



DLA
DEFENSE LOGISTICS AGENCY
Established 1961



The Nation's Combat Logistics Support Agency

Alternate Offer (AO) and Source Approval Request (SAR)

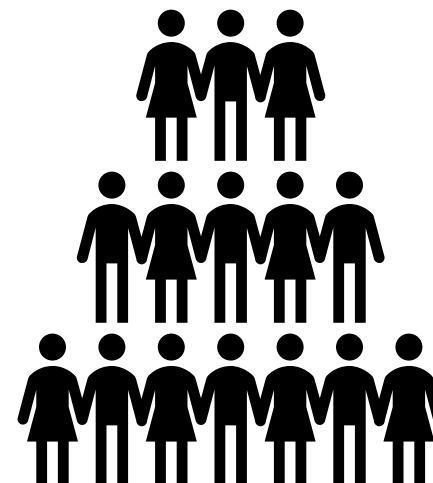
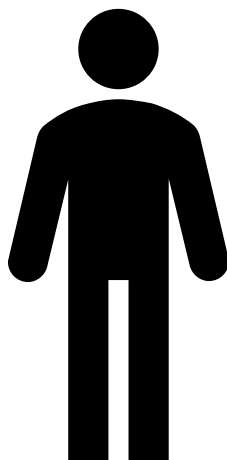
Jamie Spangler, SAR Monitor
April 23-24, 2024



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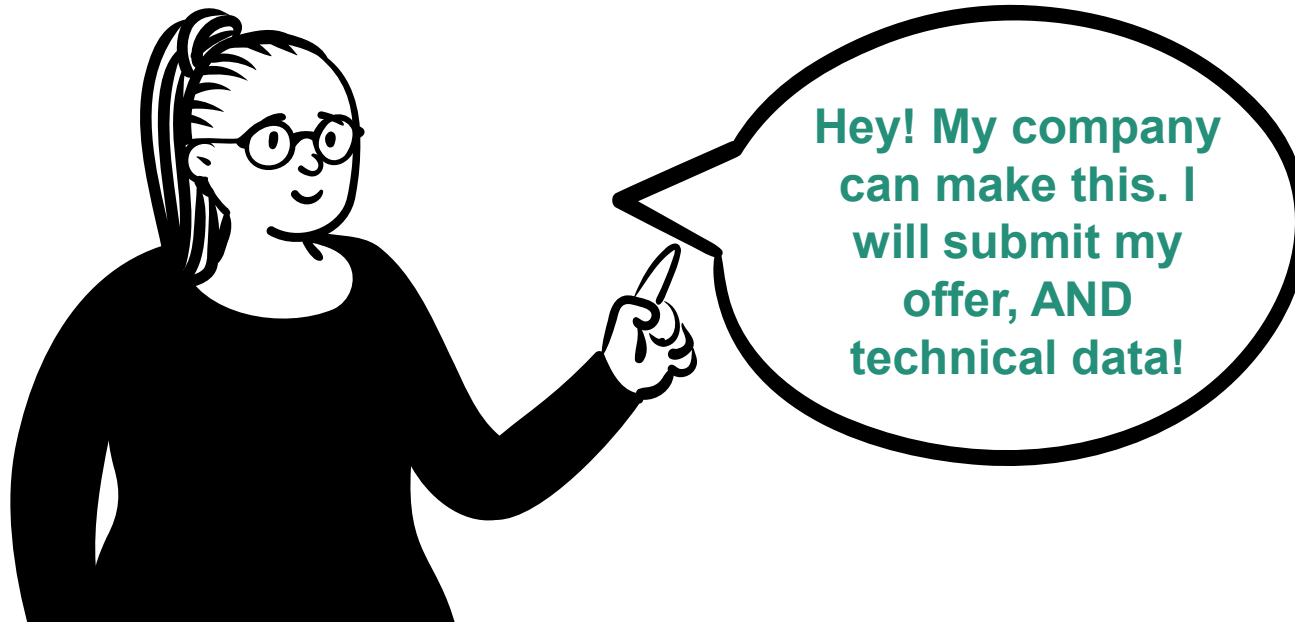


- Increasing competition for items that require an approved manufacturer
- Going from single source, or small number of sources, to multiple sources of supply





- **Alternate Offer (AO)** – An “Alternate Offer” is submitted for evaluation against an **active solicitation** in order for a company and their product information to be reviewed, potentially qualifying them as an “Approved Source” on current (and future) solicitations.





