

Source Approval Information Booklet

Competition Management Office U. S. Army TACOM LCMC Warren

[Sources Sought/Market Surveys](#)

[Contracting Opportunities](#)

What is Source Approval?

The U.S. Army TACOM Life Cycle Management Command (LCMC) buys a huge array of spare parts to support our combat and tactical vehicle fleets. Most of these parts have complete detailed technical data packages (TDP) that allow competitive procurement from any competent source. Procuring spares through full and open competition procurement actions is the preferred method of the Competition in Contracting Act of 1984 (CICA). However, TACOM LCMC also buys many parts for which little or no technical data is available to support procurement actions. The procurement of these parts is restricted only to **“approved”** sources that have demonstrated their ability to produce the parts. For restricted parts, CICA requires buying activities like TACOM LCMC to seek new sources and to give those interested sources opportunities to demonstrate their capabilities to produce the parts. At TACOM LCMC-Warren, the implementation of this CICA requirement is called the Source Approval Program.

The Source Approval Program provides ways for suppliers to compete for business on sole source or restricted spare parts. To successfully compete in the Source Approval Program, the onus is on the **“offeror”** of the restricted part to demonstrate that their part is equal to or better than the part TACOM LCMC is currently procuring. Generally, offerors offering restricted parts for demonstration occur in two phases; the Source Approval Request (SAR) package and the qualification test phase. During the SAR phase, offerors must complete and submit a SAR Package to the Competition Management Office for review and approval. The Competition Management Office works with the appropriate engineer and program manager to have submitted SAR Package reviewed and evaluated. The review process normally takes 30 to 60 days before a decision is made. If an approval decision is given during the SAR phase, the offeror is then given authorization to move into the qualification and testing phase. The qualification and testing phase takes at least a year or two before approval and eligibility status is granted for bidding on future procurements. Upon receipt of approval and eligibility status, the offeror can legally compete against other approved sources to supply parts for government requirements. It is imperative that offerors are aware that becoming an approved source only grants them an opportunity to compete; it does not guarantee them future contract awards.

Source approval is not easy. It requires the commitment of the offeror to produce the SAR and in most cases, fund the qualification and testing requirements. It also requires the offeror to remain actively involved in the SAR Process through inquiries and follow-up, timely submission of supplemental data, clarifications to questions asked, and revised documents as requested by TACOM LCMC’s engineering staff. Similarly, TACOM LCMC is responsible and obligated to

providing offerors a prompt and objective evaluation of their SARs qualification and testing results. Moreover, TACOM LCMC is also obligated to provide offerors the opportunity to rework or retest various qualification and testing components when feasible. The success of any Source Approval effort is dependent on open dialogue and an honest collaborative partnership among all parties.

The Competition Management Office (CMO) is the manager of the Source Approval Program and is responsible for receiving and initially reviewing all SARs before forwarding them to the appropriate engineering department for final evaluation and approval. If other functional departments, such as Quality Assurance or Maintenance need to be involved in the SAR approval process, the CMO will ensure their participation in the process. On the other hand, if the process comes to a halt for any reason or requires expediting, as the offeror's advocate, the CMO works to get the process back on track.

The Source Approval program is the capstone of the competition enhancement programs administered by the CMO. Source Approval serves the business community by providing an avenue for manufacturers and suppliers to tap a market that has little competition. Source Approval serves TACOM LCMC by introducing price competition into the procurement process and generating huge saving, reduce delivery schedules and producing better quality products for the Soldiers and the army. Overall, it creates a "win-win" program for all parties.

What Source Approval Is Not

The Source Approval Program bears a very close resemblance to the Qualified Products List (QPL) or Qualified Manufacturers List (QML) programs but they are in fact, distinctly different! The QPL and QML Programs are for items with identified specific qualifications and quality requirements for which the US Government already has a developed written qualification test plan. Except for the need to control some critical need through the manufacturing process, these items would be completely competitive build-to-print items from available Level III technical data packages. However, items in the Source Approval program do not have complete technical data packages and also have some crucial manufacturing or quality details missing that prevents them from being fully competitive. In addition, in most cases, the US Government has not developed a qualification test plan for these items. Therefore, the technical knowledge required to manufacture and test these parts rests with current producer(s). The QPL and QML Programs are administered by the TACOM Research, Development & Engineering Center (TARDEC). For information on TARDEC and its available programs see Appendix A.

