprogramming Enterprise (JRE), and Diminishing Manufacturing Sources and Material Shortages (DMSMS). Sustainment support will apply to all fielded aircraft currently estimated as a total of 650 (454 A-Variant, 135 B-Variant, and 61 C-Variant) aircraft through the end of calendar year 2020.

The total dollar value allocated for the Annual Sustainment and SAHW contract actions is estimated to be [redacted], broken out as follows:



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.

LM Aero is the original designer, developer, and manufacturer of the F-35 aircraft and is the only source with the engineering capabilities required to provide sustainment support for the F-35 aircraft. As the original designer of the F-35, LM Aero solely possesses the unique design knowledge, experience, and possession of engineering technical data needed to perform the required sustainment support without unacceptable delays in fulfilling the F-35 Program's requirements.

Pursuant to the F-35 Lightning II JSF Acquisition Strategy version 5.0, approved on 16 October 2018 by the Under Secretary of Defense (Acquisition and Sustainment), competition for the type of work to be performed under the Sustainment contracts is not considered practical. While the F-35 Air System, including the Air Vehicle ALIS requirements, is progressing towards a production baseline in both hardware and software, the contracts authorized under this CJ&A will support a dynamic F-35 Air System sustainment environment containing multiple technical baseline variations. This will require support of an F-35 Fleet which will be in the process of a wide range of modifications to progress towards a production standard. The evolving hardware configurations drive numerous variations of technical data packages to support a specific configuration. Procuring data packages prior to achieving a technical baseline is cost prohibitive, detrimental to F-35 sustainment program stability, and would not occur in time to support the F-35 program's sustainment needs.

The required services to be provided under the FY20 Annual Sustainment contract provide vital recurring sustainment support to the F-35 fleet of aircraft. Without the services provided under the annual contract warfighting operations tempo would decline, F-35 fleet readiness would be negatively impacted, Pilot and Maintainer training would be delayed, and sustaining engineering work critical to aircraft performance and safety would not be performed.

Additionally, key Sustainment hardware such as training devices, support equipment, and ALIS equipment along with site activation processes are to be procured under the SAHW contract actions. These assets and services are required to sustain the aircraft outlined above. In order to avoid infrastructure stand-up delays, and based upon the projected first aircraft arrival dates at new global locations for the F-35, the procurement of key Sustainment hardware and execution of processes must begin in order to support the warfighter.

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

The proposed contract actions were synopsized on the Federal Business Opportunities (FedBizOpps) website from 15 September 2017 thru 16 October 2017. The Government received one response to the synopsis. The response was a capability statement provided by The

Boeing Company. The response did not alleviate the Government's concerns that given the variations between the aircraft LRIP buys, the wide-range of configuration states, and a dynamically evolving sustainment environment, it is not feasible for this work to be performed by another company. After evaluating the response, the Government could not move forward with a competitive procurement.

In accordance with DFARS PGI 206.302-1, a waiver from posting sources sought notice was approved on 11 September 2018.

7. Determination of Fair and Reasonable Cost.

In accordance with FAR 15.402, the Contracting Officer shall ensure that all supplies and services provided under these contract actions are procured at a fair and reasonable price/cost. LM Aero will submit a formal proposal with sufficient information, including certified cost or pricing data, as well as updated verifiable actuals, to support the accuracy and reliability of the proposed prices/costs. The Defense Contract Management Agency and Defense Contract Audit Agency at LM Aero will be requested to provide input. In addition, the results of previous sustainment negotiations and performance data will provide a baseline and lessons learned to inform follow-on negotiations.

8. Actions to Remove Barriers to Future Competition.

The Government will continue to conduct market research to gauge the marketplace capabilities for future requirements. The program will work to identify core sustainment requirements and has instituted a data review process where data to be developed and delivered under the contract will be identified and procured for future competition needs. As such, the Government will be looking for opportunities to compete future requirements.

The F-35 program is unique in that it is a joint program of 3 U.S. Services and 8 international partners. The program, with its partners, supports the Government efforts to identify opportunities, acquire data rights and move towards a more competitive environment.

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.

[redacted]

Signature Name (Printed) Phone No. Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

[redacted]

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.

[redacted]

Signature Phone No. Date

SENIOR PROCUREMENT EXECUTIVE APPROVAL

Upon the basis of the above justification, I hereby approve, as Assistant Secretary of the Navy, the solicitation of the proposed procurements described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304 (c)(1)-One source or limited sources.

[redacted]

Signature

James F. Geurts
Name (Printed)

4/25/19
Date