- **Source Approval Request (SAR)** – A Source Approval Request is a package of information provided by a prospective new supplier to become an approved source for procurement of an NSN. This package must contain all technical data needed to demonstrate competence to manufacture the NSN to the same, or better, level of quality than the current approved source(s) and can be submitted **at any time**.

Submission can be made
at ANY time and does not
require an active
solicitation!



- Use the DLA SAR Guide
 - Guide includes detailed information about what needs to go into your package

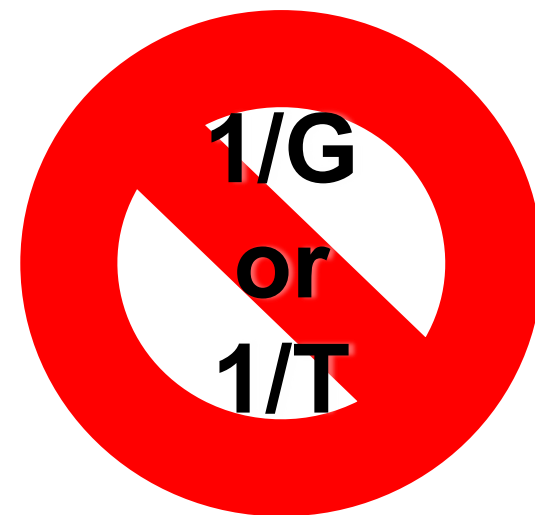
Defense Logistics Agency (DLA)
Source Approval Request (SAR)
and Alternate Offer (AO) Guide





- Acquisition Method Suffix Code (AMSC)

- Must **not** be coded as “G” for full and open competition – *these don’t require approval, just go ahead and bid!*
- Must **not** be coded as “T” – *these items are QPL and go through a different process.*
- Must be coded as “other than full and open competition,” for example:
 - Source Controlled (AMSC B)
 - Source Restricted (AMSC C)
 - Code & Part Number (AMSC D)



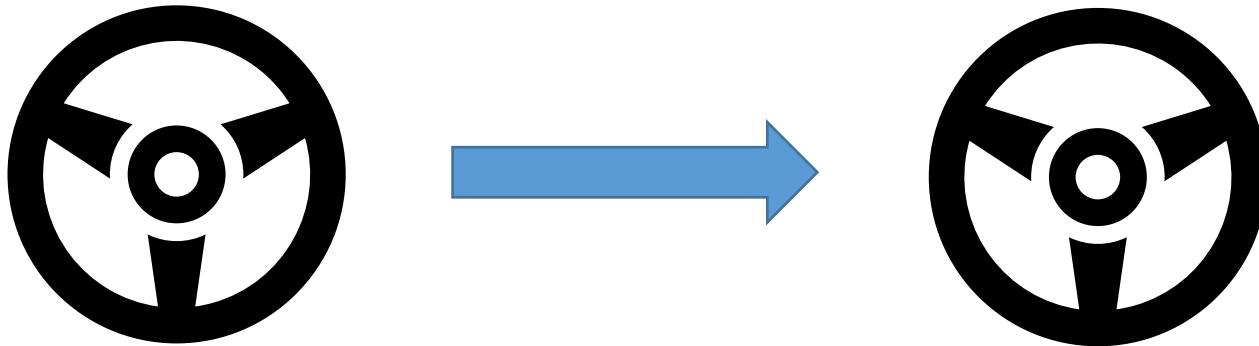


- Provide all required elements defined in the ***Defense Logistics Agency (DLA) Source Approval Request (SAR) and Alternate Offer (AO) Guide***
- Acquisition Method Suffix Code (AMSC)
- Inclusion of the potential replacement product:
 - Estimated unit price
 - Quantity ranges (and if quantity influences price)
 - Clear identification of the actual manufacturer (Company Name, CAGE Code, Point of Contact, Manufacturing Site, etc.)





