

**JUSTIFICATION REVIEW DOCUMENT
FOR EXCEPTION TO FAIR OPPORTUNITY
(\$650K - \$12.5M)**

Program/Equipment: RC-12X/MC-12S Cockpit Procedural Trainer (CPT) Reconfigurability Upgrade

Authority: FAR 16.505(b)(2)(i)(C) **Amount:** \$1,483,446.00

Prepared by:	Typed Name: [REDACTED] Title: Contract Specialist	DSN: [REDACTED] Date: 1/13/16
Contracting Officer:	Typed Name: [REDACTED] Title: Branch Chief / PCO	DSN: [REDACTED] Date: 1/13/16
Technical Representative:	Typed Name: [REDACTED] Title: Lead Engineer	DSN: [REDACTED] Date: 1/13/16
Requirements Representative:	Typed Name: [REDACTED] Title: Project Director	DSN: [REDACTED] Date: 1/13/16

I have reviewed this justification and find it adequate to support other than full and open competition.

Program Manager/Deputy/APEO:	Typed Name: [REDACTED] Signature: [REDACTED]	DSN: [REDACTED] Date: 13 Jan 16
Legal Counsel:	Typed Name: [REDACTED] Signature: [REDACTED]	DSN: [REDACTED] Date: 13 Jan 16
Command Advocate for Competition:	Typed Name: [REDACTED] Signature: [REDACTED]	DSN: [REDACTED] Date: 20 Jan 16

**EXCEPTION TO FAIR OPPORTUNITY (EFO)
FOR RC-12X/MC-12S CPT Reconfigurability Upgrade**

1. Contracting Agency: Army Contracting Command Orlando

2. Description of Action:

A new firm-fixed price delivery order citing FY14 Other Procurement Army (OPA) funds to be awarded under STOC II. The effort was originally competed under STOC II as a priced option CLIN on W900KK-09-D-0323 Delivery Order 0006 and funding was not received in time to exercise the priced option. The original delivery order expired 31 July 2014 and cost \$3.5 million. The unexercised priced option CLIN had a cost of [REDACTED]

3. Description of Supplies/Services:

The U.S. Army has a pilot Cockpit Procedural Training (CPT) requirement for the Pro Line 21 equipped MC-12S aircraft. To satisfy this training requirement, the Government plans to modify the existing two RC-12X Universal Avionics equipped CPTs currently fielded at Ft. Huachuca, AZ. This will add the capability to train and sustain proficiency in specified Pro Line 21 aircraft individual and crew tasks. The two RC-12X CPT's were originally fielded for U.S. Army PM Fixed Wing on 10 July 2012 at an individual cost of [REDACTED]

The reconfigurable CPT shall maintain all training capabilities for the existing RC-12X Universal Avionics configuration and will be augmented with the hardware, software, media, and documentation necessary for training Pro Line 21 aircrews in the tasks identified in the RC-12X/MC-12S Performance Specification. One CPT reconfiguration will be funded on award the other will be a priced option CLIN. Each CPT reconfiguration has an estimated cost of [REDACTED]. The IGCE for this effort is listed at [REDACTED] high estimate of [REDACTED] low estimate of [REDACTED]. The contract will have a 12 month period of performance starting after contract award. The upgraded reconfigurable CPT will hereafter be referred to as the RC-12X/MC-12S CPT to reflect the reconfigurability capability of the CPT to support training on both aircraft avionics packages.

4. Authority Cited: In accordance with 10 United States Code Title 10 Subtitle A, Part 4, Chapter 137, Section 2304 (c) (1) and FAR 16.505 (b)(2)(i)(C) "The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order."

5. Reason For Authority Cited:

(a) Background: The RC-12X/MC-12S CPT Reconfigurability Upgrade is a vital

requirement needed to train and sustain pilot proficiency with their respective aircraft. The original option CLIN would have been awarded for this exact effort if funding was received prior to the contract expiration. The MC-12S program did not receive Milestone C production decision until August 2014 which was after the RC-12X trainer contract expired. The requiring activity had multiple delays on the aircraft alteration approval. The delay was due to the modification of the MC-12W approval at PM Fixed Wing. The final approval allowed the alteration of twelve MC-12W's into MC-12S variants with the addition of twenty more in options. The RC-12X/MC-12S CPT Reconfigurability Upgrade funding was not received until October 2014. The effort was designed, developed and approved for implementation to provide the exact need of the customer. Under the authority of a logical follow-on Leidos was the prime manufacturer of the RC-12X trainer and has the inherent knowledge of the simulators design and are the best equipped to complete the upgrades with minimal interference to the RC-12X training scheduled.

