



DEFENSE LOGISTICS AGENCY

THE NATION'S COMBAT LOGISTICS SUPPORT AGENCY



Source Approval Request (SAR)

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WARFIGHTER FIRST



Definition



- A Source Approval Request (SAR) package is an assembly of information required of a prospective new supplier for a specific item (NSN) that is currently procured as other than full-and-open
 - Source Controlled (AMSC B)
 - Source Restricted (AMSC C)
 - Code & Part Number (AMSC D)
- A SAR package contains all technical data needed to demonstrate that the prospective contractor can competently manufacture the NSN to the same level of quality or better than the approved source
- The SAR submitted for evaluation should be in accordance with the SAR guide checklist



Evolution



- Lean 6-Sigma Black Belt Project (SEP2011-JUN2012)
 - Centralized tracking of receipts and notifications
 - Streamlined DLA process
 - Improve DLA acceptance rate
- VE Process Improvements (2013-2015)
 - Centralized process tracking
 - Expanded analysts roles
 - Developed candidate NSN list & sample SAR
 - Improve ESA acceptance
 - Review packages outside of savings
 - DLA/contractor partnership (missing data, status)
 - Procedure change
 - Retention of Newly Approved Sources (DAG 17.7501-6)



Process



- Identify potential items (NSNs) of interest
 - Search...DIBBS, Haystack, SERVA (PTACs can help)
 - FSCs, item description, characteristics, OEM CAGE
 - DLA candidate list's
 - Obsolescence / limited competition
- Assemble SAR package data (follow guide)
 - Company information (manufacturing and quality)
 - Current part data and your data
 - SAR guide categories (OEM Data)
 - Reverse Engineering (OEM Part)
 - Business case
 - Actual data and/or test plan

VE Link (SAR Process, SAR Template, SAR Candidate List)
(<http://www.dla.mil/LandandMaritime/Offers/Services/TechnicalSupport/ValueMgtDiv/>)



SAR Guide Checklist



DLA LAND AND MARITIME **Alternate Offer & Source Approval** **Request Checklist**

Category I SAME PART
Category II SIMILAR PART
Category III NEW
MANUFACTURER

SECTION	REQUIRED ELEMENT	CATEGORY		
		I	II	III
*	TABLE OF CONTENTS IS REQUIRED FOR ALL AO & SARs			
A	COVER LETTER	X	X	X
B	QUALIFICATION PART DRAWINGS	X	X	X
C	QUALIFICATION PART DETAILED MANUFACTURING PLAN	X	X	X
D	MASTER TOOLING CERTIFICATION	X	X	X
E	DATA CERTIFICATION (with Company Officer Signature)	X	X	X
F	QUALIFICATION PART SUBCONTR/VENDOR LIST	X	X	X
G	QUALIFICATION PART SHIPPING DOCS	X		
H	SIMILAR (EQUIVALENT) PART DRAWINGS		X	



Process (continued)



- Submit SAR package
 - As Alternate Offer (AO) (open solicitation)
 - To Contracting Officer
 - To Competition Advocate Office (CAO)/AO Monitor
 - As Source Approval Request (no active solicitation)
 - To Competition Advocate Office (CAO)/AO Monitor
- Government reviews
 - CAO
 - Initial review, log case, notification
 - Value Engineering (VE)
 - Business case, technical review, tracking, contractor awareness/feedback
 - Engineering Support Activity (ESA)
 - Weapon system engineering evaluation



Start to Finish Summarization



- Contactor submits package
- Comp Ad receives package
 - Notification of receipt sent to contractor
 - Log package into SAR tracking system
 - Package forwarded to Value Engineering (VE) within 5 days
- VE receives package from Comp Ad
 - Analyst performs review (7 resources)
 - Review performed within 15 days
 - Package complete
 - Forwards package to ESA
 - Package incomplete but potential for rework
 - Notifies contractor and requests missing data (30 day)
 - If data not received, rejects package to CAO with reasons
 - Package incomplete
 - Notifies CAO with reasons



Start to Finish Summarization



- ESA receives package
 - ESA reviews package (90 day response time)
 - ESA accepts, rejects or requires more data
 - ESA completes review and closes out
- VE receives ESA response
 - Concur or not concur with ESA response (15 days)
 - Notify Comp Ad ESA response received
 - Gather additional contractor data (if applicable)(30 days)
 - Take cataloging action in adding source (if applicable)
- Comp Ad closes out packages (approved/rejected)
 - Sends official notification letter to contractor (5 days)