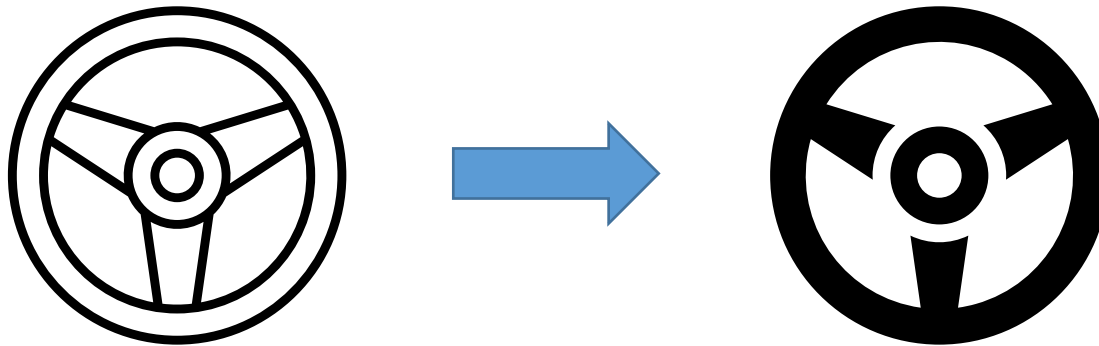
- **Category I – Actual Item**: A company may submit a Category I package if they make the exact material, can prove this with thorough documentation, and the material has been provided to the government



This category is for you if you have made the EXACT item before, to drawing specifications, and have provided the item to the government.



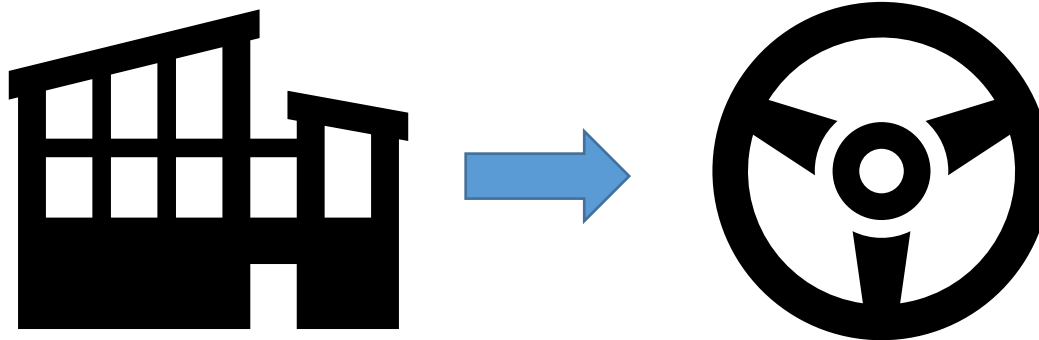
- **Category II - Similar Part:** A company may submit a Category II package if they make a similar part and can prove they have the capability to make the exact part



This category is for you if you haven't made the EXACT part and provided it to the government, but you have made something very similar in fit, form, function, and criticality – and provided those to the government.



