



GSA Office of Governmentwide Policy

5/6/2022

Class Justification CD-2022-06

MEMORANDUM FOR THE PBS LEASING ACQUISITION WORKFORCE

FROM:

JEFFREY A. KOSES
SENIOR PROCUREMENT EXECUTIVE
OFFICE OF ACQUISITION POLICY (MV)

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Jeffrey A. Koses

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SUBJECT:

Class Justification - Lowest Price Technically Acceptable Source Selection Process for Lease Acquisitions utilizing the AAAP Platform

1. Purpose.

This memorandum approves an updated temporary class justification providing Public Buildings Service (PBS) limited authority to use the lowest price technically acceptable (LPTA) source selection process for lease procurements utilizing the Automated Advanced Acquisition Platform (AAAP).

2. Background.

Federal Acquisition Regulation (FAR) 15.101-2(c)(6) requires that the contracting officer (CO) documents the contract file describing the circumstances that justify the use of the LPTA source selection process.

On March 24, 2021, GSA issued CD-2021-08 to provide Public Buildings Service (PBS) limited authority to use the lowest price technically acceptable (LPTA) source selection process for specific lease actions for one year.

On March 17, 2022, PBS National Office of Leasing (NOL) requested an extension of CD-2021-08 citing challenges obtaining data due to the length of time involved in completing a GSA lease procurement¹.

¹ See Attachment A

Recognizing these challenges, this class justification extends the class justification for three years while also limiting the scope to only apply to lease procurements using AAAP. PBS must also provide more analysis that tests the effectiveness of LPTA over a trade-off evaluation on obtaining the best value for the taxpayer prior to increasing the scope of the justification.

The data requested below aims to better understand the number of lease procurements competed, the impacts the evaluation methodology has on the lease competitions, whether or not GSA is competing with the tenant agency's total requirements, and any efficiencies gained by using LPTA.

3. Automated Advanced Acquisition Platform (AAAP).

The **Automated Advanced Acquisition Program (AAAP)** is a multiple award lease procurement tool. The AAAP allows the market to compete for multiple federal leases by submitting a single offer through a simple online platform. The AAAP Platform collects best and final offers, for generic office space needs, that remain in a secure database throughout the fiscal year (Oct 1–Sept 30).² AAAP is generally not used for new construction, projects with complex build-out requirements, or projects over the prospectus threshold.

4. 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.

5. Applicability.

This class justification applies to lease procurements utilizing the Automated Advanced Acquisition Platform (AAAP).³

For the lease procurements not covered, if LPTA is to be used, the CO must document the file with a separate determination as described in FAR 15.101-2(c)(6).

² AAAP Frequently Asked Questions: https://lop.gsa.gov/resource/1616000694000/AAAP_FAQ

³ AAAP Login page: <https://lop.gsa.gov/AAAP/LoginPage>

6. Requirements.

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.

- a. Determination that the requirement falls within the scope and applicability of this class justification (see FAR 15.101-2).
- b. Determination that the proposed contractor is responsible for performing the work (see GSAM 570.108, and FAR 9.104).
- c. 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).

7. Reporting.

PBS Office of Leasing (PR) will report results, progress, lessons learned, and challenges to the Office of Acquisition Policy (MV) to determine the need to continue or revise the class justification. **Reports shall be provided** to the SPE on a **quarterly basis**.

As a means of reflecting on whether LPTA is a more effective means of obtaining the best value for the Government, PBS must provide, at a minimum –

- a. Total number of lease awards during the evaluation period -
 - i. Number of full and open competition leases
 - ii. Number of superseding leases
 - iii. Number of succeeding leases
- b. Of the lease awards fully competed, identify -
 - i. Number of leases that used LPTA evaluation methodology (i.e., lease procurements using AAAP)
 1. Average number of offers received
 2. Average dollars spent on above standard improvements
 3. Average procurement lead time (from solicitation to award)

- ii. Number of leases that used Trade-Off evaluation methodology (i.e., lease procurements not using AAAP)
 - 1. Average number of offers received
 - 2. Average dollars spent on above standard improvements
 - 3. Average procurement lead time (from solicitation to award)

8. Effective Date.

This class justification is effective immediately and remains in effect for three (3) years until May 31, 2025.

9. Point of Contact.

Questions regarding this class justification may be directed to Marten Wallace at GSARPolicy@gsa.gov.

Attachment

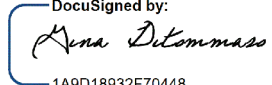
Attachment A - PBS NOL Request to Extend LPTA Class Justification



GSA Public Buildings Service

March 23, 2022

MEMORANDUM FOR: JEFFREY A. KOSES
SENIOR PROCUREMENT EXECUTIVE (SPE)
OFFICE OF ACQUISITION POLICY (MV)

FROM: GINA DITOMMASO 
ACTING ASSISTANT COMMISSIONER
OFFICE OF LEASING (PR)

SUBJECT: Request to Extend Class Justification CD-2021-08, Lowest Price
Technically Acceptable Source Selection Process for Certain
Lease Acquisitions

1.0 NAME OF THE SERVICE REQUESTING THE CHANGE

GSA Public Buildings Service (PBS) Office of Leasing is requesting an extension to Class Justification CD-2021-08, which expires March 23, 2022.

