Submitting Alternate Offer & Source Approval Request Packages

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Agenda

• What is an Alternate Offer & SAR
• AO/SAR Technical Data Packages
• “Automated” Solicitations
• New Competition Enhancements
• Open Discussion / Questions & Answers
What is an “Alternate Offer”?

An Alternate Offer requires a technical data package with approved drawings, price proposal, etc. to support the quote submitted by the Vendor on a NSN that is currently being solicited.

The Alternate Offer packages contain data & documents submitted for the purpose of putting your product’s capabilities forward, in an effort to enhance your company & its product status by becoming an “Approved Source” for future Solicitations.
An **Alternate Offer** is made during a normal DIBBS bid session. If you & your product are not listed in the Solicitation - you are an ALTERNATE OFFER and must quote as an “Alternate Offer” / “Bid with Exception”. (Bidding an Exact Item with the intention of delivering something else could be misunderstood and considered to be actually ‘Intent to Defraud’ the Government.)

Depending upon the type of procurement, you may be able to quote for the instant procurement - **except in the case of an “Automated Solicitation”**.

**You can submit an Unsolicited Offer technical data package to the Alternate Offer Monitor – BPP at anytime.**
AO/SAR Guidance:

DLAD 52.217.9002 “Conditions for Evaluations and Acceptance of Offers for Part Number Items”

Guidance for submitting to DLA Land and Maritime, Alternate Offer & Source Approval Request - is in your support packets. Also available at: http://www.landandmaritime.dla.mil under “Selling to DLA Land and Maritime” / “Business Opportunities”.

Note – AO/SAR Technical Data Packages will not be evaluated for items, designated “Fully Competitive”. If the Solicitation has “Full and Open Competition Applies” with a complete Technical Bid Set of Drawings & Technical Specifications available from the Government.
According to DLAD 52.217.9002:

- Alternate Offerors must furnish legible & complete copies of all drawings with appropriate signatures, technical specifications & other data necessary to clearly describe characteristics and features of the product being offered.
- Data submitted must cover design, material, performance, function, interchangeability, inspection & testing – as well as other characteristics of the product being proposed.
- When the data is not locally available to the procurement activity, the Alternate Offer submitter must furnish drawings & other technical data covering the design, materials, etc. of the Exact Product cited in the Solicitation (AID), as well as the Proposed Product - to enable DLA evaluators to determine if the Alternate Offer product will satisfy the requirements of the product cited in the Solicitation (AID).
Alternate Offer / Source Approval Request (AO/SAR)

Categories:

1. SAME PART (Category I) - Item previously provided to Original Equipment Manufacturer (OEM) and sold to the Government.

2. SIMILAR PART (Category II) - Item is similar to item previously provided to the Department of Defense by the Approved Source (OEM). A similar item in this context is one whose design, application, operating parameters, material, and manufacturing processes required are similar to those of the item for which you are seeking source approval.

3. NEW MANUFACTURER (Category III) - Manufacturer has not provided any item similar to item being solicited to the OEM or DoD. A similar item in this context is one whose design, application, operating parameters, material, and manufacturing processes required are similar to those of the item for which you are seeking source approval.
Dealer or Non-Manufacture Supplier:

• If you are a Dealer or Supplier (i.e. not the manufacturer of the item), the Category of the Actual Manufacturer will apply for purposes of source approval procedures.

• The Actual Manufacturer is defined as the manufacturing entity - whose plant, equipment, personnel & technical rights to manufacture the product on their premises manufactures the item being proposed as an Alternate Offer / Source Approval Request.

• **If you are a Dealer or Supplier - the Name, Address & CAGE code of the Actual Manufacturer is required in your Cover Letter and must be provided in your package, along with all required data supporting the Category for which you are applying.** (See Checklist in the Guidance.)
"Automated" Solicitations

• Automated Solicitations have either the letter “T” or “U” in the 9th post of Solicitation number, such as: “SPM7L0-10-T-xxxx”

• If bidding under an Automated Solicitation, you must provide the “Exact Product”. This means the approved source manufacturer’s CAGE code and Exact part number, manufactured by or under contractual relationship with the approved source manufacturer, with evidence in order to qualify as a “Bid without Exception”.

• Note - Any product other than that listed in the Solicitation will be considered an Alternate Offer and Alternate Offers will not be considered for the instant procurement if it is an Automated Solicitation. They may be submitted for Future Procurement Requirements.
Where do I submit my AO/SAR package?

AO/SAR package, you will submit your technical data, approved drawings, price proposals, etc. by off-line either hard copy or stored on a CD (.pdf formatted):

a) **by U.S. Postal Service to:**
   - DLA Land & Maritime
   - Alternate Offer Monitor - BPP
   - Directorate of Business Process
   - P.O. Box 3990
   - Columbus, OH 43218-3990

b) **by UPS or FEDEX to:**
   - DLA Land & Maritime
   - Alternate Offer Monitor - BPP
   - Directorate of Business Process
   - 3990 East Broad Street
   - Columbus, OH 43213

c) **by on-line to:** DSSC_AO-SAR@dla.mil (If under 8MB)
Does my product meet “Cost Savings Threshold”? 

