



GSA Office of Governmentwide Policy

3/24/2021

Class Justification CD-2021-08

MEMORANDUM FOR GSA CONTRACTING ACTIVITIES

FROM:

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SUBJECT:

Class Justification - Lowest Price Technically
Acceptable Source Selection Process for Certain Lease
Acquisitions

- Purpose.** This memorandum approves a temporary class justification providing Public Buildings Service (PBS) limited authority to use the lowest price technically acceptable (LPTA) source selection process for certain types of lease actions. The class justification is pursuant to the Federal Acquisition Regulation (FAR) 15.101-2(c)(6) requirement that the contracting officer (CO) documents the contract file describing the circumstances that justify the use of the LPTA source selection process.
- Background.** Section 880 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019 (Pub. L. 115-232) limits the use of LPTA source selection criteria in circumstances that would deny the Government the benefits of cost and technical tradeoffs. Effective February 16, 2021, based on the publication of Federal Acquisition Regulation (FAR) Case 2018-016, FAR 15.101-2 requires the CO to document the file to justify the use of LPTA.

The PBS Office of Leasing requested a class justification to allow for the continued use of LPTA source selection criteria for those acquisitions meeting specific criteria following the FAR 15.101-2 update. Over the next five years, more than 4,000 of the 8,000 leases (representing more than 100 million square feet) will require a long term replacement lease. Most of these are expected to be competitive actions; Leasing of space

tends to be very commoditized making use of a LPTA approach reasonable in most circumstances.

This class justification satisfies the requirements of FAR 15.101-2 for the vast majority of GSA lease procurements and streamlines the process for efficiently awarding these contracts. It also highlights those areas which merit additional attention.

3. **Authority.** This class justification is issued in accordance with GSAM 501.404 and 501.707. This action is requested by PBS in accordance with FAR 1.703, 1.704 and 15.101-2.
4. **Applicability.** This class justification applies to all competitive lease procurements except for—
 - a. New construction lease projects¹ above the prospectus threshold² that will be competed.
 - b. The highest total contract value prospectus lease acquisition in each region for each prospectus program year that will be competed.
5. **Requirements.** Applicable lease procurements are subject to the following requirements.
 - a. General. PBS Office of Leasing (PR) will report results, progress, lessons learned, and challenges to the Office of Acquisition Policy (MV) within one year, to determine the need for the continuation or revision of the class justification.
 - b. Contract File. For each proposed lease contracting action taken pursuant to this class justification, as a reminder, contracting officers should ensure the contract file includes documentation of the below details. These details could be captured in the acquisition plan, price negotiation memorandum, or other acquisition document.
 - i. Determination that the requirement falls within the scope and applicability of this class justification (see FAR 15.101-2).
 - ii. Determination that the proposed contractor is responsible for performing the work (see GSAM 570.108, and FAR 9.104).

¹ New construction lease projects are defined as a leasing solution to a Government space requirement where the Government mandates that only new building construction will be able to meet the Government's technical requirements.

² GSA Annual Prospectus Thresholds:

<https://www.gsa.gov/real-estate/design-construction/gsa-annual-prospectus-thresholds>

- iii. Determination that the proposed contract pricing is fair and reasonable consistent with market conditions and the Government's requirements (see GSAM 570.203-4(d), GSAM 570.306(b), and FAR 15.404-1).
 - c. Reviews. For the lease procurement exceptions noted in Section 4a and 4b, if LPTA is to be used, the HCA must approve a separate individual justification as being appropriate and consistent with the requirements of FAR 15.101-2.
 - d. For the lease procurement exceptions noted in Section 4a and 4b, unless waived, an Acquisition Review Board is required per GSAM 504.7104.
6. **Effective Date.** This class justification is effective immediately and remains in effect for one year.
7. **Point of Contact.** Questions regarding this class justification may be directed to Marten Wallace at GSARPolicy@gsa.gov.

Attachment PBS Office of Leasing Business Case Request for Class Justification for Lowest Price Technically Acceptable Source Selection Process for Certain Lease Acquisitions