Frequently, the CMO receives information packages for "new items" or "new technology" that may have military application. Although these submittals are of interest to TACOM, they are not Source Approval candidates and are considered unsolicited proposals. All unsolicited proposals should be forwarded to the TARDEC's National Automotive Center for review. Furthermore, Source Approval Requests are only for items already existing in the Army's logistics and supply system with assigned National Stock Numbers or Military Part Numbers. In other words, they

are parts that are already being used on TACOM LCMC's vehicle fleets. Offerors interested in bidding on items with pre-existing Level III TDPs should visit the TACOM LCMC-Warren's Acquisition PROCNET Website to view all open solicitations at <http://contracting.tacom.army.mil/opportunity.htm>.

How to Identify a Source Approval Candidate

As previously mentioned the Source Approval process has two phases; the SAR evaluation phase and the qualification and testing phase. Prior to entering into Phase I, offerors must identify good SAR candidates to pursue. There are a variety of ways which an offerors can find SAR candidates, but the most common methods include reviewing solicitations for bid, reviewing the [Competition Advocate's Shopping List \(CASL\)](#), [Advance Procurement Planning List \(APPL\)](#) and Market Surveys. Below is a brief description of each product.

Solicitations for Bid are the buying agencies normal announcements of intention to buy items. The solicitations for these items appear in the Commerce Business Daily newspapers, on TACOM LCMC's Acquisition Center PROCNET site, and in the FedBizOps. All of these products are excellent sources for identifying potential Source Approval candidates. Items identified using any of these methods, normally will not be approved and finalized in time to support an open and on-the-street buy; however, offerors are encouraged to submit their SARs in support of future follow-on acquisition opportunities.

CASL is a list of non-competitive spare parts with future acquisition potential. It is the best list of Source Approval candidates TACOM LCMC has to offer. Its intention is to provide industry a timely identification of the non-competitive spares the US Government anticipates procuring in the current fiscal year and next two budget years. The timely identification of spares provides industry an opportunity to align and structure its capital resources in support of the SAR process and to create a position for them to bid on future acquisition requirements. CASL Listings are published with the National Stock Numbers (NSN), Manufacturer Part Numbers (MPN), Weapons System Codes (WSC), Unit Prices, and projected annual procurement requirements.

APPL is a companion list that is identical to the CASL in format and information content; however, it identifies spare parts that TACOM LCMC-Warren is planning to procure competitively. For the most part, the APPL contains competitive items that are not Source Approval candidates, but some spares that are less than 100 percent competitive may appear on its list. Items which are less than 100 percent competitive may also be good candidates for the SAR Program. Therefore, reviewing both the CASL and APPL Listings provides the best comprehensive forecast of TACOM LCMC -Warren's spare parts acquisition requirements. These listing are located on TACOM LCMC Acquisition Center's PROCNET website as well as synopsized in the FedBizOps for public viewing.

Market Surveys and Sources Sought Notices are generated and synopsized in the Commerce Business Daily or FedBizOps when non-competitive items do not appear on

the CASL or APPL Listings in support of solicitations that are open and on-the-streets. Market Surveys / Sources Sought Notices invite interested offerors to contact the Competition Management Office and inform them of their desire to participate in the Source Approval Program in efforts to become an approved source.

Once potential items are identified, how do offerors determine if the items are worthwhile candidates? The CMO will assist the offerors in collecting the necessary information such as procurement history, technical data, engineering points of contacts and other data needed to make an informed decision regarding the potential SAR candidates. All free and public information available to the public can be obtained either through the CMO or Freedom of Information Office. Information regarding actual solicitations or awards is the domain of the Contracting Officer and may be available from the Acquisition Center. The US Government cannot provide proprietary or Privacy Act information. Therefore, some information may not be available through the Competition Management Office, but only available through the [Freedom of Information Act](#) (Appendix A).

