

FAR Part 6 Justification and Approval for Other than Full and Open Competition

1. Contracting Activity:

U.S. Army Contracting Command Aberdeen Proving Ground (ACC-APG)
6565 Surveillance Loop, Bldg. 6001
Aberdeen Proving Ground, MD 21005

2. Description of Action:

Program Executive Office Command Control Communications - Tactical (PEO C3T) Project Lead Network Enablers (PL Net E) requests a ten (10) year (five (5) year base and five (5) one (1) year options), single award Indefinite Delivery Indefinite Quantity (IDIQ) contract upon which Firm Fixed Price (FFP) Delivery Orders (DOs) and Cost-Plus-Fixed-Fee (CPFF) Task Orders (TOs) are issued for information technology hardware and services with Sierra Nevada Corporation (SNC). The Determination and Findings approving a single award IDIQ over \$112 million will be approved by the Army Contracting Command Head of the Contracting Activity prior to contract award.

Under the existing contract, fixed price production/supply orders compose 72% of the total obligated contract value. Thus, fixed price line items represent a preponderance of the contract value while cost reimbursement orders compose the remaining 28% of the total obligated value. In accordance with FAR 16.301-2, the use of a cost reimbursement type contract is applicable when circumstances do not allow the agency to define its requirements clearly or sufficiently enough to allow for a Fixed-Price type contract, or the uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy. Under the proposed contract, the anticipated work for cost reimbursement orders will fall under general engineering, obsolescence, test and evaluation, and development support services. The specific level of effort will be defined at the task order level when the need arises and cannot be specifically defined beforehand. Therefore, a cost reimbursement type contract is more applicable for work which cannot be defined at the time of base contract award.

The proposed new follow-on contract will be awarded based on other than full and open competition in accordance with 10 U.S.C. 2304(c)(1), as implemented by FAR 6.302-1. This effort will be a follow-on contract to the existing SKL contract (W15P7T-12-D-0019) and will allow for continued support of the SKL Program until the SKL is replaced with the Next Generation Load Device – Medium (NGLD-M) for all users. Funding for this procurement will be comprised of one or more of the following: Other Procurement Army (OPA); Other Procurement Navy (OPN); Other Procurement Air Force; Operations and Maintenance Army (OMA); Research, Development, Test, and Evaluation (RDT&E); and, Foreign Military Sales (FMS) funds. Funds will be obligated during the fiscal year in which the bona fide need exists. The maximum value of the IDIQ contract will be \$318,952,224. Requirement projections (See Table 1) are estimates based on historical

information and anticipated figures for demand which correlates with anticipated expectations for the fielding timeline of the NGLD-M. The Government projects award of this proposed contract on or before 14 May 2020.

3. Description of Supplies/Services:

The SKL is a ruggedized, battery-powered, hand held device used to manage key materiel which was originally designed to replace the AN/CYZ-10 Data Transfer Device (DTD). The SKL is a Controlled Cryptographic Item (CCI) that is utilized by the [REDACTED]

[REDACTED] as a key component of the NSA's Electronic Key Management System (EKMS) to encrypt data being transferred to other secure electronic devices. The SKL is capable of securely protecting electronic data for transport up to the Top Secret classification level. The SKL serves as an external, portable hard drive, to store and distribute encryption keying material, Signal Operating Instructions (SOI), software information, and data files for over [REDACTED] actually deployed equipment platforms that are supported by the DoD Services, civil agencies, and foreign partners. The SKL is [REDACTED] device and therefore a low risk to any cyber security threat. The SKL meets NSA Specifications for Functional Security Requirements for a Telecommunications System (FSRS), and uses service-specific User Application Software (UAS) to automate the loading process for field and mobile Communications-Security (COMSEC) components. Furthermore, the SKL consists of a host computer and a NSA-developed Information System Security (INFOSEC) embedded cryptographic Personal Computer Memory Card International Association (PCMCIA) Type II card. The internal cryptographic card that will encrypt data being transferred to other secure electronic devices has a designated nomenclature of KOV-21 card and will be furnished under the contract as Government Furnished Material (GFM). The SKL cannot operate without a KOV-21 internal cryptographic card.

