




GSA Public Buildings Service

March 30, 2021

MEMORANDUM FOR: REGIONAL COMMISSIONERS, PBS  
REGIONAL LEASING DIRECTORS  
REGIONAL LEASE ACQUISITION OFFICERS

FROM: JOHN D. THOMAS   
ACTING ASSISTANT COMMISSIONER FOR OFFICE OF  
LEASING – PR

SUBJECT: LEASING ALERT (LA-21-03) Temporary Class Justification  
CD-2021-08 - Lowest Price Technically Acceptable Source  
Selection Process for Certain Lease Acquisitions

1. **Purpose.** This Leasing Alert disseminates a temporary class justification CD-2021-08, issued by GSA's Senior Procurement Executive (SPE), authorizing the use of Lowest Price Technically Acceptable (LPTA) source selection procedures as the default strategy for nearly all competitive lease procurements except as outlined under the "Instructions and Procedures" (part 6) below. This class justification was requested by the Office of Leasing (OL) in response to changes in FAR 15.101-2, effective as of February 16, 2021, limiting the use of LPTA source selection procedures on most procurements unless certain criteria are met. As these criteria apply to nearly all lease procurements, the Office of Leasing (OL) sought and obtained this class justification from the SPE. **Note that the class justification is temporary and is only effective for one year.** The Office of Acquisition Policy (MV) will determine the need for continuation or revision of this class justification pending OL's reporting of results, progress, lessons learned, and challenges to MV.
2. **Background.**
  - a. Section 880(a) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (NDAA) states that "*It shall be the policy of the United States Government to avoid using lowest price technically acceptable source selection criteria in circumstances that would deny the Government the benefits of cost and technical tradeoffs in the source selection*

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*process.*” Section 880(b) outlined the situations in which use of LPTA was appropriate and required the Federal Acquisition Regulation (FAR) to be revised to reflect this new policy.

- b. FAR Case 2018-016 “Lowest Price Technically Acceptable Source Selection Process” implementing Section 880 was issued as a final rule on January 14, 2021, with an effective date of February 16, 2021. As a result, [FAR 15.101-2](#) permits the use of LPTA only when all of the following six (6) criteria are met:
  - i. [1] The agency can comprehensively and clearly describe the minimum requirements in terms of performance objectives, measures, and standards that will be used to determine the acceptability of offers;
  - ii. [2] The agency would realize no, or minimal, value from a proposal that exceeds the minimum technical or performance requirements;
  - iii. [3] The agency believes the technical proposals will require no, or minimal, subjective judgment by the source selection authority as to the desirability of one offeror’s proposal versus a competing proposal;
  - iv. [4] The agency has a high degree of confidence that reviewing the technical proposals of all offerors would not result in the identification of characteristics that could provide value or benefit to the agency;
  - v. [5] The agency determined that the lowest price reflects the total cost, including operation and support, of the product(s) or service(s) being acquired; and;
  - vi. [6] The contracting officer documents the contract file describing the circumstances that justify the use of the lowest price technically acceptable source selection process.
- c. As nearly all lease procurements meet all the criteria outlined under FAR 15.102-2 [1] through [5] above, OL, with the approval of PBS’ Head of Contracting Activity (HCA), submitted a request to the SPE for a class justification to comply with [6] above. This in turn will allow LPTA source selection procedures to be the default strategy for a vast majority of PBS’s lease solicitations. On March 24, 2021, GSA’s SPE issued a temporary class justification CD-2021-08 (Attachment 1), to satisfy the requirements under FAR 15.101-2 (6) for certain lease transactions.

3. **Effective Date.** This Leasing Alert and its attachment are effective for all RLPs issued on or after March 24, 2021 and is only effective through March 23, 2022, unless modified, canceled, or reissued.

4. **Applicability.** This Leasing Alert and its attachment are mandatory and apply to all GSA real property leasing activities and activities delegated by GSA to other Federal agencies.
5. **Cancellation.** None.
6. **Instructions and Procedures.** Additional guidance concerning use of this class justification is as follows:
  - a. The class justification applies to all competitive RLPs issued on or after March 24, 2021, except for the following:
    - i. New construction lease projects<sup>1</sup> above the prospectus threshold.
    - ii. The highest total contract value prospectus lease acquisition in each region for each prospectus program year<sup>2</sup>.
  - b. When utilizing the LPTA approach, leasing specialists must document in the acquisition plan that the procurement meets the criteria outlined in the class deviation and must also place a copy of this class justification in the lease file.
  - c. For projects that fall under the two exceptions above, the LCO must utilize Best Value Tradeoff (BVTO) source selection procedures, unless he/she determines that the criteria outlined under FAR 15.101-2(c) apply, in which case the following additional steps apply:
    - i. The HCA must approve a separate individual justification as being appropriate and consistent with the requirements of FAR 15.101-2.
    - ii. Unless waived, an Acquisition Review Board is required per GSAM 504.7104.
  - d. Notwithstanding the class justification authorizing the use of LPTA as the default strategy for lease procurements, there is no prohibition against LCOs utilizing BVTO where he/she has determined that doing so is in the best interest of the Government. The purpose of this class justification is to reduce unnecessary paperwork and file documentation. It is not meant to dictate procurement strategies or replace the judgment of the LCO.

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<sup>1</sup> 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.

<sup>2</sup> For prospectus-level RLPs issued prior to February 16, 2021 using LPTA source selection procedures, no additional documentation is required.

- e. For RLPs utilizing LPTA procedures issued on or after February 16, 2021 but prior to March 24, 2021, LCOs must place a separate standalone determination in the file addressing the requirements under FAR 15.101-2.

**Attachment:**

- **Attachment 1, Class Justification CD-2021-08**

**COVER PAGE FOR ATTACHMENT 1**