(b) Justification: This EFO supports a logical follow-on due to the potential for system disruption due to integration mishaps of software and hardware from multiple companies. In the original competitive procurement, Leidos proposed a cost and design for the MC-12S CPT reconfiguration. This is a design requirement that Leidos previously analyzed and developed a solution to the extent that a priced option could be awarded. Because of this, Leidos has sufficient technical understanding of the required design and implementation to be able to significantly reduce the upfront non-recurring effort and schedule.

Leidos is the original equipment manufacturer for the RC-12X CPTs and has the incumbent technical knowledge of the system design and architecture. This unique knowledge would greatly reduce the learning curve and any required non-recurring engineering and therefore would reduce the schedule during the design and integration phases. Leidos had already implemented the necessary design interfaces and reconfiguration features necessary to add the MC-12S CPT kits. Leidos submitted an efficient installation and reconfiguration plan and they have the technical skills to complete the integration with minimal impact to the customer. The current software was coded by Leidos in 2012 and much of the software and hardware is outdated and will be repaired or replaced.

Introducing new vendors to the system to update or replace the outdated software and hardware will increase the risk of integration failure leading to delays in providing the training capability to the soldier and decreasing economy and efficiency. The software integration efficiencies are expected to be increased due to familiarity with the existing technical data package. These increased efficiencies are expected to reduce risk of integration delays and labor costs and increase the economy of the program. Other contractors have proposed [REDACTED] implement their [REDACTED] software integration issues. Each contractor commented that delays were possible due to the current unknown state of the trainer. Software integration risk is higher with any other contractor besides the original manufacturer. The [REDACTED]

increased risk due to potential design, software, and mechanical integration delays. The original delivery order was competitively awarded under the STOC II ID/IQ contract.

(c) Impact: The two RC-12X CPT trainers at Ft Huachuca [REDACTED] to deployments and maintain flight certifications.

[REDACTED] PM Fixed Wing anticipates to utilize the combination trainer RC-12X / MC-12S in early FY-16 and any delay of fielding the MC-12S could have a negative effect on deploying units. Furthermore there is currently no CPT training capability for the MC-12S configuration. Any delays or schedule impacts at all would have a negative effect on an already documented critical need. The attached MFR dated 3 February 2015 from the Intelligence Center of Excellence identifies the MC-12S requirement as a critical training gap. The described integrated aircrew trainer cockpit in the MFR is synonymous with the MC-12S. The skill is in high demand and they only possess two trainers. All efforts must be performed on site in order to minimize training downtime. As the original equipment manufacturer, Leidos has the inherent technical knowledge and greatest ability to field a capability for this training gap with the lowest risk to the training mission. Delays to this effort will directly impact the number of certified MC-12S pilots needed for operations. There is no other method for Army pilots to receive their initial certification for the MC-12S aircraft and without the reconfiguration upgrade pilots cannot be certified to fly the aircraft.

6. Efforts To Obtain Competition: A sources sought notice was posted on STRIBOP 7 January 2015 and received four responses, [REDACTED]

[REDACTED] Of the four responses all were considered large business within STOC II and one would be considered a small business outside of STOC II. The sources sought notice led to multiple phone conversations with potential contractors. This highlighted the training risk due to the loss of capability and availability for the current simulators. Several contractors identified that once they started upgrading the current trainer they may have to make several upgrades which would increase their proposed schedule. In addition, the small business described a technical approach that is not acceptable as it was based on use of a software avionics package that is 100% proprietary which would not meet the programs long term sustainment requirements.

No responses from industry were received from an intent to award sole source posted on STRI BOP 16 June 2015 with a closing date of 30 June 2015. PM Fixed Wing notified PEO STRI, after the intent to sole source notice was posted that the MC-12S requirement had changed and requested to cancel the sole source effort. PM Fixed Wing and the Army Intelligence Center of Excellence could not agree on the how they wanted to define their requirements. On 2 July 2015 a cancelation notice of intent to award sole source was posted on STRI BOP.