PL Net E is currently the only organization authorized to procure, provide and field SKL devices and serves as the Primary Inventory Control Activity (PICA). Additionally, PL Net E services all SKL requirements for DoD, non-DoD, FMS users, and customers through procurements, product support, and technology upgrades to meet the SKL Program's cost, schedule, and performance requirements. [REDACTED]

[REDACTED] but this follow-on contract will help meet the critical requirement. The current SKL contract expires in May 2020 and has approximately [REDACTED] ceiling remaining. Upon award of the new contract, PL Net E will be able to place FFP customer delivery orders for SKL hardware to include SKL devices and SKL test units (named PANDAs due to appearance) to address the critical shortage. Furthermore, the follow-on contract will provide for CPFF task orders to purchase services for general engineering support services needed to ensure operational functionality of the SKL. Services will also address obsolescence management, product reliability, maintainability, training, technical manual support,

organic depot level maintenance support at Tobyhanna Army Depot (TYAD), and device enhancements and improvements. Finally, services will provide training to encompass Operational Security (OPSEC), information assurance, and cyber awareness.

Total value or estimated cost of the SKL follow-on effort is \$318,952,224 as outlined by year and identified in Table 1 below. There will be a systematic process to replace all Army SKLs in the field over an estimated seven year timeframe beginning FY2023. The tempo of this systematic replacement will be initially constrained by the production capacity of the NGLD-M. FMS and non-DoD agencies will require a longer timeframe to fully replace fielded SKLs. To replace all SKLs (Army and Non-Army) across the entire community of users, it is estimated that a total of 10 years will be necessary for full transition to the NGLD-M. During this transition timeframe, PL Net E must continue to support all user fill device requirements with SKL devices while NGLD-M production ramps up. As NGLD-M production ramps up, SKL production will ramp down.

Table 1 Projected Contract Costs and Quantities by Contract Year

Base / Option Year (OY)	Start Date PoP	End Date PoP	Total SKL Quantity	Total SKL Procurement Cost	General Engineering & Services	Spare Component Cost	Total Cost per Year
Yr 1 - Base	01-Apr-20	31-Mar-21					
Yr 2 - Base	01-Apr-21	31-Mar-22					
Yr 3 - Base	01-Apr-22	31-Mar-23					
Yr 4 - Base	01-Apr-23	31-Mar-24					
Yr 5 - Base	01-Apr-24	31-Mar-25					
Yr 6 - OY1	01-Apr-25	31-Mar-26					
Yr 7 - OY2	01-Apr-26	31-Mar-27					
Yr 8 - OY3	01-Apr-27	31-Mar-28					
Yr 9 - OY4	01-Apr-28	31-Mar-29					
Yr 10 - OY5	01-Apr-29	31-Mar-30					
Total							

* Fluctuations in General Engineering & Services are accounted for by the estimate that Engineering Change Proposals will potentially be required every 2 years, increasing the expected cost in Services of those years.

4. Authority Cited:

10 U.S.C. 2304(c)(1), as implemented by FAR 6.302-1, "Only one responsible source and no other supplies or services will satisfy agency requirements."

5. Reason for Authority Cited:

As described at FAR 6.302-1(a)(2)(ii)(A) and (B) and (iii)(A) and (B), when the supplies or services required by the agency are available from only one responsible source, or for DoD, NASA, and the Coast Guard, from only one or a limited number of responsible

sources, and no other types of supplies or services will satisfy agency requirements, full and open competition is not required. The SKL V3.1 is highly specialized equipment and any attempt to compete the SKL V3.1 requirement will result in substantial duplication of costs that are not expected to be recovered through competition (discussed later in this Section) and will result in unacceptable delays to fill agency requirements and meet DoD wide demand for SKLs V3.1.

