



DLA
DEFENSE LOGISTICS AGENCY
Established 1961



The Nation's Combat Logistics Support Agency

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

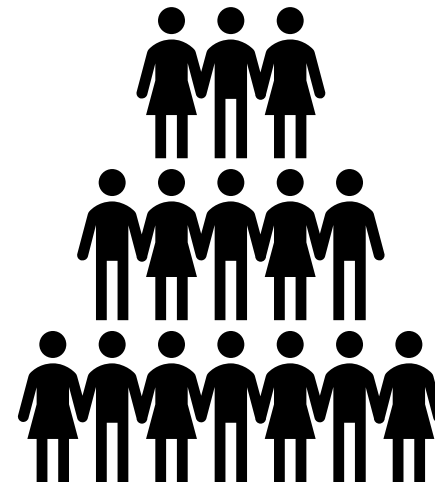
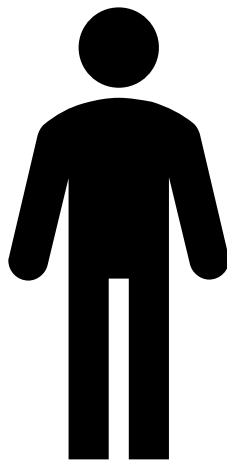
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J. Casey Carter, VE Analyst
April 6-7, 2022

WARFIGHTER ALWAYS



Purpose

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





AO Defined

- **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 the current (and future) solicitations.





SAR Defined

- **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).





SAR Defined, cont'd

- The material must be currently procured on an “other than full and open competition” basis
 - Source Controlled (AMSC B)
 - Source Restricted (AMSC C)
 - Code & Part Number (AMSC D)



*AMSC = Acquisition Method Suffix Code



Package Considerations

- Acquisition Method Code (AMC) / Acquisition Method Suffix Code (AMSC)
- Category
 - Category 1 – Same Part
 - Category 2 – Similar Part
 - Category 3 – New Part/Manufacturer

Trouble deciding
appropriate category?
Just ask!





Package Considerations

- Provide all required elements defined in the ***DLA Land and Maritime Alternate Offer & Source Approval Request (AO & SAR) Guidance***
- 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.)





Technical Data

- 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)



Submission

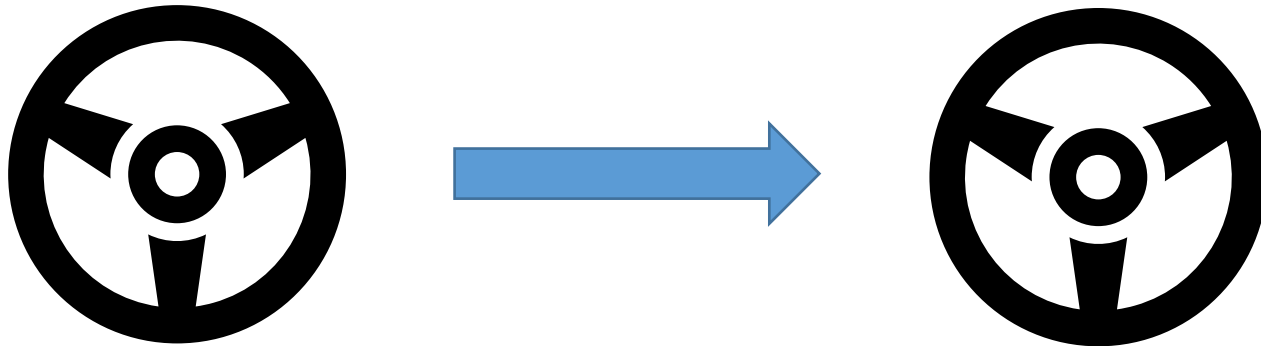
- **Format:**

- 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.**
- 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.**
- Ensure NSN, CAGE Code and Company Name is labeled on CDs
- **NO** password protected files/CDs will be accepted
- Always retain copies. AO and SAR submissions **will not** be returned.



AO/SAR Categories

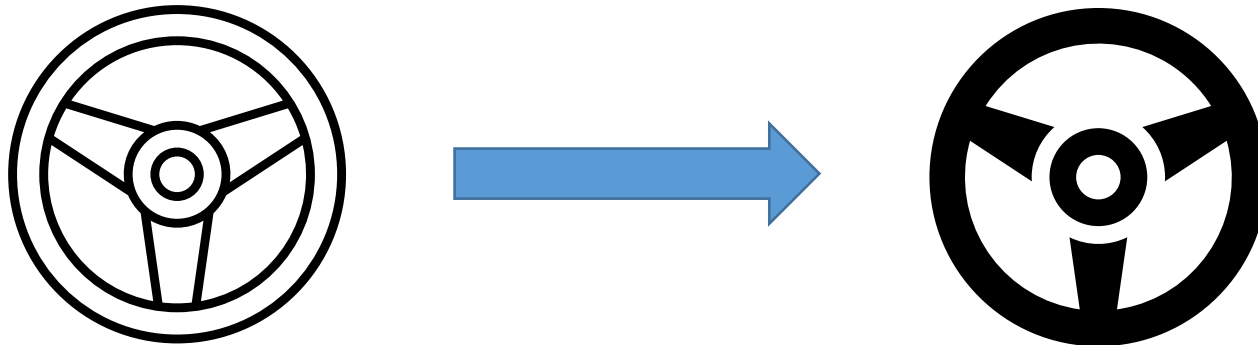
- **Category I – Same Part:** A company may submit a Category I package if they make the exact part





AO/SAR Categories, cont'd

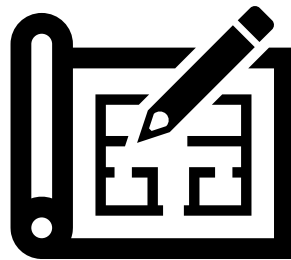
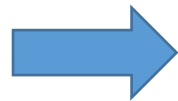
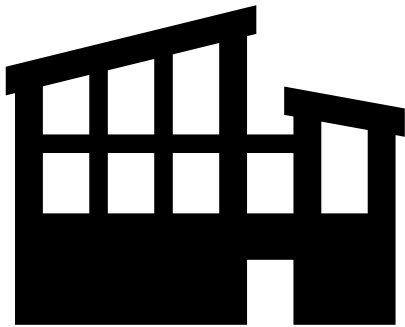
- **Category II - Similar Part:** A company may submit a Category II package if they make a similar part and can prove they have the capability to make the exact part





AO/SAR Categories, cont'd

- **Category III - New Part/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





Process Overview

- 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 Alternate Offer Monitor, CAO for review and evaluation
 - dsccao-sar@dla.mil

***NOTE:** DLA Land and Maritime will also accept submission of a CD by mail at the following address:

DLA Land and Maritime, Alternate Offer Monitor (BPP),
Directorate of Procurement Process Support, P.O. Box 3990,
Columbus, OH 43218-3990



Process Overview

- **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

- **Value Engineering (VE) Review**

- 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

- **Value Engineering (VE) Review, cont'd**

- 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

***NOTE:** Review process **typically** takes 90 to 180 days from the date the package is received by the Government



Process Overview

- **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



1st Year as Source Approved

- 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



Take Note

- 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 AO/SAR program allows for submission **at any time**, whether an open solicitation has been published for the subject NSN, or not



Resources

- AO/SAR submission dsccao-sar@dla.mil
- Technical Issues
(Engineering/Analysts) ve.sar@dla.mil
- RPPOB DSCC.PartRequest@dla.mil
- Land and Maritime
Small Business Office SMBIZLandCOLS@dla.mil

Where can I
get help?





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