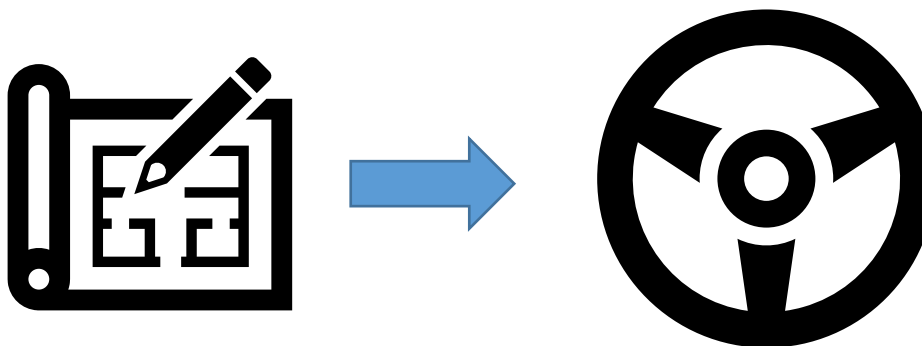
- **Category III - New Manufacturer:** This category covers items that do not meet Category I or II criteria, but the company may have capabilities to make the exact part and can fully demonstrate those capabilities



This category is for you if you have not made the exact item for the government, but you are a proven manufacturer and can demonstrate your capabilities to produce the exact item.



- **Category IV – Reverse Engineered Part:** Submissions for material under Category IV are submitting for source approval by means of reverse engineering (done at the expense – and risk – of the supplier)



This category is for you if you have reverse engineered an actual approved item that was procured through the government, and have done all required testing, inspection, etc., to build an entire technical data package, including drawings and manufacturing plan.



- Technical data **must** include:
 - **Legible** and **complete** copies of all drawings (signed and approved), specifications or other data necessary to clearly describe the characteristics and features of the product offered
 - Cover design, materials, performance, function, interchangeability, inspection and/or testing criteria and other characteristics
 - **Required Certifications** for Master Tooling, Technical Data Rights, etc.
 - Value Added
 - Reference DLAD Procurement Note L04 Offers for Part Numbered Items (SEP 2016)



- **Format:**

- Electronic copy via **email**, requested **DoD Safe link**, or CD
 - **Please note, the preferred submission format is via email. If your package is too large for email, a DoD Safe link will be provided at your request.**
- File size is limited to 8 MB for email, but is not limited on DoD Safe Submissions
- Cover letters should clearly identify the package as an Alternate Offer or SAR, along with other info outlined in Land and Maritime guidance
- Submit only **one** .pdf file for each NSN. **No ZIP files.**
- **NO** password protected files/CDs will be accepted
- Always retain copies. AO and SAR submissions **will not** be returned.



- Submission (with technical data)
 - Contracting Officer (KO)
 - AO must be submitted to the KO listed in all manual solicitations. The KO will forward for review
 - SAR Monitor, Competition Advocate Office (CAO)
 - AO for automated solicitation must be submitted to the CAO
 - SAR must be submitted directly to the SAR Monitor, CAO for review and evaluation
 - dsccao-sar@dla.mil

It is acceptable, and encouraged, to send your alternate offer to the Contracting Officer AND the SAR monitor address to ensure it is received.



• Tracking/Administrative Review

- SAR Monitor will log in all submissions for tracking and notify contractor of receipt
- SAR Monitor will perform the initial review to include projected cost savings, coordinating with the KO (if applicable) and Product Specialist (PS) as needed
- Packages that appear to meet minimum requirements are forwarded to Value Engineering (VE) for further review





Evaluation Factors

- **Package evaluation** is based on some, or all, of the following factors:
 - Cost savings to the Government
 - Demand/Need of the warfighter
 - Lead time
 - Obsolescence with demands in next 2 years
 - Sole source breakout
 - Other(s)





Process Overview

- VE analyst assesses if package is complete/meets requirements
- **Complete** packages for Critical/Weapon System items are forwarded to applicable Engineering Support Activities (ESA)
 - Additional technical data **may be required** to support evaluation. If parts are required for ESA technical evaluation, these will be requested in writing by the Service.
 - A site inspection of facilities **may be required** to evaluate requests by the Government