The RC-12X and MC-12S aircraft serve two commands. The aircraft training requirement is managed by PM Fixed Wing and the Intelligence Surveillance Reconnaissance (ISR) station in the back belongs to the Army Intelligence Security

Command (INSCOM). A meeting was held on 29 October 2015 with all interested parties that clearly defined the current requirement. The two customers identified that the original requirement from the previous delivery order would be a stand-alone requirement to fulfill their immediate need. The information obtained at that meeting by the GCTT APM and Chief Engineer solidified the bonafide need for the reconfigurable MC-12S variant in order to continue to meet the training requirement at Ft. Huachuca, AZ.

[REDACTED] This would have no impact on training for the Army. Other contractors did not have a potential solution that could be completed in a reasonable amount of time considering the trainer would be out of commission and non-available for use. A second intent to award sole source was reposted on STRI BOP on 2 November 2015 and closed on 02 December 2015. There were no responses to the intent to sole source notice posted. Based on the information in paragraph 5 above, competition for this action was not feasible.

7. Actions To Increase Competition: The RC-12X/MC-12S CPT once reconfigured will be a stand-alone training program. This is a one-time requirement and no future, similar acquisitions are anticipated. However, if a similar requirement arises, every effort will be made to compete it to the maximum extent practicable

8. Market Research: A sources sought notice was originally posted on STRI BOP 7 January 2015 and closed 9 February 2015. Four responses were received and of the four responses, [REDACTED]

[REDACTED] upgrade requirements and both presented a detailed and thorough technical approach accomplishing the development and integration effort. [REDACTED]

[REDACTED] provide a technical solution only a company overview of their past performance and current capabilities. [REDACTED] did not provide a complete technical solution and was vague on the time needed to complete the upgrades.

9. Interested Sources: The following contractors responded to the sources sought notice posted on STRIBOP 7 January 2015:

(a) [REDACTED]

(b) [REDACTED]

(c)

(d)

However, there were no responses to the intent to award sole source notice. This requirement was not synopsisized in FEDBIZ OPS pursuant to the exception in FAR 5.202(a)(6).

10. Other Facts:

(a) Procurement History: The priced option CLIN on W900KK-09-D-0323 Delivery Order 0006 was anticipated to be exercised up until the day the contract expired. PM Fixed Wing did not have Milestone C production decision for the aircraft prior to the delivery order expiring on 31 July 2014. This effort was originally awarded through adequate competition under STOC II and there are no follow-on contracts expected for the trainers. Leidos' technical knowledge of the existing software and hardware solution is expected to reduce software integration risks, decrease production time, and reduce lifecycle costs. Due to increased software integration risks, potential training down-time any other contractor would increase the failure risk for Ft Huachuca's training mission. Once the RC-12X/MC-12S reconfigurable upgrades are completed there are no additional upgrade requirements.

(b) Other Facts: Any new MC-12S or RC-12X trainers will be procured utilizing open competition.

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

NAME: [REDACTED]

DATE: 13 Jan 16

TITLE: Lead Engineer

SIGNATURE: [REDACTED]

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

NAME: [REDACTED]

DATE: 13 Jan 2016

TITLE: Project Director

SIGNATURE: [REDACTED]

13. Fair And Reasonable Cost Determination: I hereby determine that the anticipated cost to the Government for this contract action will be fair and reasonable. This determination will be based on a comparison to the IGCE prepared by the requiring activity; and price analysis techniques including a published price list, as applicable, to determine the price is fair and reasonable. Certified cost or pricing data will be required, as applicable.

NAME: [REDACTED]

DATE: 13 January 2016

TITLE: Contracting Officer

SIGNATURE: [REDACTED]

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

NAME: [REDACTED]

DATE: 13 January 2016

TITLE: Contracting Officer

SIGNATURE: [REDACTED]

APPROVAL

Based on the foregoing justification, I hereby approve the procurement of RC-12X/MC-12S CPT Reconfigurability Upgrade on an exception to fair opportunity basis pursuant to the authority of FAR 16.505 (b)(2)(i)(c), subject to availability of funds, and provided that the supplies and services herein described have otherwise been authorized for acquisition.

DATE: 20 Jan 16 SIGNATURE 