- The AO/SAR “Cost Savings Threshold” is the total dollars which the Government will save, if your product is approved – calculated by comparing the net differential (Current Approved Source Unit Price less the Proposed Product Unit Price) multiplied by the DLA Historical Annual Demand for that NSN.

- Cost Savings Thresholds for AO/SAR processing:
  - $200 if local DLA Land & Maritime only (Non-Critical NSNs)
  - $1,500 min. per Engineering Support Activity (ESA)
  - $1,700-7,500 minimum amount of cost savings, if the package must be forwarded to an ESA (s) for further evaluation.
Provide your CAGE code, the NSN & your Proposed Unit Price, Quantity Price Breaks, your Technical Data - as well as the Approved Source (OEM) Technical Data* in your package.

*Option - If you can not get the OEM’s technical data & drawings and the Government has the data available for release, during an open Solicitation you may request DLA Land & Maritime to assist you to secure data the Government has that is available & releasable.

**Please, do not send product samples with your AO/SAR Package.** (If needed, they will be requested in writing later.)
Alternate Offer / SAR

• If the Government does not have release-able technical data, you may request permission to “reverse engineer” the Approved Product from DLA Land & Maritime RPPOB office. *(Prior to sending your request, double-check with DSCC.CDDWGS@DLA.MIL for drawings during open Solicitations.)*

• Please do not waste your time & money buying OEM products on the Web to do your own ‘reverse engineering’ - without DLA Land & Maritime RPPOB program documentation, you will have a hard time passing “Traceability”.

• RPPOB Reverse Engineering approval will be granted only if there is clear evidence such an action is in the best interests of the Government.
Why was my package rejected?

- 80% of all packages are rejected for one or more of the following reasons:
  - Not Economically Feasible;
  - Drawings Incorrect or Missing;
  - Proposed Item Drawings Not Approved or Missing;
  - No Test Plan / failed to address Required Tests;
  - No Unit Cost (Package will not be rejected solely because of no unit cost. We will ask.);
  - Technical Support Data incorrect, illegible or missing.

**Hint – Use Alternate Offer Table as a Q.C.Checklist**

*(See Alternate Offer & Source Approval Request Program Guidance).*
Alternate Offer / SAR

Where can I get more information?
Bid Set Info – https://pcf1.bsm.dla.mil/cfolders
AO/SAR Submission – dscc ao-sar@dla.mil
AO/SAR Process Questions – john.blaine@dla.mil
Technical Issues – dla.land.and.maritime.engineering.support.team@dla.mil
Checking if Drawings available – dscc.cddwgs@dla.mil
DLA Small Business Support – dscc.bcc@dla.mil / Tel. 1-800-262-3272

DLA Land and Maritime is committed to building Competition in order to make our taxpayer dollars go further, while protecting product integrity and lives.

**ENHANCED COMPETITION = COST SAVINGS & BETTER USE OF TAXPAYER DOLLARS!**
We Missed You, Daddy!
Newly Approved Alternate Sources

DAG 17.7501-6 – Retention of Newly Approved Alternate Sources

• Applies when an Alternate Offer source is formally Approved on an NSN, that was previously purchased noncompetitively.
• Creates a favorable environment for multiple awards on one-time buys during the “Foundational Period”.
• Authority: FAR 6.101; DLAD 17.9001(a) (5) and 17.9002(d).
• Applies to DLA Land and Maritime newly approved source product submitted through Alternate Offer or SAR process.
Purpose

• To enhance Competition by encouraging new sources.
• To help new sources with limited funding to hang in there instead of dropping out of the Government market, due to incumbent OEM entry-deterring actions:
  ➢ Lowering prices
  ➢ Predatory pricing
  ➢ Capacity expansion
• To encourage future competitive sources and facilitate supply availability at competitive prices.
Multiple Award Preference

• Multiple awards shall be considered when:
  ➢ The new source may not be the overall best value, but their offered price is equal to or lower than the last noncompetitive price paid by the Government
  ➢ Their price determined to be Fair and Reasonable
  ➢ Their delivery meets the Government’s requirements
  ➢ The benefit of issuing multiple awards outweigh anticipated increased prices that may result from the award of more than one contract.
Twelve months after the alternate source is approved or six months after they receive their first award, whichever is later:

- If first article approval is required, the period begins to run when the first article sample is delivered and completed testing with written approval.
- If the item is on LTC, the period begins to run when the item is deleted from the LTC for competitive action.
Solicitation

• If the new source requires FAT approval, all the required FAT clauses and DLAD 52.217-9018, Supply Assurance Through Multisource Contracting are included.

• If the new source does not require FAT, instructions on the continuation sheet (RFPs and RFQs) are added:
  - 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 otherwise qualifies its offer, unit prices submitted for the total requirement will apply to any partial awards.

• Price break ranges are to be actively solicited.
Questions & Answers