Process Overview

– Incomplete packages

- If potential for rework, contractor is contacted for additional information
- If information is not received or significant deficiencies exist, the package is rejected back to the SAR Monitor





Notification

- **Notification**

- Once a decision is made, the manufacturer will receive a formal notification from the SAR/Alternate Offer Monitor
- If the AO/SAR package is **approved**, the manufacturer will receive written authorization to participate as an Approved Source for the specific NSN in future procurements
- If the AO/SAR package is **rejected**, the SAR monitor will provide reasons, and will answer any questions

***NOTE:** Becoming an Approved Source **only** grants the **opportunity** to compete to supply the item - it does not guarantee future contracts or orders



- While awards are **NOT** guaranteed:
 - The Government reserves the right to make multiple awards if, after considering the additional administrative costs, it is in the Government's best interest to do so
 - If awards will be made to more than one source, the offer that represents the best value to the Government shall receive not less than 60% of the total requirement
 - Unless an offeror submits unit prices for other quantities, unit prices submitted for the total requirement will apply to any partial awards

In short, we will do our best to ensure you are given the opportunity to compete for items you are a newly approved source on – and will continue to support your effort.



- Award of Solicitations **will not be delayed** due to pending AO/SAR package evaluations. The only exception will be for non-critical/weapon system items when mission requirements allow, and there are no qualified sources quoting.
- The SAR program allows for submission **at any time**, whether an open solicitation has been published for the subject NSN, or not



- AO/SAR submission
- Technical Issues
(Engineering/Analysts)
- RPPOB
- Land and Maritime
Small Business Office

dsccao-sar@dla.mil



ve.sar@dla.mil

DSCC.PartRequest@dla.mil

SMBIZLandCOLS@dla.mil



Need assistance?
Contact Us!



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Replenishment Parts Purchase or Borrow (RPPOB) Program

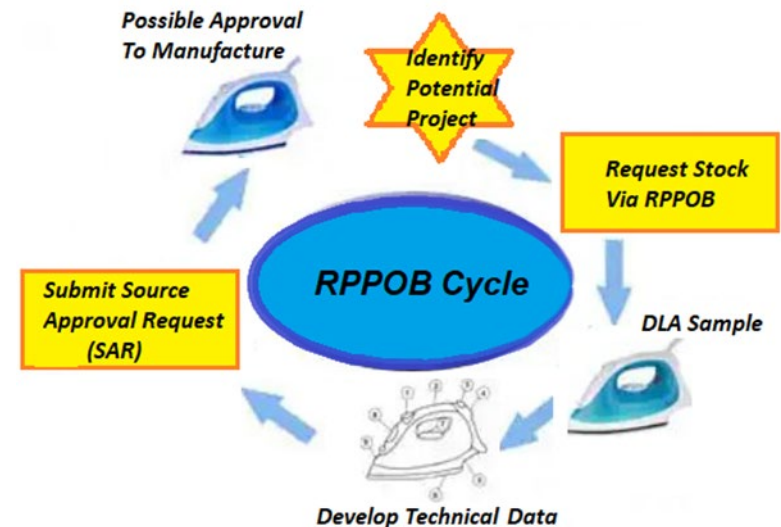
Jared Lillo, Value Analyst
April 23-24, 2024



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- The RPPOB program supports vendor initiated reverse engineering efforts
- Designed to allow vendors to visually inspect, borrow or purchase Government owned material with the intent of becoming an approved source





- **Statutory Requirement**

- Defense Procurement Reform Act of 1984
- Public Law 98-525, Section 1216(a)
- Codified at Title 10 U.S.C. 2320(B)



- **Benefits**

- Break Sole Source
- Provide additional sources on limited source items
- Reduce cost through enhanced competition
- Potential for Unlimited Rights Technical Data Packages (TDP)

GOAL: Enhance Competition



Direct Purchase

- Contractor purchases at Standard Unit Price (SUP)
- Item is not returned
- Specific terms spelled out in contract