The proposed source for procurement is SNC, 444 Salomon Circle, Sparks, NV 89434. SNC is the only source currently capable of meeting the Government's requirements as a result of limitations with respect to data rights and data deliverables. Under the current IDIQ contract W15P7T-12-D-0019, SNC supplies the Government with all SKL hardware production, spare parts, and general engineering support. SNC has been the sole producer and provider of SKLs under the SKL Program since its inception in 2005, and has adequately performed all inherent requirements of continuous production for the SKL device. Moreover, SNC is able to provide continuous SKL production given the fact that they have already gone through NSA Type-1 certification for the SKL and all of their supply chain vendors have been qualified to meet the stringent specifications to provide parts and produce the SKL. The proposed IDIQ contract with SNC would provide the Government with the necessary support required to maintain SKL production schedules without interruption, and sustain the SKLs. This follow-on IDIQ contract is intended to maintain production and sustainment capabilities for the SKL for the next ten (10) years. SNC is capable of continuing production of SKLs with no additional schedule delays, start-up fees, or additional costs. Furthermore, there is no learning curve for SNC considering their years of production experience developing and producing the SKL.

As indicated in Paragraph 8, Market Research indicated that no other sources are available to support this effort considering the Government's present, critical demands for the SKL. Any attempt to establish another source would result in high risks to the Government in terms of cost and schedule. The result would be an unacceptable break in production and an adverse impact to PL Net E and PdL COMSEC's ability to field and provide SKL devices to the Army, DoD Services, FMS, or non-DoD mission partners. Furthermore, a source other than SNC would require a production level TDP in order to stand up a new production capability, and subsequently require additional time to achieve NSA Type-1 certification which would significantly increase acquisition lead time and lead to contract scheduled production delays.

SNC is the only source that is NSA Type-1 certified and has passed all of the necessary NSA testing required to interface with the NSA developed KOV-21 cryptographic card. In addition to SNC's current SKL production experience, SNC has also designed other NSA Type-1 certified products similar to the SKL whereby computers were authorized to transmit, receive, process, and store Secret Data at rest in a tactical environment. The

[REDACTED]

the only source that can integrate software and hardware and verify operability utilizing test procedures that SNC developed and NSA approved. A source other than SNC would incur duplicative costs of about [REDACTED] and an additional [REDACTED] months to achieve NSA Type-1 certification.

The Government previously procured a sustainment level drawing package from SNC to support depot level repair. This drawing package was recently evaluated by Tobyhanna Army Depot (TYAD) and confirmed that it is only suitable for depot level repair activities. TYAD assessed that the drawing package is insufficient to manufacture the SKL V3.1.

Limited Data Rights and Intellectual Property:

PL Net E and ACC reviewed SKL originating contracts (see Table 2 Historical Contract Data) and were unable to trace and verify negotiated data rights necessary to compete the SKL V3.1. In prior and current contract arrangements, Government Purpose Rights were negotiated for the purposes of "Supply Chain Monitoring and Obsolescence Management for Diminishing Manufacturing Sources and Material Shortages" only. The Government did not acquire a "production level" TDP required to produce the SKL V3.1.

The Government sought to obtain a production level TDP for an updated SKL V3.1 under the Contract W15P7T-12-D-0019, TO 0031 "SKL Engineering Change Proposal (ECP)" effort, however, the order was Terminated for Convenience (T4C), on 29 October 2018. The original work effort began in response to the obsolete NSA-developed internal cryptographic card (KOV 21) embedded in the SKL V3.1. TO 0031 required integration of a replacement chip called the RE-programmable Single Chip Universal Encryptor (RESCUE), into the existing SKL V3.1 platform and included a deliverable for a production level TDP for the SKL V3.1, now known as the "NGLD-M". During the course of TO 0031 performance, the parties discovered that additional work, outside the planned scope of work of the TO, would be required to achieve integration of the RESCUE and accommodate requirements that had changed for the Government. Some of this work was deemed developmental in nature and would require additional contracting actions to accommodate and different funding (i.e. other than OPA funding, additional funding). After extensive coordination the responsible mission partner senior leaders together with the contracting officer determined the best course of action was to terminate TO 0031 and pursue aforementioned engineering changes to the SKL V3.1 as a separate competitive contract action.