In addition to the Market Surveys / Sources Sought Notices, the CMO also manages the [Replenishment Parts Purchased or Borrow Program \(RPPOB\)](#) that allows offerors to buy sample parts to aid them in developing SAR Packages. More information on the specifics of the RPPOB Program is available in Appendix B. In summation, the RPPOB Program provides offerors an opportunity to buy parts for reverse engineering, comparison testing or other reason related to competition enhancement. Although the offerors can buy spares through the RPPOB Programs, they can not borrow spares under a “loan agreement” through the RPPOB Program. The RPPOB Program does not support loaning and bailment of secondary spares procured with Army Working Capital Funds. Besides, good Source Approval candidates have insufficient technical data to support re-inspecting and testing for serviceability prior to returning any stock issued under a loan or bailment program back to on-hand inventory.

What are the Source Approval Request Package Requirements

The most important step in the Source Approval process is the preparation of the Source Approval Request Packages which contain three components. First, it must contain a description of the offeror's general manufacturing capabilities and capacity to produce the selected part. Secondly, it must identify the exact manufacturing processes and practices the manufacturer will employ in manufacturing the SAR candidate. Finally, it must provide a description of the qualification and testing procedures the manufacturer will use to demonstrate that the item produced will meet or exceed the current form, fit and functional requirements of the SAR candidate. The SAR must also be detailed enough as to allow TACOM LCMC-Warren's Engineering Department the ability to determine if a suitable part will be produced.

All SARs must contain the following information:

1. Cover letter explaining the offeror's intention of becoming an alternative source of supply for a particular item. Identification of the offeror as a small business or corporate affiliations with an established Contractor and Government Entity Code (CAGEC). The letter must also identify by NSN and MPN the item of interest. If the

- item of interest is on an open solicitation that is currently on the street, include the solicitation information so that the CMO can coordinate offeror's interest to become an approved source with the appropriate Contracting Officer.
2. Manufacturer brochure or a synopsis of offeror's manufacturing operations and capabilities. Normally, any corporate literature or brochures can be used to fulfill this requirement.
 3. Manufacturer or Supplier Statement certifying that the offeror will perform all or most of the manufacturing operations required to produce the SAR candidate. If an alternate manufacturer will be used in the production process, then the submitted statement must be for the facility and location where the actual manufacturing and supplier processes will occur.
 4. Complete set of drawings must be submitted for all SAR candidate(s). All drawings must include forging and casting, technical image and supporting drawing data. If the item is a safety or mission critical part, annotate drawings with the critical safety identifier and identify specific characteristics that are critical (i.e. dimension, material, composition, finish, etc.). If the drawings contain proprietary information, please mark accordingly for proper handling.
 5. Quality System Documentation describing the quality assurance system (e.g. MIL-Q-9858, MIL-I-45208. etc) that will be used in manufacturing the part.
 6. Identify all special processes and materials required in the manufacturing processes which are difficult to control or acquire. In addition to identifying special processes and materials, the offerors must describe their plans for controlling special processes and materials, as well as identification of all sub-contractors and vendors involved in the manufacturing processes. Examples of processes that must be accounted for are castings and forging, plating/coatings, various methods of welding, and exotic metals such as gold, titanium and depleted uranium.
 7. A Qualification Test Plan is probably the most important SAR component because it is a detailed explanation of how the offeror is going to demonstrate that his version of the part will perform as well or better than the current part. The test plan should identify all procedures, equipments, and testing location. If the testing is to be done at an Independent testing laboratory, the offeror should identify the proposed vendor so that TACOM LCMC- Warren's quality staff can evaluate the vendor's capability. Generally, a test plan cannot be developed without the assistance of the TACOM LCMC-Warren's engineers which the CMO can assist offerors in identifying the correct engineering point of contact for all testing requirements. If military vehicles are required in support of testing, TACOM LCMC-Warren engineers' can also assist the offerors in making the necessary testing arrangements.
 8. If the offeror is a manufacturer that is currently making the SAR candidate for the vehicle system's Original Equipment Manufacturer (OEM) or the OEM's sub-

