UNITED STATES MARINE CORPS
MARINE CORPS SYSTEMS COMMAND
2200 LESTER STREET
QUANTICO VIRGINIA 22134-5050

IN REPLY REFER TO

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JUSTIFICATION AND APPROVAL (J&A) FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity

Marine Corps Systems Command
Program Executive Officer (PEO) Land Systems (LS)
Marine Corps
2200 Lester Street
Quantico, VA 22134-6050

2. Description of the Action Being Approved

This J&A authorizes and approves the use of other than full and open competition to procure Contractor Engineering and Technical Services (CETS) to provide Operations and Maintenance (O&M) support for the Kuwait Low Altitude Surveillance System (KLASS). The proposed action is a single contract award inclusive of one 12-month base period and four, 12-month, option periods, with TCOM, L.P., 7115 Thomas Edison Dive, Columbia, MD 21046.

3. Description of Supplies/Services

The KLASS is comprised of a tethered 71M® aerostat uploaded with a TPS-63 Solid State Radar and other communications electronics equipment. The KLASS also includes an aerostat mooring station, operations and flight control center, motor generators, weather radar, wind profiler, helium storage and purification systems, and other ancillary equipment. The system provides vital, real-time, low-altitude air surveillance, as well as surveillance of surface targets, to both the Kuwait Air Force, and U.S. Central Command (CENTCOM) forces.

The State of Kuwait (SoK) relies on a full-time team of CETS personnel to operate and maintain the KLASS. This team provides on-site support 24 hours per day, 365 days per year. The unique requirements for operating and maintaining the KLASS mandate a team of highly specialized personnel with extensive experience in their given area of subject matter expertise. These requirements are defined in the corresponding Letters of Offer and Acceptance (LOAs) for Foreign Military Sales (FMS) cases between the U.S. Government (USG) and the SoK. The LOA under which this effort will be executed, KU-P-GHZ, identifies the requirement for a CETS team with the following capabilities:

[redacted]

- Site Manager, certified as a Flight Director and has overall responsibility for day-to-day site operations.
- Flight Directors certified in 71M® aerostat flight operations.
- Logistics Specialist responsible for site logistic support activities, who must also be winch-certified to conduct aerostat in-haul and out-haul operations.
- Electronics/Radar Specialists responsible for maintaining all aerostat payload electronics, including the TPS-63 Solid State Radar, and the flight operations center, weather radar, wind profiler, and other electronic ancillary equipment.
- Aerostat/Mechanical Specialists responsible for maintaining the aerostat flex structure, mooring station, helium storage and purification equipment, motor generators, maintenance support equipment, and other ground support equipment.
- Training Specialist responsible for all formal and informal on-site training for aerostat operations and maintenance.

Estimated Dollar Value

The total estimated dollar value, inclusive of options, for the KLASS CETS contract is $39,267,113.08. The program will be funded entirely from FMS customer funds provided by the SoK. Because funds are received at various times throughout the program and not in accordance with any fiscal or calendar year schedule, Table 1 below identifies estimated funding by contract year.

Table 1. Estimated Funding by Contract Year

Appropriation	Year 1	Year 2	Year 3	Year 4	Year 5
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total					[redacted]

4. Statutory Authority Permitting Other Than Full and Open Competition

Title 10 U.S.C. Section 3204(a)(1) "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements" as implemented by the Federal Acquisition Regulation (FAR) part 6.302-1.

5. Rationale Justifying Use of Cited Statutory Authority

In accordance with FAR 6.302-1(a)(2)(ii) and (iii), award of the KLASS CETS support contract to a source other than TCOM, L.P. (hereafter TCOM) would result in substantial duplication of costs not expected to be recovered through competition and unacceptable delays in fulfilling the agency's requirements for these highly specialized services. Additionally, any other firm would be limited in its ability to perform, or be trained to perform, all required tasks due to the lack of sufficient rights in technical data resulting from TCOM's proprietary intellectual property rights for the 71M® aerostat and its associated subsystems.

The KLASS 71M® aerostat is a highly specialized system requiring specific training and experience to operate and maintain. The 71M® aerostat is a proprietary design

[redacted]

held by the Original Equipment Manufacturer (OEM) TCOM. In addition, TCOM has the same proprietary rights to many of the collateral systems used in KLASS, including the mooring system, Power Tether System, telemetry equipment, and other ground station systems. Any company other than TCOM would require extensive training on all these systems, and those proprietary to other vendors. These include the TPS-63 Solid State Radar (the primary surveillance payload in the aerostat), the radar wind profiler, weather radar, heavy equipment used for maintenance, power grid systems, and other supporting infrastructure. Under the FMS contract, the SoK has invested significant time and expense in personnel training to ensure the CETS team can fully operate and maintain the KLASS systems and equipment. Any new company would require the SoK to fund the same training again. Considering the number of systems requiring formal training from respective OEMs, the USG estimates a cost of up to [redacted].