Without the updated SKL V3.1 TDP, the Government is unable to solicit as originally planned in the Justification and Approval document JA-B-16-316. The sustainment level drawing package, which was acquired by the Government, does not contain [REDACTED]

[REDACTED] or set up a production line capable of delivering SKL products that meet Government specifications and quality standards. There have been ECPs which included Non-Recurring Engineering (NRE) costs over the life the SKL, however certain manufacturing processes and procedures were developed at the expense of the contractor. Attempts to purchase a production level TDP outside of TO 0031 have been unsuccessful. The contractor declined to sell the aforementioned technical data indicating that manufacturing and process data related to SKLs was developed at significant private cost, over many years of the contract(s), across many iterations of the SKL.

Unacceptable Delays in Filling Agency Requirements:

There is a significant schedule risk if a competitive contract strategy is pursued for the SKL follow-on contract. A new vendor will require, at a minimum, an additional ten (10) months to develop the necessary special tooling, production procedures, creative processes, and other non-recurring engineering activities necessary to successfully stand up a full production capability. A new vendor will also be required to achieve NSA Type-1 Certification for their product that will take at least [REDACTED] months to complete. Assuming that the production line stand up activity can be accomplished concurrently with NSA Type-1 Certification, the pursuit of a competitive contract will result in an additional [REDACTED] break in service, beyond the anticipated award date, of a sole-source contract. The SKL production line would be completely shut down during that period of time, and could not be stood back up until [REDACTED]. The end result is a substantial break in production and the Army's inability to meet the demand for fielded SKL devices and sustainment needed to upkeep legacy SKL devices (V1 and V2) that have currently exceeded their useful life and are at imminent risk of failure.

A break in production resulting in the lack of available SKL devices, has proven to be a risk to Soldier force protection in historical instances. Failure to support customer encryption requirements inhibits secure Soldier communication. The lack of sufficiently available SKL devices necessary to securely transmit fill device key information results in Soldiers needing to share assets across various units in the field. This situation has inevitably led to the need to physically transport shared SKL devices from location to location to obtain and transmit cryptographic key and mission data. The increase in physical movement in hostile environments has increased the risk of exposure of cryptographic key material to potentially intercept and has increased the risk to personnel/force protection. This has, in the past, resulted in Soldier deaths from Improvised Explosive Devices (IEDs). Furthermore, timely access to SKL devices is essential for secure communications and data transfer for the Soldier in the field and operating under all types of strategic military environments, most critically, those in hostile environments.

Moreover, a break in production will severely restrict PL Net E and PdL COMSEC's stock of on-hand SKL V3.1 devices necessary to replace the obsolete legacy variants of the SKL (V1 and V2) that have already surpassed their end of useful life expectancy.

Failures have already been experienced by users in the field, due to attrition of legacy devices exceeding their expected useful life. PL Net E is actively fielding SKL V3.1 devices in a turn-in and exchange program to remove all V1 and V2 devices from the field, prioritizing deploying Units and those Units with high priority missions. Prioritizing deploying Units and high priority missions is determined through coordination with Headquarters Department of the Army (HQDA) G-3/5/7, G-8, Forces Command (FORSCOM), U.S. Army Reserve, and U.S. National Guard guidance. Prioritization is necessary due to the already limited stock of on-hand SKL V3.1 devices requiring fielding of the SKL V3.1 to be reserved only for those critical needs.