contractors, submitting copies of the OEM's purchase orders and shipping documents along with the SAR Package can shorten the process. Also included in the SAR Package is information that helps to identify the item, such as cross-references to the OEM's part number and the military part number or National Stock Number (NSN) also speeds up the evaluation process. At the discretion of the engineers, qualification testing can sometimes be waived for offerors falling into this category.

SAR FLOW

Submit all SAR Packages to the CMO at the following address:

USA TACOM LCMC
6501 E. 11 Mile
Attn: AMSTA-AQ-C, MS 309
Source Development Officer
Warren, MI 48397-5000
Phone: (586) 574-6596
FAX: (586) 574-5020

The CMO will assign an internal control number and review SAR Package to ensure it contains the required documentations; incomplete packages will be returned without action. After assigning a control number, the CMO will identify the responsible engineering department and transfers the SAR to the appropriate engineer for processing. After assigning SAR Packages to an appropriate engineer, the CMO sends the offeror a letter acknowledging receipt of the SAR and contact information of the assigned engineer. Once, an engineer is assigned to the SAR Package, all correspondences and communications concerning the SAR technical requirements is between the offeror and TACOM LCMC-Warren's engineer, thus eliminating the CMO as an unnecessary intermediary in the process. However, in the event of a breakdown in the process, the CMO is always available to arrange meetings or assist the offeror as needed to get the process back on track. The evaluation process begins when the responsible engineer receives the SAR for final review and approval. The engineer will review the SAR Package drawings and compare them with available technical data as well as review test plans for sufficiency. If the engineer has questions about the SAR Package or detects any deficiencies, the offeror will be contacted for clarifications. Depending on the engineer, this may be done over the phone, via letter or face to face meetings.

If the SAR meets the engineer's approval, the offeror will be granted approval to proceed with the qualification and testing phase. Although the preferred method is to have the testing done at an independent lab and have the lab send the test results directly to TACOM LCMC-Warren's engineer, other arrangements are permissible with the engineer approval. If the test requires use of military vehicles, the engineer may refer the offeror to the Army testing facilities at Aberdeen, MD or Yuma, AZ. Many of the US Government's vehicles are in continuous testing at these facilities and testing center personnel can provide the offeror with appropriate test and fee schedules when requested. TACOM LCMC-Warren is committed to helping the offerors reduce

costs where possible, but all cost associated with qualification and testing is the sole responsibility of the offeror (see Federal Acquisition Regulation Sub-Part 9.2). However, with the engineer approval the SAR Program does allow for creativity and flexibility in the test plan such as “piggy-backing” which can reduce cost. Remember, the Source Approval process is a cooperative venture.

Upon completion of the qualification and testing phase, the engineer evaluates all of the results. If the results fail to meet the US Government’s requirements, the offeror will be allowed to take corrective action and retest, if he / she so desires. There are no time restrictions for retesting as long as the part remains in the logistics system. If the part passes the qualification test, the engineer will notify the CMO, who notifies the offeror that he /she has passed the qualification test and is now considered an approved source. If the part has a TACOM LCMC drawing and an assigned part number, the engineer will generate an Engineering Change Proposal (ECP) to add the offeror's name, part number and CAGEC to the drawing. Currently, due to the lack of funding required to support ECPs, the offeror is forwarded a memorandum and a copy of the memorandum placed in the procurement jacket validating the offeror’s ability to bid on future procurements. If there are no TACOM LCMC’s drawings, the engineer sends a memorandum to TACOM LCMC’s Cataloging Department with directions to add the offeror's name; part number and CAGEC to the logistics database to establish cross-reference to the offeror’s item and the current National Stock Number. Once these actions have been accomplished, the offeror is allowed to bid on future procurements. If the approved parts are being procured on an open solicitation, the ECP action or the database entry might not be completed timely enough to support the live buy. In these cases, a memo from the engineer to the buyer validating that the offeror is an approved source will allow the offeror to bid. All that is left for the offeror to do at this point is to sharpen his / her pencil and respond to the open solicitations with their best offer. Source Approval provides no guarantees of future contract awards; it only provides the opportunity to compete in a market that was once available to only a few competitors. May the best offeror prevail!

