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COORDINATION AND APPROVAL DOCUMENT

Contracting Activity: AFLCMC/HNS
Purchase Request/Local Identification Number: FZEDEE2163B001
Program Name (and Program Element, if applicable): FAB-T, Inc 1 (33601F)
Refined Contract Cost (including options):
Type Program: PEO Space Program
Authority: 10 USC 2304(c)(1), as implemented by FAR 6.302-1(a)(2)(b).
Type J&A: Class

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14 Feb 13
Date Signed

Procuring
Contracting Officer:

14 Feb 13
Date Signed

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Reviewer:

14 Feb 13
Date Signed

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**CLASS JUSTIFICATION FOR OTHER THAN
FULL AND OPEN COMPETITION**

I. CONTRACTING ACTIVITY

The contracting office responsible for this Class Justification for Other Than Full and Open Competition is the Family of Advanced Beyond Line-of-Sight Terminal (FAB-T) Office, Air Force Life Cycle Management Center (AFLCMC/HNSK), Hanscom AFB, MA. RFPs: FA8705-13-R-0001 and FA8705-13-R-0003.

II. NATURE AND/OR DESCRIPTION OF THE ACTION BEING PROCESSED

This Class J&A provides for limited competitions between the Boeing Company, Huntington Beach, CA, and the Raytheon Company, Marlborough, MA, for the production of the FAB-T terminals to include required deliverables as noted in Section III below. To implement this strategy, the Program Office will develop and release two separate Request for Proposals (RFPs). The first RFP will be for production of the full FAB-T capability (Advanced Wideband Terminals (AWT) and Command Post Terminals (CPT)), and the second RFP will be for CPT-only production. Only one contract-path will be continued through to a downselect for exercise of production options. The decision on which contract to execute options for production will be made based upon the availability of AWT platform integration funding in the FY 15 Program Objective Memorandum (POM). This J&A supersedes the FAB-T production limited sources J&A signed on 12 September 2012, which authorized a limited competition for the combined AWT/CPT requirement.

Under the combined AWT/CPT requirement RFP issued on 17 December 2012 currently in source selection, this contract action approves award of up to two separate production contracts to Boeing and Raytheon for production readiness, with priced options for Low Rate Initial Production (LRIP) and Full Rate Production (FRP) of the full FAB-T capability, with a downselect to a single contractor for AWT/CPT production. The production contracts will include both Firm Fixed Price (FFP) and Cost-Plus-Fixed-Fee (CPFF) Contract Line Items (CLINs). The initial production readiness CLIN, estimated at \$2M, will have a period of performance proposed by the Offerors, followed by an up to 10-year production effort if all options are exercised. The estimated value of the overall contract after downselect is The Air Force expects to award initial contracts in May 2013 with a downselect decision in FY14. If the FY 15 POM does not provide required AWT integration funding, there will be no downselect for the AWT/CPT contract production options. The Government will instead, issue a call for production proposal revisions and downselect the production contractor on the CPT-only contract, as described in the next paragraph.

The RFP for the CPT-only FAB-T capability, planned to be issued in early March 2013 is for the award of up to two separate production contracts to Boeing and Raytheon for production readiness with priced options for LRIP and FRP for CPT-only production, followed by a downselect to a single contractor. The production contracts will include both FFP and CPFF CLINs. The initial production readiness CLIN, estimated at \$500K, will have a period of performance proposed by the Offerors followed by an up to 10-year production effort if all options are exercised. The estimated value of the CPT-only contract is if all options are exercised. The Air Force expects to award in July 2013 with a downselect decision in FY 14. If the FY 15 POM provides required AWT integration funding, there will be no downselect for the CPT-only production options. The Government will instead issue a call for production proposal

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revisions and downselect the production contractor on the AWT/CPT contracts described in the previous paragraph.