The SKL is a widely used device for supporting cryptographic key and mission planning requirements of

A break in production will impact deliveries of new SKLs to those non-Army users as their current devices fail and require replacement.

When the current SKL contract expires, more than SKL devices fielded across all Army units, will be at high risk of imminent failure as they will have exceeded their expected maximum life expectancy of. It is critical that the SKL follow-on contract be awarded so as to avoid a break in production. Any break in production will lead to the Army's inability to replace SKL failures in the field and support the PL Net E turn-in and exchange program to replace legacy (V1 and V2) devices with V3.1 devices. The resultant effect will be as described above.

Duplication of Costs:

A new vendor will be required to develop the necessary special tooling, procedures, processes, and other non-recurring engineering activities necessary to successfully stand up a full production capability at an estimated cost of estimate was derived using the actual costs incurred for the SKL V3.1 development under the existing contract Delivery Order 0022 (these costs do not include certain NRE, manufacturing processes, and procedures developed at the expense of the contractor). A new vendor will also be required to achieve NSA Type-1 Certification for their product at an estimated cost of. The totality of these costs would be duplicative as the incumbent manufacturer, SNC, has an established production line in place and already has a NSA Type-1 certified product. The total duplicative costs will be an estimated for a new vendor to produce and support the SKL production.

Moreover, it is expected that the new vendor would attempt to recoup these stand up and certification costs over the life of the contract, either through higher production costs or support (program management and engineering) costs. In the first three years of the contract, [REDACTED] of the production will be completed, exhausting [REDACTED] of the contract ceiling. It can be assumed that the new vendor's recoupment strategy would target this time period, further increasing the program's costs to the point that any savings anticipated to be achieved through a competitive contract would not be significant enough to justify a [REDACTED] break in production and support as described in the previous section.

Alternatives:

The Government investigated alternatives in addition to a sole source contract.

- The Government explored the use the Common Hardware Systems (CHS) contract as an alternative vehicle to procure and support the SKL. The CHS program office provided a rough order of magnitude (ROM) cost estimate, as provided by the prime contractor on that contract, who would subsequently have no choice but to subcontract to SNC, due to the lack of a production level TDP. The resultant ROM received was for [REDACTED] for materials alone and was [REDACTED] than the estimated procurement costs for material and indirect loadings based on current contracted rates coupled with an inflation rate of [REDACTED]

6. Efforts to Obtain Competition:

Market Research was conducted and details are contained the Market Research section of this document (Paragraph 8). None of these efforts have yielded additional potential sources. Because this is a sole source action, effective competition is not applicable. Small business subcontracting goals shall be reviewed, negotiated and incorporated into the contract terms and conditions in order to provide for small business participation to the maximum extent possible. The Contracting Officer will consider whether the prime contractor has an approved purchasing system, has performed cost or price analysis of proposed subcontractor prices, or has negotiated the subcontract prices before negotiation of the prime contract, in determining the reasonableness of the prime contract price. The Contracting Officer will publish notices required by FAR 5.201 and any bids or proposals received will be considered.

7. Actions to Increase Competition:

The Government will continue to monitor the marketplace to determine if any additional sources receive NSA certification for their products. The end item and spare parts can only be acquired through a NSA-approved source in order to maintain quality and security of the item. Since the current SKL V3.1 is currently facing obsolescence of parts needed to continue production and sustain it, the SKL V3.1 is intended to be replaced by the SKL upgrade referred to as the NGLD-M. The NGLD-M is a new requirement for

production, engineering, and sustainment support for a new build-to-print key loader device. The NGLD-M will be developed under a separate and competitively awarded contract with plans to field them in [REDACTED]. The NGLD-M will be capable of performing all functions of the SKL, as well as, satisfying new requirements that have been identified by the Training and Doctrine Command (TRADOC). In line with this plan, there will be a systematic process to replace all the SKLs in the field over an estimated [REDACTED] timeframe for all DoD users. It is expected that FMS and non-DoD agencies will require a longer timeframe to fully replace all SKLs across the entire community of users. This timeframe will be supported through the organic repair capability at the Tobyhanna Army Depot (TYAD). New production SKL purchases after FY22 will be reduced significantly and supplanted by the repair capability at TYAD to support supply availability until the SKL is fully replacement by the NGLD-M.