Appendix A: Sources of Information

1. Freedom of Information Act (FOIA):

USA TACOM
FOIA Office
Attn: AMSTA-CM-C
Warren, MI 48397-5000
(586) 574-8099 or fax (586) 574-7048
[FOIA Office](#)

2. Technical Data Requests:

USA TACOM
Attn: AMSTA-TR-E/PROC
Warren, MI 48397-5000
[Technical Drawing Counter](#)

3. TARDEC-NAC
6501 E. 11 Mile Road
Warren, MI 48397-5000
Attn: AMSTA-TR-N
(586) 574-8666
[National Automotive Center/TARDEC](#)

4. TACOM Ombudsperson:
USA TACOM
Attn: AMSTA-AQ-C
Warren, MI 48397-5000
(586) 574-6597 / 6547 or fax 586-574-5020
<http://contracting.tacom.army.mil/ombudsperson.htm>

5. Competition Management Office:

USA TACOM
Source Development
Attn: AMSTA-AQ-C
Warren, MI 48397-5000
(586) 574-6597 / 6547
<http://contracting.tacom.army.mil/compmtg/competition.htm>

APPENDIX B: The Replenishment Parts Purchase or Borrow Program (RPPOB)

The RPPOB Program allows offerors under the Source Approval Program an opportunity to buy the item from the US Government. The offeror may use the sample for reverse engineering, comparison testing or any other way to assist in developing a SAR Package. The item must be in stock and a TACOM LCMC-Warren managed item. The RPPOB Program can only be used for developing competition; it cannot be used to obtain samples for production purposes.

An offerors' wishing to obtain items should send a letter or fax to the following address:

USA TACOM
RPPOB Program
Attn: AMSTAAQ-C, MS 309
Warren, MI 48397-5000
Phone: (586) 574-5207
FAX: (586) 574-5020

The offeror's letter should be on corporate letterhead and state that the item is requested in support of developing a Source Approval Request package. It should also list the requested part's nomenclature and National Stock Number. All sales under the RPPOB Program are final; TACOM LCMC-Warren will not buyback or otherwise accept any return items under the

RPPOB Program. If an offeror wishes to simply inspect an item, sometimes arrangements can be made with the depots or other Army facilities for the offeror to view the items. Because depot viewing often times incurs a cost for handling and repackaging the items, please contact the Competition Management Office RPPOB Program Manager to establish special arrangements.

All sales under the RPPOB Program are made under a written Sales Agreement using the following conditions:

1. The offeror is a prospective supplier of the item.
2. The sale of the item is in the best interest of the national defense.
3. Transfer of the item to a third party is prohibited.
4. The offeror's request to purchase sample must be accompany with its company's CAGE Code, NSN of interest, and US and Canada Joint Certification (JCP) Code.
5. The technical data derived from the item sold and the new part developed by the offeror under the RPPOB Program will not be transferred to a third party without Army consent.
6. The Government shall not be held responsible for damage to the property of the offeror, or for personal injuries to the offeror's officers, agents, servants or employees or to other persons arising from incidents associated with government materials sold under the RPPOB Program.
7. There are no spare parts loaned under the RPPOB Program.
8. All sales under the RPPOB Program are final, no buybacks, returns, or exchanges.
9. All sales require the approval of the contracting officer, Competition Advocate, and the requesting offeror company's president or Chief Executive Officer. All signatures must be obtained before Sales Agreements are finalized.

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