Bailment

- Item loaned at SUP
- SUP held in Trust by DFAS
- SUP monies returned if item returned in original condition



View Parts or Send Pictures

- Contractors may inspect part in a designated area
- Test equipment not permitted





- **Not eligible** on Acquisition Method Suffix Codes (AMSC):
 - AMSC **B** - (non-government source-controlled drawing)
 - AMSC **G** - (full and open)
 - AMSC **T** - (specification controlled)
- **Not available** on NSNs with less than **\$10,000** annual buy value or with multiple years of stock on-hand
- **Not** to compare with **other** approved sources' stock
- **Not** to find out information on the NSN **after** being awarded a contract

Purpose: Develop New Sources in the best interest of the Government Reference - DoD Manual 4140.01, Volume 9



- Ensure vendor is **eligible** and item meets program requirements:
 - Verify Vendors are **not** suspended or debarred at time of request
 - Vendor is **not** already an approved source
 - Verify Joint Certification Program (JCP) certification
 - Item is not coded full and open, Annual Demand Value (ADV) > \$10,000, stock available, etc.
 - Verify Directorate of Defense Trade Controls (DDTC) registration - NSNs with Demilitarization Code other than “A or Q”

If you wish to proceed, you need to inform DLA



- Review data sources for releasable technical data
 - If no additional data is found (such as catalog data, picture, etc.) vendor is requested to **let us know if you want to proceed**
- If data is found, we will request whether you want to receive the data (cFolders) or continue to contact the Engineering Support Activity (ESA)
 - **You will need to tell us if you want to proceed**
- “ESA Concurrence” or “Own Risk” option is determined.
 - ESA Concurrence – reverse engineering (RE) pre-approval requested prior to bailment
 - Own Risk – no pre-approval requested, and bailment can proceed



- 1st screening process
 - **Maximum** of 10 days
- 2nd screening process
 - **Maximum** of 10 days
- Request for ESA Concurrence
 - **Minimum** of 30 days for response from ESA
- Answer back to Vendor after ESA RE approval/denial
- Vendor provides monies VIA electronic payment and signs the agreement
- Item (**when in Stock**) sent to Vendor



Total Process has averaged a minimum of 1 Year

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- **List of NSNs available** on Value Management Webpage
- Forecast information can be found on DIBBS webpage: Supplier Requirements Visibility Application (SRVA) link. It should provide 24 months of projected purchase order quantities
- Search the website to find opportunities that match your company's capabilities
 - Some available tools are:
 - PTACs (Procurement Technical Assistance Centers).
 - Haystack (available through your PTAC)
- Identify NSNs that are sole or limited-source



DLA Land and Maritime Value Management & Engineering

Replenishment Parts Purchase or Borrow (RPPOB) Resource Sheet

RPPOB Email: DSCC.PartRequest@dla.mil

**Technical Issues:
(Engineering/Analysts)** ve.sar@dla.mil

SAR Email: dsccaosar@dla.mil

**Land & Maritime
Small Business Office:** SMBIZLandCols@dla.mil

Links:

Value Engineering

<https://www.dla.mil/Land-and-Maritime/Offers/Technical-Support/Value-Management/>

Selling to DLA Land and Maritime

<https://www.dla.mil/Land-and-Maritime/Business/Selling/>

Definitions of AMSC codes

[PGI 217.7506 -SPARE PARTS BREAKOUT PROGRAM | Acquisition.GOV](#)

Joint Certification Program

<http://www.dlis.dla.mil/jcp/>



- Your Name
- Your Company Name
- **CAGE CODE**
- Phone Number
- Shipping Address
- NSN included on subject line of email





- RPPOB Request for DLA Land & Maritime
- AO/SAR submission or questions
- Technical Issues (Engineering/Analysts)
- Land and Maritime Small Business Office

DSCC.PartRequest@dla.mil

dsccao-sar@dla.mil

ve.sar@dla.mil

SMBIZLandCOLS@dla.mil

Where can I get help?







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