2.1 RATIONALE SUPPORTING THE NEED

The rationale stated in our original request memorandum dated February 10, 2021, still applies to GSA's leasing program. Nearly all of GSA's lease procurements fall within the criteria outlined under FAR 15.102-2. Typically, GSA uses Lowest Price Technically Acceptable (LPTA) as its default source selection procurement strategy for competitive lease acquisitions, since we have been successful in fully meeting our customer agency requirements while still obtaining best value for the Government. The class justification eliminates the need for individual justifications and saves the Government time and resources in awarding the vast majority of its leases.

The original class justification, issued on March 24, 2021, is only effective for one year, during which time the Office of Leasing was required to "report results, progress, lessons learned and challenges to the Office of Acquisition Policy (MV)...to determine the need for the continuation or revision of the class justification."

Given the length of time involved in completing a GSA lease procurement, which is typically two years, one year is insufficient time to analyze or assess impacts on the GSA leasing program. Furthermore, Leasing is working to add additional data elements into the systems of record that will assist in a more detailed analysis between Best Value Trade Off (BVTO) and LPTA source selection methods. Therefore, the Office of Leasing is requesting a 3 year extension of the class justification.

2.2 DESCRIPTION OF THE PROBLEM OR MATTER TO BE ADDRESSED

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 to those acquisitions meeting certain criteria. Federal Acquisition Regulation (FAR) Case 2018-016 implemented this requirement under FAR 15.101-2.

The Office of Leasing originally requested a class justification to allow for the continued use of LPTA source selection criteria for all competitive lease procurements except for Lease Construction (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).

In response, the Office of Government-wide Policy (OGP), issued Class Deviation CD-2021-08 allowing the use of LPTA for all competitive lease procurements *except*:

- A. New construction lease projects above the prospectus threshold 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.

Leases not covered under this class justification will use BVTO unless:

- A. the HCA approves a separate individual justification as being appropriate and consistent with the requirements of FAR 15.101-2, and
- B. The project undergoes an Acquisition Review Board (ARB) review, per GSAM 504.710.

This action is requested in response to the SPE's approval of the initial deviation on March 24, 2021, which requested PBS "report results, progress, lessons learned, and challenges to determine the need for the continuation or revision of the class justification." The proposed effective date of the class justification extension is March 24, 2022, to remain in effect until March 23, 2025 (3 years).

3.0 RESULTS/PROGRESS

In our original memorandum, the Office of Leasing provided data regarding its lease inventory, the extent that space is leased in existing buildings, and the projected number of competitive actions leases to be procured over the next five years. We also explained how the procurement of leased space in an existing building represents a low risk of unsuccessful contract performance and meets the requirements outlined in FAR 15.101-2.

The following reflects data for competitive RLPs issued since March 24, 2021 through March 21, 2022:

Number of competitive (new/new replacing) projects where RLPs were issued on/after March 24, 2021

Total number of projects - 379

Number of projects with issued RLP's that have also been awarded - 108

Focusing solely on the second exception outlined under 2.2 above (the highest total contract value prospectus lease acquisition in each region for each prospectus program year that will be competed), the Office of Leasing has the following data for procurements that fall within this category:

Number of RLPs* subject to this policy issued since March 24, 2021
 Number that were LPTA - 2 (approved by ARB)
 Number that were BVTO - 4

Projected number of RLPs* subject to this policy to be issued for remainder of FY 22
 Number projected LPTA - 2 to be reviewed by ARB
 Number projected BVTO - 0

*Number only reflects the highest dollar value prospectus-level project for each region by CILP year that is competed. FY 22 projection is subject to change.

Based on the 379 competitive projects where RLPs have been issued since March 2021, using an estimated preparation time of 2 hours per individual justification, the Office of Leasing calculates that the class justification has resulted in an administrative time savings of 758 hours thus far. Anecdotally, we believe that the vast majority of these projects used LPTA.

While the Office of Leasing currently does not have succinct data elements to track which source selection strategy was used (LPTA versus BVTO) and a count of offers received, we are working to add this capability to our systems. Office of Leasing will ensure that the following data can be provided for analysis:

- 1) number of offers/bids received
- 2) evaluation methodology used

Due to the lead time required to update our systems and collect the data, the Office of Leasing is requesting an extension of this class justification for three years to enable the collection and verification of the data noted above.

4.0 LESSONS LEARNED

Because of current database limitations, we are unable to report significant lessons learned at this time. More time is needed to add specific data fields that will enable data differentiation so a proper assessment can be completed.

5.0 CHALLENGES

GSA Leasing is facing a huge workload challenge with respect to its expiring lease inventory. Extending this class justification streamlines the application of this requirement for the majority of the approximately 4,500 leases expiring over the next 5 years.

| Fiscal Year | # of Expiring Leases |
|--------------------|-----------------------------|
| 2022 | 956 |
| 2023 | 975 |

| | |
|--------------|-------------|
| 2024 | 876 |
| 2025 | 689 |
| 2026 | 734 |
| 2027 | 323 |
| Total | 4553 |

6.0 CONCLUSION

A 3 year extension of the original class deviation will enable the Office of Leasing adequate time to evaluate and assess results, progress, lessons learned, and challenges associated with these different source selection methods.