To combat parts obsolescence in the future, PL Net E's anticipated NGLD-M contract will incorporate a requirement and incentive for early obsolescence determination and resolution and will be based upon the type of solution chosen. The data rights for the selected solution are not known at this time. However, there will be a priced option within the Request for Proposal (RFP) and the determination to procure the TDP will be made based upon the solution proposed and the associated costs as to what is in the best interest of the Government. Pursuant to DFARS 252.227-7017, offerors are required to identify, to the extent practicable, technical data to be furnished with restrictions on the Government's rights and require contractors to identify technical data to be delivered with such restrictions prior to delivery. [REDACTED]

8. Market Research:

In accordance with Defense Federal Acquisition Regulation Supplement (DFARS) 205.205-71, DFARS 206.302-1(d), and DFARS Procedures, Guidance and Information (PGI) 206.302-1(d), the first Request for Information (RFI) was posted to Federal Business Opportunities on 12 July 2018, closing on 1 August 2018. The RFI was seeking responses to gauge market interest and capability to produce the NGLD-M and to sustain the SKL. Three responses were received, all from large businesses to include the incumbent, SNC. Accordingly, this procurement action is not suitable for a Small Business Set Aside. However, there should be many opportunities for small business participation as subcontractors. All respondents, except for SNC, indicated that the RFI's Performance Work Statement (PWS) requirements could not be fulfilled unless a full, production level TDP was provided.

All three vendors have the ability and past performance experience to produce and maintain the NGLD-M, but they do not have the ability to produce nor sustain the SKL without a production level TDP.

- [REDACTED] response indicated the requirement for a production level TDP, drawings, and bill of materials in order to properly produce the NGLD-M as well as produce and sustain the SKL.
- [REDACTED] requires a production level TDP, drawings, and bill of materials in order to properly produce the NGLD-M as well as produce and sustain the SKL.

SNC has a proven SKL production capability that has been demonstrated since the production release of SKLs under the SKL production contract awarded in 2005. [REDACTED]

[REDACTED] SNC's SKL production facility currently has the infrastructure to support the security classifications necessary in the production and support of SKLs. Also, SNC currently has all processes and procedures in place to support the continued production of SKLs. Furthermore, SNC's production line has been certified by NSA. As a result, SNC will require only a new contract vehicle to continue support for the SKL.

A second RFI was posted to Federal Business Opportunities portal on 31 July 2019 and closed on 7 August 2019 seeking sources to produce and sustain the SKL. A response was received from one vendor, SNC which is a large business. As the incumbent manufacturer of the SKL, SNC has indicated they have manufactured over [REDACTED] NSA certified SKL devices over the lifetime of four consecutive Government contracts, to include engineering and repair services as well as ancillary spare parts. SNC has the necessary certification and testing completed to support the continued production of the SKL V3.1 units and would only require the formal PWS and an executed contract award to begin manufacturing processes as production lines have already been certified and subcontractor supply bases have already been established. As the original equipment manufacturer, SNC has a full production level TDP.

Upon review of responses from both RFIs the Government has concluded that SNC is the sole respondent postured to provide on-going production and sustainment support to the SKL program given both the present schedule constraints and that the Government's lack of a production level TDP.

Finally, PL Net E's Technical Management Division (TMD) conducted a PL Net E COMSEC Integrated Process Team (IPT) workshop in March 2018 and March 2019, in which industry partners from across the nation participated in an all day workshop and one-on-one breakout sessions to discuss current and future cryptographic product lines. Based on the information exchanged at the workshop, PL Net E subject matter experts determined that there is no other NSA Type-1 cryptographic product available on the marketplace that could meet the Capabilities Production Document technical and schedule requirements other than the incumbent, SNC.