III. DESCRIPTION OF SUPPLIES/SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS

The FAB-T Program will produce terminals with a common set of capabilities to accommodate a variety of airborne and ground-based platforms and will provide FAB-T terminals in multiple configurations, as follows:

- Command Post Terminals (CPTs) will be installed in ground-fixed, ground-transportable, and airborne (E-4 & E-6) configurations.
- Advanced Wideband Terminals (AWTs) will be installed in Force Element platforms such as B-2, B-52, RC-135 aircraft and RC-135 ground locations.

The resulting contract will allow for procurement, pending funding availability, of additional terminals to meet evolving operational and training requirements. The estimated cost of [redacted] was calculated based on 84 CPT terminals and 132 AWT terminals (CDD validated requirements) plus additional terminals (to include 6 additional terminals for aircraft trainers) for evolving warfighter requirements. The estimated cost of [redacted] was based on 84 CPT terminals plus additional terminals (to include 6 additional terminals for aircraft trainers).

The production contracts will include a basic FFP award for planning and manufacturing readiness during which the contractors will provide planning documents and a manufacturing readiness assessment. Both production contracts will include FFP option CLINs for terminals, associated spares, support equipment, ground site surveys, training classes to include computer-based training, flight test aircraft, testing, technical manuals, sustainment data package, data rights and other required deliverables. In addition, the contracts will include CPFF option CLINs for ground installation, initial operational test and evaluation support, airborne platform integration, preoperational support for engineering development models and interim contractor support for hardware and software maintenance.

The production contracts will use 3010 and 3080 funding for the terminal production.

IV. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION

10 USC 2304(c)(1) as implemented by FAR 6.302-1(a)(2) "Only a limited number of responsible sources and no other supplies or services will satisfy agency requirements."

V. DEMONSTRATION THAT THE CONTRACTOR'S UNIQUE QUALIFICATIONS OR NATURE OF THE ACQUISITION REQUIRES THE USE OF THE AUTHORITY CITED ABOVE (APPLICABILITY OF AUTHORITY)

The System Program Office (SPO) assesses only Boeing and Raytheon have the specialized capabilities and qualifications to deliver a fully capable FAB-T terminal by the USSTRATCOM classified need date and it is likely that award to any other source would result in:

- Substantial duplication of cost to the Government that is not expected to be recovered through full and open competition; and
- Unacceptable delays in fulfilling the agency's requirements, as discussed below.

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Boeing and Raytheon have gained years of critical experience with the AEHF waveform and satellite terminal development, which makes them uniquely qualified to compete for the FAB-T requirements.

Description of System

The FAB-T Program is an ACAT 1D program supporting the relevant Family of Joint Future Concepts identified in the Capability Development Document (CDD) approved by the Joint Requirements Oversight Council (JROC) on 6 January 2009 and revalidated by the JROC in Oct 2012. The program develops and delivers terminals with a common set of capabilities to accommodate a variety of platforms both airborne and ground-based. FAB-T provides increased data capacity through the AEHF constellation to provide both wideband and survivable, protected communications for both the strategic and tactical warfighter (See Figure 1). This capability addresses the warfighter's needs to provide the strategic and Joint tactical airborne and Command and Control (C²), Nuclear and Non-Nuclear C², protected and survivable communications terminals. FAB-T provides Telemetry, Tracking, and Commanding (TT&C) of both the AEHF and Milstar satellites.