Government Responses



- Technical data is available for viewing (competitive)
- SAR package data missing
 - Will be contacted for missing data
- Need to complete qualification testing
 - Good on paper, but need to prove will work in application
- Rejected
- Business case/not in the best interest of the government
 - SAR package is incomplete (contractor failed to supply)
 - Weapons criticality
 - Application upgrade and/or discontinued
 - Can't validate part (no government data to compare)
- Accepted
 - Company cage/part number added as approved source

Final official notification sent via CAO letter



Procedure Change



- Retention of Newly Approved Sources - DAG 17.7501-6
 - Implemented on 17 June 2014
 - Sole Source Breakout
 - Utilization of multi-source award clause for a minimum of one (1) year from approval date and/or 1st award
 - If not low, but fair and reasonable based on previous contract price, 40% of the award may be given to the newly approved source
 - NSNs will be removed from Long Term Contracts (LTC) auto-solicitation and unless circumstances dictate otherwise



FY17 Metrics



- 282 packages received
- 111 packages approved
 - \$35.5M potential annual savings
- 114 packages rejected
- 144 packages pending
 - \$30.9M potential annual savings
- 7 cases item changed to fully competitive government drawings
 - \$2.1M expanded competition savings



Resources



- AO/SAR submission – (email – 8MB) dscs_ao-sar@dla.mil
– Mail (printed and/or CD copies)

U.S. Postal Service Address	UPS or FEDEX Address
DLA L&M Alternate Offer Monitor – BPP Directorate of Business Process P.O. Box 3990 Columbus, OH 43218-3990	DLA L&M Alternate Offer Monitor – BPP Directorate of Business Process 3990 East Broad Street Columbus, OH 43213

- AO/SAR process questions – dscs.altoffer.PM@dla.mil
- Technical Issues (Engineering/Analysts) – ve.sar@dla.mil
- Checking if drawings available – dscs.cddwgs@dla.mil
- RPPOB - DSCC.PartRequest@dla.mil
- DLA Small Business support – dscs.bcc@dla.mil
phone 1-800-262-3272



<http://www.dla.mil/LandandMaritime/Offers/Services/TechnicalSupport/ValueMgtDiv/>



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Value Management Unit

"Saving money, keeping product performance and quality at their highest, and meeting the customers' expectations are just a few of the things that drive the men and women of DLA Land and Maritime, Value Management Unit (DLA Land and Maritime-VE)"

DLA Land and Maritime-VE

The Value Management Unit provides a wide range of engineering and technical support functions. Our diverse and innovative work force is dedicated to technical specialties.

The Value Management Unit seeks out sole source, limited competition, over priced, low reliability and hard to buy items to improve their value and support posture. We essentially seek out poor value and employ source development or competition enhancement techniques. In most cases we are developing alternate sources and work closely with the Engineering Support Activity (ESAs) and the weapon system program management offices to coordinate the development and the technical requirements of the items in question. In addition, we use reverse engineering and should cost to develop technical data packages or provide a detailed estimates of the price of parts, which is used during the contract negotiation process.

- Source Approval Information (SAR)
 - View [SAR Charts](#)
 - View [SAR Basic Flowcharts](#)
 - View [Source Approval Request \(SAR\) Guide](#)
 - View [Source Approval Request \(SAR\) Template](#)
 - Contractor Awareness
- Increase Competition - The Limited Source NSN Listing for (Aug 2016) was created to identify items where the government would like to develop competition. The list excludes AMSC T (mil-spec) or AMSC G (complete data package). The list contains NSNs with only 1-2 Listed Manufacturers with FSC and NIIN, Item Name, Stock Availability and Open Purchase Requests with Corresponding Quantities. Note: All NSNs have an Annual Demand Value (ADV) >\$10K, and do not currently have an Open Value Engineering Project.
- Limited Source NSN Listing (FSC Specific)
 - [4820 Nonpowered Valves](#)
 - [5930 Switches](#)
 - [4730 Hose Pipe and Tube Fittings](#)
 - [4320 Power and Hand Pumps](#)
 - [4810 Powered Valves](#)
 - [5985 Antennas and Waveguides](#)
 - [1005 Guns thru 30mm](#)
 - [Complete Limited Source Listing](#)



Questions