9. Interested Sources:

SNC [REDACTED] all responded to the 12 July 2018 RFI expressing interest in the production and sustainment of the SKL. However, SNC was the only respondent capable of satisfying the required production and services as all other respondents would require a production level TDP and sufficient time to obtain funding needed to stand up a production line and achieve NSA Type-1 certification. Only SNC expressed interest in response to the Government's 31 July 2019 RFI.

10. Other Facts:

Procurement History: SNC has been the manufacturer of the SKL product line since its inception in 2004. Prior to the first contract being awarded, SNC had successfully undergone NSA qualification testing for its SKL. The Government procured and tested the SKL software and hardware prototypes against the "Phase I System Specifications", dated 6 January 2003. Four prior contracts, including a three year extension, have been awarded for the production and sustainment of the SKL. All four contracts have been awarded to SNC on the basis of other than full and open competition.

The first contract (GST02-04-C-J0703) was awarded for the integration (of SKL software and hardware), development and testing of the SKL. The second "delivery order" type contract (W15P7T-05-F-H433) was urgently awarded for the actual production of the [REDACTED] SKLs. ACC was unable to obtain any information concerning the status of data rights under this contract. The Paperless Contract File (PCF) shows no files present in the Active or Retention libraries for the contract cabinet. The physical contract was obtained through Procurement Automated Data and Document System (PADDS); however there was no contract language present which would suggest data rights were negotiated separately (via solicitation/proposal information, data assertion lists etc).

The third contract (W15P7T-06-D-N218) was awarded for continued production and repair services for the SKL. ACC reviewed the data available (J&A, Acquisition Plan, Contractor Proposal, Pre-Negotiation Objective Memorandum/Post Negotiation Memorandum, Contract, Statement Of Work) and found no evidence of the Government's intent to seek data rights for the purpose of re-procurement. In fact, ACC found a statement in the Acquisition Plan which expressly stated the Government's plan was to seek limited rights for the sole purpose of supply chain management/obsolescence and not for re-procurement. Therefore, SNC was, and is, the only source that possesses the required NSA Type-1 certification and production level TDP needed to produce and sustain the SKL. A complete history is shown as follows in Table 2.

Table 2 Historical Contract Data

PoP Start	PoP End	Contract Number	Type of Contract	Contractor	Competed
24-Mar-04	23-Mar-05	GS35F43480/GST02-04-C-J0703 (Integration Only)	FFP	SNC	Sole Source / FAR 8.405-6
31-Aug-05	30-Aug-07	GS35F43480/W15P7T-05-F-H433	FFP	SNC	Sole Source / FAR 8.405-6
26-Sep-06	05-Sep-11	W15P7T-06-D-N218	FFP / T&M	SNC	Sole Source / FAR 6.302-1
15-May-12	14-May-17	W15P7T-12-D-0019	FFP / CPFF	SNC	Sole Source / FAR 6.302-1
15-May-17	14-May-20	W15P7T-12-D-0019 (3 Yr Extension)	FFP / CPFF	SNC	Sole Source / FAR 6.302-1

The previous J&A document, Control No. JA-B-16-316, approved 10 November 2016 for the three year contract extension of the Base Contract, W15P7T-12-D-0019, supported a sole source award on the basis of limited data and data rights, duplication of costs and unacceptable delays in filling agency requirements. The contents of the previous J&A, Paragraph 7, stated “a final TDP that reflects the SKL with the RESCUE integration, will be delivered February 2019 by SNC and validated/approved by the Government. This will allow for full and open competition for the follow on SKL IDIQ contract which entails hardware procurement of SKLs, spare procurement and services in May 2020.”