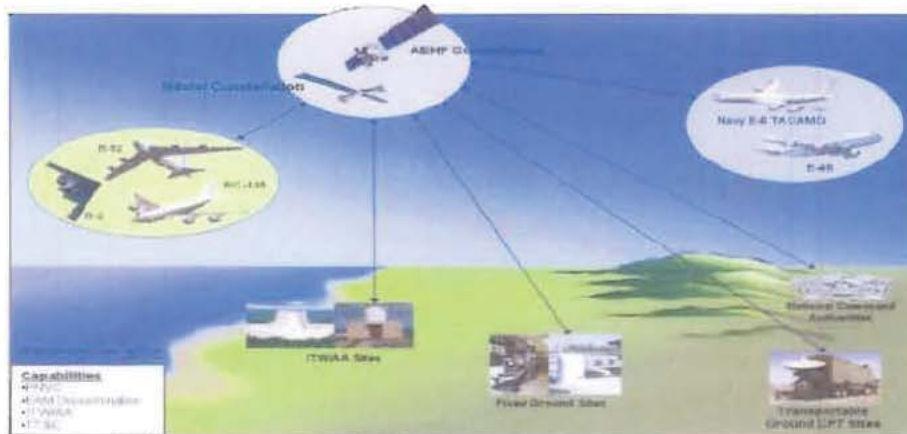


Figure 1 FAB-T Operational View-1 Illustration

Duplication of Cost

Boeing was awarded the FAB-T contract in 2002 and has accumulated over ten years of experience developing the FAB-T terminal using the AEHF waveform. The Government has invested over \$1.7B toward completion of this FAB-T development. Boeing completed the PNVC Preliminary Design Review (PDR) and Critical Design Review (CDR) in June 2012. To date, Boeing has completed qualification of all hardware line replaceable units, Software Product Configuration Items and Systems Integration. Systems Integration includes all legacy and ECP 0050 test cases, to include PNVC. Boeing is in the final stages of completing dry runs and working off hardware and software anomalies. The development is scheduled to enter the Functional Qualification Test (FQT) in Feb 2013. After completion of FQT in April 2013, Boeing will perform a series of specialty tests and enter FCA/PCA in Q3FY13.

Raytheon, the only offeror on the competitive RFP described in paragraph VI, was awarded a contract on 7 September 2012 as an alternate source to develop CPT with PNVC capability. The development contract with Raytheon is estimated at _____ if all options are exercised. In addition, Raytheon has developed a number of different satellite terminal programs, using the

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EHF and later the AEHF waveform, over the last 22 years, including the legacy Milstar program. Raytheon is the only supplier to successfully develop, demonstrate and deliver a multiband, secure terminal using the AEHF waveform. The Government has invested over \$550M toward Raytheon development of AEHF terminals, three of which are currently in production:

- Minuteman Minimum Essential Emergency Communications Network Program Upgrade (MMPU) providing missile silo communications. While significant differences exist in their respective environments, they are analogous programs in that both MMPU and FAB-T use the AEHF waveform. To date, the Government has expended in excess of \$60M on MMPU terminal development.
- Secure, Mobile, Anti-Jam, Reliable, Tactical-Terminal (SMART-T) is a satellite terminal that provides unattended, robust, worldwide, low probability of detection, jam-resistant, multi-channel communications in support of the field commander. This terminal also includes the PNVC capability. To date, the Government has expended in excess of \$49M to develop, test and validate an advanced extremely high frequency (AEHF) retrofit kit for installation on approximately 330 SATCOM ground terminals.
- Navy Multiband Terminal (NMT) is a next-generation satellite communication (SATCOM) system for US Navy and coalition partners providing seamless assured connectivity between a ship or submarine computer network and the Global Information Grid. To date, the Government has expended in excess of \$180M on NMT terminal development.

The SPO estimates it would require a minimum of \$672M in development funding for a source other than Boeing or Raytheon to develop a terminal meeting the full FAB-T (CPT and AWT) capability. This estimate of \$672M is based on a minimum 66 months for development and IOT&E (including costs for direct/indirect contractor development/test, other direct costs and additional government effort) and is based on data obtained from analogous Air Force, Navy, and Army programs, such as the MMPU, the NMT, and the SMART-T. Of the \$672M, contract costs are estimated at \$462M and Government administrative costs are estimated at \$210M. These costs are not expected to be recovered through additional competition.

The SPO estimates it would require a minimum of \$357M in development funding for a source other than Boeing or Raytheon to develop a terminal meeting the CPT-only capability. This estimate of \$357M is based on a minimum of 36 months for development and IOT&E (including costs for direct/indirect contractor development/test, other direct costs and additional government effort) and is based on data obtained from analogous Air Force, Navy, and Army programs, such as MMPU, NMT, and the SMART-T. Of the \$357M, contract costs are estimated at \$252M and Government administrative costs are estimated at \$105M. These costs are not expected to be recovered through additional competition.