Additionally, all design, maintenance, and supporting documentation are the intellectual property of TCOM; the USG possesses insufficient data rights for any of those materials to support a competitive process. TCOM has indicated an estimated cost of over $1M to redact proprietary material and provide a revised set of Technical Manuals (TM).

Further, TCOM currently acts as the System Manager and Primary Systems Integrator for the KLASS, which includes responsibility for all sub-contracting and interface with various OEMs and vendors of KLASS subsystems and equipment. There is no certainty that any other company could establish the same contractual relationships with all OEMs and vendors. Thus, there is a substantial risk that the USG would be required to award and manage many smaller contracts to provide the necessary supplies and services to sustain those collateral systems. This would significantly increase the cost to the SoK, given Title 22, United States Code requirements for reimbursement of costs to the USG for services conducted in support of Security Assistance. Over the life of the contract, this cost could exceed [redacted].

Based on the foregoing, the USG estimates that the award of the CETS support contract to a firm other than TCOM could result in up to [redacted] of additional or duplicative costs, which would not be recovered through competition.

a. Unacceptable Delays - 6.302-1(a)(2)(3)(B)
Awarding the CETS contract to a source other than TCOM would result in extensive delays in returning the aerostat to a fully operational status. It would deny the SoK use of a critical strategic surveillance asset for an unacceptable period of time. Any company other than TCOM would require four-to-six months of training on the 71M® aerostat, and one-to-two months of training on all other electronics and ground station equipment. That training could not begin until after the award of a new CETS contract and a training contract with TCOM. That period is estimated to be eight-to-ten months after the end of the current CETS contract.

Additionally, the aerostat can only remain inflated if a competent crew staffs the KLASS site. Since there would be no CETS team to assume duties on the first day of the new contract, additional time would be lost due to deflating and storing the

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aerostat before the current contract ends. Deflation and storage can take up to two months and would have to be completed prior to the end of the current contract. Reinflation, testing, and returning the system to a certified flight operational status could take two-to-three months after a new, fully trained, qualified CETS team was deployed and on station.

The time for deflation and storage, award of a training contract, completion of training for a new CETS crew, reinflation of the aerostat, testing, and returning the KLASS to fully certified flight operational status could take up to 23 months based on the above estimates. Losing use of the KLASS for that period is untenable for the Kuwait Air Force, and the users of KLASS surveillance data at U.S. CENTCOM.

b. One Source for Services - 6.302-1(b)(1)(ii)
TCOM possesses unique skills, knowledge, and resources to operate and maintain the KLASS aerostat, mooring system, Power Tether System, and other systems unique to the KLASS site. TCOM staff resources include Flight Directors with extensive and highly specialized experience flying the 71M® aerostat. No company has the requisite skills, knowledge, or expertise to execute Flight Director duties successfully. Many other companies have extensive experience operating smaller, tactical aerostats. However, that knowledge does not transfer to operating this significantly larger aerostat at much higher altitudes. The KLASS CETS requirements call for four full-time Flight Directors qualified to fly the 71M® aerostat. TCOM is the only manufacturer of the 71M® aerostat and has exclusive access to personnel with the required skills and experience to operate and maintain that system. Concomitantly, TCOM is the only company that could train a given individual to operate or maintain the 71M® aerostat; TCOM has not indicated their willingness to conduct training for another company to assume the KLASS CETS duties.

In addition to the aerostat, the mooring system, Power Tether System, and other telemetry and ground station equipment are also in whole or in part proprietary to TCOM. Using another company to operate and maintain those systems would result in the same problematic results noted above for the aerostat. TCOM is the only company that can provide personnel experienced in operating and maintaining those systems, and training for those systems is only available at TCOM. TCOM also has long-established relationships with the manufacturers of other ground systems which comprise the overall KLASS structure, including the AN/TPS-63 Radar, Radar Wind Profiler, Weather Radar, and other ground station equipment. TCOM has been the Systems Manager and Primary Systems Integrator from the beginning of the program and has maintained responsibility for coordinating and contracting with all other system and subsystem suppliers and OEMs. There is no certainty that another company could establish the same contractual relationships with those other vendors. Thus, awarding the CETS contract to any other company creates a significant risk that the USG need to establish and manage many individual contracts to provide the required support. The USG could also be required to assume responsibility for coordinating repair efforts and other interactions between the various vendors.