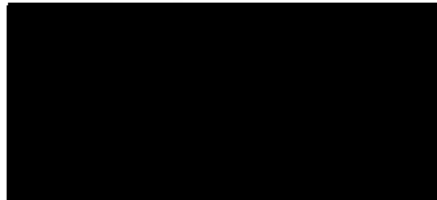
The “SKL with RESCUE integration” as mentioned above is describing the “NGLD-M” program mentioned in earlier paragraphs. The most significant change in the acquisition strategy for this action is the change in the Government’s ability to obtain a production level TDP as outlined in the last approved J&A. [REDACTED]

Presently, PL Net E and PdL COMSEC are planning a separate competitive IDIQ contract utilizing a hybrid type contract including CPFF and FFP. This competitive contract will be solicited for the development, engineering, production and sustainment of the new NGLD-M device. The NGLD-M device shall be the future replacement of the current SKL V3.1 product. This separate competitive contract will be solicited as full and open. This competitive contract enables PL Net E and PdL COMSEC to provide a reasonable opportunity for a number of contractors to participate in the performance of the contract. The Government will evaluate all solutions proposed to determine if a Non Developmental Item (NDI) or item developed at the Government’s expense is in the best interest of the Government. The solicitation will include provisions for incorporation of appropriate levels of Data Rights, sustainment and obsolescence management based upon the solution chosen. [REDACTED]

11. Technical Certification: I certify that the supporting data under my cognizance which are included in the justification are accurate and complete to the best of my knowledge and belief.

Thomas Lancey
Title: Systems Engineer

Date: 8 Oct 2019

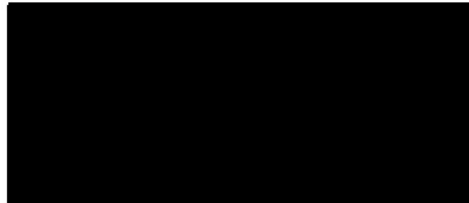


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12. Requirements Certification: I certify that the supporting data under my cognizance which are included in the justification are accurate and complete to the best of my knowledge and belief.

Scott Lambert
Title: Assistant Program Manager

Date: 8 Oct 2019



Signature

13. Fair and Reasonable Cost Determination: I hereby determine that the anticipated cost or price to the Government for this contract action will be fair and reasonable. This determination will be made using a combination of proposal analysis techniques such as cost analysis and price analysis; specifically, a thorough review of the required cost and pricing data together with comparison of historical pricing and the Government's independent estimate will be performed. Certified cost and pricing data will be required.

Nikeena S. Brown
Title: Contracting Officer

Date: 8 Oct 2019

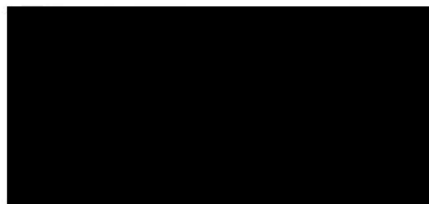


Signature

14. Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

Nikeena S. Brown
Title: Contracting Officer

Date: 8 Oct 2019



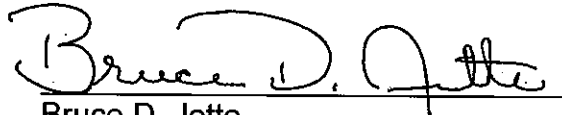
Signature

Approval

Based on the foregoing justification, I hereby approve the procurement of Simple Key Loader devices, spare parts, and depot and engineering services on an Other than Full and Open Competition basis pursuant to the authority of Title 10, United States Code, Section 2304(c)(1), as implemented by Federal Acquisition Regulation Part 6.302-1, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements." The estimated amount of the Indefinite Delivery Indefinite Quantity contract is \$318,952,224, with a period of performance consisting of a five year base period and five, one year option periods. The approval is subject to availability of funds, and provided that the services or property herein described have otherwise been authorized for acquisition.

JAN 09 2020

Date



Bruce D. Jette
Senior Procurement Executive