Unacceptable Delay

Boeing and Raytheon have gained years of critical experience with the AEHF waveform and satellite terminal development and are the only vendors currently developing the critical PNVC capability. The SPO assesses that award to any other source besides Boeing and Raytheon would result in unacceptable delays in fulfilling the Air Force's requirements.

The warfighter need dates for terminal deliveries are defined by USSTRATCOM/J8 (S) Memorandum to AFSPC Director of Requirements, subject: FAB-T Prioritization, dated 11 February 2010. In the memorandum, there is an expressed critical need date for delivery of

a CPT with PNVC capability no later than 4QFY15. This system is a key component in the National Command Authority's ability to command and control strategic forces. Any delay which potentially affects the ability to meet the expressed delivery date is unacceptable. The impact of not meeting the need date in the USSTRATCOM Memorandum, affecting the government's strategic nuclear command and control, was documented during the CLASSIFIED Air Force Requirements Oversight Council of 24 April 2012, Family of Advanced Beyond Line-of-Sight Terminals.

Based on the current SPO schedule assessment, the estimated time for another source to develop and demonstrate maturity, producibility, and affordability for a full capability FAB-T terminal is a minimum of 66 months. Another source would need approximately 48 months to complete the development of the terminal including: design and qualification of the aircraft antenna, design and/or re-design of hardware, development of additional software, and terminal FQT and flight test. An additional 18 months would be required to build/produce the terminals. Given these development and production timelines and the time needed to award a contract to a new source, only Boeing and Raytheon can meet the USSTRATCOM FY15 need date.

Based on the current SPO schedule assessment, the estimated time for another source to develop and demonstrate maturity, producibility, and affordability for the CPT only is a minimum of 36 months. The 36 months includes development plus building the first terminal for IOT&E with additional time needed to build/produce the terminals. Given the timelines for development and production and the time needed to award a contract to a new source, only Boeing and Raytheon can meet the USSTRATCOM FY 15 need date.

Summary

Accordingly, Boeing and Raytheon are the only firms capable of providing the supplies and services described in Section III above without the Air Force experiencing substantial duplication of costs that could not be expected to be recovered through full and open competition and incurring unacceptable delays in fulfilling its key national security requirements.

VI. DESCRIPTION OF EFFORTS MADE TO ENSURE THAT OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS DEEMED PRACTICABLE

Substantial efforts were accomplished to identify potential sources to deliver full FAB-T capability over the past several years.

In preparation for the development of a Request for Proposal (RFP) for an alternate source for the full FAB-T capability, a Sources Sought Synopsis (SSS), R2424, was posted in FedBizOpps on 4 June 2010 to determine potential alternate sources for FAB-T terminals. Eight firms responded. On 20 July 2010, the SPO requested these firms prepare a detailed Rough-Order of-Magnitude (ROM) submission clearly describing how their alternate system would satisfy some or all of the FAB-T requirements. Four firms (Harris, Lockheed Martin, Raytheon, and Northrop Grumman) submitted ROMs (Boeing submitted a letter indicating that their submission is the current program). The government determined no other sources could provide the full FAB-T capability by the schedule need date.

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The Program Office posted an additional SSS, R2719, on 7 February 2011, to determine if other sources were available for full FAB-T development and production. The same firms responded with similar packages as they had to the June 2010 SSS. No further sources were identified.

The Acquisition Decision Memorandum (ADM), signed 3 January 2012, provided direction to establish a competitive award approach focusing on the highest priority need of air and ground CPTs with PNVC capability. The Program Office held Industry Days to support a CPT-only development and production effort on 11 January 2012 and 8 March 2012 and included follow-up one-on-one discussions with interested firms. Several firms were viable candidates to meet the requirement for delivery of a CPT with PNVC by FY15. As a result the SPO released an RFP for an Alternate Source on 25 April 2012 for a CPT with PNVC. Raytheon was the only company to submit a proposal.