Moreover, in accordance with the requirements of LOA KU-P-GHN, the SoK has directed the USG to award a sole source contract to TCOM for all follow-on support

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services costs other than CETS. This includes Vendor Level Maintenance, Site/Facility Operations and Maintenance expenses, Spares, Maintenance Assistance, Engineering Support, and Helium Replenishment. Many of these activities are non-severable from the CETS personnel requirements, despite being identified in separate LOAs. For example, Helium Replenishment costs – i.e., transporting the helium trailers, testing/recertification of trailers, and refilling the trailers with helium – are paid for under the sole source contract to TCOM. But the execution of that requirement – i.e., arranging transportation, verifying helium vendor compliance, inspection, and acceptance of vendor services and commodities – is the responsibility of KLASS CETS personnel. Similarly, execution of site O&M activities such as preventative maintenance of power grid equipment, boom lifts, trucks, and other site equipment, and repairs/upkeep of the operations facility are all the responsibility of the CETS personnel. Further, the costs for materials to support these requirements, such as Petroleum, Oils, and Lubricants, filters, and other consumables, are all paid for under KU-P-GHN. These tasks require the CETS personnel to interact and work closely with TCOM headquarters personnel to ensure materials and services are provided as and when needed. Having any company besides TCOM provide the CETS services would create a high-risk scenario for executing many of the performance requirements for both KU-P-GHN and KU-P-GHZ.

c. One Source for Data - 6.302-1(b)(2)
TCOM maintains proprietary Intellectual Property rights to all relevant engineering data, and operator and maintainer manuals. As an FMS procurement, the USG had no requirement to obtain additional data rights when contracting for TCOM to design, build, test, and install the aerostat, mooring system, Power Tether System, and other unique telemetry and ground station equipment. Therefore, TCOM maintains extensive discretion over how and when such data is disseminated and used.

The KLASS site does utilize a suite of TMs to conduct routine O&M activities for the KLASS. TCOM has indicated they would only release a redacted version of the TM suite, which the USG expects to be insufficient to support the required O&M activities. TCOM further confirmed that they would not release a full Technical Data Package under any circumstances. Consequently, any other company could conduct only the most routine O&M tasks. If the KLASS experienced any failure or operational issue beyond the most basic of circumstances, the system could become permanently non-operational due to lack of available data to identify and correct the malfunction.

6. <u>Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable</u>

Sources sought notice (SSN) M67854-23-I-0048 for this effort was posted to Beta.SAM.gov on 15 June 2023. The notice provided a description of program and performance requirements for the KLASS CETS program. It solicited interested parties to respond with a capabilities statement supporting their ability to meet the published requirements. In addition to TCOM, responses were received from six other vendors: Emaar Al Yawm for Contracting & General Trading (Al Yawm); Amwaj Al Azal for General Trading & Contracting, LTD (Al Azal); CG Navitronics (CGN); Veloxxity LLC (Veloxxity); Vantage

[redacted]

[redacted]

a. [redacted]

b. [redacted]

c. [redacted]

d. [redacted]

[redacted]

e. [redacted]

[redacted]

1) [redacted]

2) [redacted]

[redacted]

[redacted]

f. [redacted]

[redacted]

[redacted]

g. TCOM – As cited throughout paragraph 5 above, TCOM has extensive experience as the incumbent operator of the KLASS systems for more than 25 years. Additionally, as the sole source provider of KLASS logistics support services, including replenishment spares and repair and return services, TCOM can implement seamless coordination with the CETS personnel for identification and execution of procuring required logistics support. TCOM can execute support services from Day 1 of the contract without a break in KLASS operations. This factor is a critical element for the SoK due to the strategic nature of the KLASS system. TCOM also possesses significant experience and knowledge not only with the 71M® aerostat but with all the surveillance, avionics, and other ancillary and supporting equipment associated with the KLASS site, including the Power Tether System, AN/TPS-63 SSTX Radar, Weather Radar, Wind Profiler, and other ground station systems and subsystems.

Based on the USG's assessment of the responses received, the USG determined that TCOM is the only known source able to fulfill the requirement for providing support to sustain operations and maintenance of the KLASS 71M® aerostat, mooring system, and Power Tether

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System, TPS-63 Solid State Radar and other associated electronics systems and ground support equipment.

7. Determination of Fair and Reasonable Cost

The contracting officer will ensure that the cost of the supplies/services covered by the J&A will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition.

For the reasons outlined in paragraph 5, Marine Corps Systems Command, PEO LS has no plans to compete in future contracts for the proprietary types of supplies/services covered by this document. If another potential source emerges, Marine Corps Systems Command, PEO LS will assess whether competition for future requirements is feasible. Any future actions will be reviewed by Marine Corps Systems Command, PEO LS to offer competition to the greatest extent possible.

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