The ADM signed 5 April 2012 defined the way-ahead for Boeing Production authorizing the SPO to issue a sole-source RFP to Boeing for the full FAB-T production, both CPTs and AWTs. The SPO posted A Notice of Contract Action (NOCA) on 4 June 2012 to announce the Government's intent to award a sole-source production contract to Boeing. Raytheon submitted a contracts letter taking exception to the sole-source justification included in the NOCA and asserted that they were a viable competitor for the full FAB-T capability. The SPO conducted fact-finding with Raytheon and determined that Raytheon could provide both CPT and AWT capability without substantial duplication of cost and without delaying the delivery of the CPT for the critical FY15 need date. No other vendor provided feedback to the Government on their ability to produce both CPTs and AWTs by the required need date.

The SPO posted a NOCA on 28 August 2012 to announce the Government's intent to issue a limited sources RFP to Boeing and Raytheon for production of the full FAB-T capability. No firms responded to this announcement. Another NOCA was posted on 18 December 2012 to announce the Government's intent to issue a limited sources RFP to Boeing and Raytheon for CPT-only production. No firms responded to this announcement.

VII. DETERMINATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE

The cost of this acquisition is anticipated to be fair and reasonable. The Offerors' Cost/Price proposals will be evaluated in accordance with FAR 15.4 to determine whether they are reasonable and realistic. Competitive pricing and cost analysis of other than certified cost or pricing data will be used for verification of the planning/manufacturing readiness work effort and the production options. The evaluation team will include DCMA and DCAA personnel as well as the program office technical and cost personnel in the review of the proposed hours and costs. Detailed documentation and justification will be included in the proposal evaluation report and the official contract file upon completion of negotiations.

VIII. DESCRIPTION OF THE MARKET RESEARCH CONDUCTED AND THE RESULTS, OR A STATEMENT OF THE REASONS MARKET RESEARCH WAS NOT CONDUCTED

As described in Section VI above, the FAB-T Program Office conducted market research, in accordance with FAR Part 10, by contact with industry, synopsis of proposed acquisitions, and contact with other Government program offices involved with analogous work.

The SPO's initial assessment of Boeing was that they were the only contractor capable of supporting all of USSTRATCOM's requirements. However, as explained in Section VI, Raytheon has been evaluated as capable of meeting the Government's requirements for CPT and PNVC as well as the full FAB-T capability.

IX. ANY OTHER FACTS SUPPORTING THE USE OF OTHER THAN FULL AND OPEN COMPETITION

All facts supporting the use of other than full and open competition are provided in the sections above.

X. LIST OF SOURCES, IF ANY, THAT EXPRESSED INTEREST IN THE ACQUISITION

See Section VI above.

XI. A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE MAKING SUBSEQUENT ACQUISITIONS FOR THE SUPPLIES OR SERVICES REQUIRED

It is the Government's desire to obtain Government Purpose Rights (GPR) in the data rights to be delivered under this contract. It is not the Government's intent to request a reprourement data package as part of the Production RFP. The Government will include an option in both production contracts to acquire the rights to technical and software data sufficient to enable full and open competition for sustainment work associated with the FAB-T system. During the downselect competition, the Government will evaluate the Offeror's plan to provide the Government data rights that will enable the Government to competitively sustain the FAB-T system.

XII. CONTRACTING OFFICER'S CERTIFICATION

The contracting officer's signature on the Justification Review Document evidences that he/she has determined this document to be both accurate and complete to the best of his/her knowledge and belief (FAR 6.303-2(a)(12)).

XIII. TECHNICAL/REQUIREMENTS PERSONNEL'S CERTIFICATION

As evidenced by their signatures on the J&A signature page, the technical and/or requirements personnel have certified that any supporting data contained herein which is their responsibility is both accurate and complete (FAR 6.303-2(b)).