**U.S. Army Aviation and Missile Life Cycle Management Command (AMCOM)**

**Novation Source Approval Request (SAR) Guidance**

SAR Preparation & Submittal Guidance

To

Retain Your Company‘s AMCOM Source Approval

Following a Change of Company Name, Ownership, Location, or CAGE Code



Photo Courtesy of the U.S. Army Photo Credit: Sgt. Travis Zielinski,

1st ACB,1st Cav. Div., USD-C

**1.0 Overview – Why and when you need a Novation SAR**

1. The term “novate” means to “replace with something new.” If a company, which is an AMCOM approved source for either AMCOM spare parts or Maintenance and Overhaul (M&O) services, changes name, ownership, geographic location, or CAGE Code, for any reason, then they are required to submit a Novation SAR in order to retain their source approval. The SAR must be submitted to the U.S. Army’s System readiness Directorate (SRD), Sustainment Division, at e-mail address: [usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil). If you need help determining whether parts or M&O services require source approval, e-mail:

[usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil). For more information, see Federal Acquisition Regulation (FAR) SUBPART 42.12 Novation and Change of Name Agreements (https://www.acquisition.gov/far/). In addition, FAR SUBPART 2.1 DEFINITIONS defines the term “Novation Agreement” as follows:

“Novation agreement” means a legal instrument—

(1) Executed by the—

(i) Contractor (transferor);

(ii) Successor in interest (transferee); and

(iii) Government; and

(2) By which, among other things, the transferor guarantees performance of the contract, the transferee assumes all obligations under the contract, and the Government recognizes the transfer of the contract and related assets.

1. Failure to follow this guidance will result in removal of a vendor’s source approval for all affected parts.
2. **Required Novation SAR Documentation for a Change in Company Name Only**
3. This is where there has been a change in name (i.e., company name or a building or street name changed) but there been no change in company ownership, geographical location, or CAGE Code. You must provide a letter ([See Section 5.1, Example Novation SAR forName Change](#ex_nov_ltr_51)) stating your company’s desire to retain their source approval status and stating that there have been no changes in the following categories (if changes have occurred, include a description):
4. Work instructions, shop travelers, assembly and inspection records that control the manufacture.
5. Personnel handling the actual hands-on work.
6. Subcontractors, vendors, and/or suppliers.
7. Quality manual (other than the name change).
8. Production equipment, machinery, assembly tooling, fixtures, jigs, calibrated tooling, certified inspection tooling, production handling equipment, work stations, etc.
9. The letter must be written on company letterhead, signed by an officer of the company and dated. An “officer of the company” could be anyone employed within the company who has the appropriate signature authority to sign a legally binding document.
10. Include your company’s contact information: company name, address, CAGE code, and a specific individual to contact, including their telephone number and e-mail.
11. More stringent requirements may be levied at ED's discretion. This depends on what changes were made to the above categories (if any) and on whether the affected parts are Critical Safety Items (CSI), require New Source Testing (NST), etc. Any questions you may have can be e-mailed to [usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil).
12. **Required Novation SAR Documentation for a Change in Company Ownership and/or Geographic Location and/or CAGE Code**
13. Provide a letter, as described in **Section 2.0** above, to include the following additional information:
14. Provide a brief summary of the change of ownership and/or location and/or CAGE Code (see example letters below).

[5.2 Example Novation SAR Letter - Change in Ownership](#ex_nov_ltr_52)

[5.3 Example Novation SAR Letter - Change in Name and Ownership](#ex_nov_ltr_53)

[5.4 Example Novation SAR Letter - Change in Name, Ownership, and Manufacturing Location](#ex_nov_ltr_54)

1. Provide a list of the restricted source part number(s) (including NSN and nomenclature) and/or M&O services for which you wish to remain an AMCOM approved source. AMCOM restricted source parts are those parts for which the Army requires a vendor to obtain AMCOM approval before being allowed to bid on solicitations. The ED can provide you a list of the restricted source parts currently approved for your CAGE code (request this via e-mail [usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil).
2. If your novation included a change in manufacturing location, you must provide a detailed description of the risk mitigation steps taken to ensure that parts produced at the new manufacturing location using relocated equipment, as well as new personnel, machinery, tooling, etc., will continue to meet or exceed the quality requirements of OEM parts currently installed on Army aircraft (see [5.3 Example Novation SAR Letter - Change in Name, Ownership, and Manufacturing Location](#Example_novation_ltr_53) ).
3. Where a change in ownership has occured, provide a copy of your company's novation agreement. This can be emailed as an attachment to: [usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil).
4. Remember to update your company’s CAGE code information with the Defense Logistics Agency (DLA)) to accurately reflect current name, ownership and/or manufacturing location. This is mandatory and can be accomplished by updating CAGE code information at <https://www.sam.gov/portal/public/SAM/>. You may also be required to update your company’s Dun and Bradstreet information at <https://iupdate.dnb.com/iUpdate/> since this information is visible wthin your SAM record. Your novation request will not be approved until your SAM record and D&B record (when required) are up to date and accurate.
5. More stringent requirements may be levied at the ED's discretion. This depends on what changes were made to the above categories (if any) and on whether the affected parts are Critical Safety Items (CSI), require New Source Testing (NST), etc. Any questions you may have can be e-mailed to [usarmy.redstone.devcom-avmc.mbx.amr-m-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-m-sar@army.mil).

**4.0 Novation SAR Submission Instructions**

Novation SAR documents can be submitted electronically to [usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil) (PDF format is preferred) or for instructions on submitting your SAR documents securely (encrypted), via the web, click on the icon below:



If necessary, hard copy may be mailed to:

System Rediness Directorate

Sustainment Division

Quality Requirements Branch

5400 FOWLER ROAD

(FCDD-AMR-SS/Mr. Lee Drake)

Redstone Arsenal, AL 35898-5000

Any questions you may have regarding submission of a SAR may be e-mailed to [usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil](mailto:usarmy.redstone.devcom-avmc.mbx.amr-ss-sar@army.mil) or call or call the SAR Team at

256-313-8975, 256-876-3198 or 256-313-8998.

1. **The following examples are templates that can be used to assist in submitting a Novation SAR. Find the example below which comes closest to describing your Company’s novation and then customize it to accurately fit the specific situation:**

**5.1 Example Letter - Company Name Change Novation SAR Request**

Any Company, Inc.

34890 Highland Drive

Tulsa, Oklahoma 45902

(800) 325-99XX

Local: (314) 6XX-5300

Fax: (314) 6XX-5398

john.doe@anycompany.com

August 24, .2011

To whom it may concern:

On June 7, 2011, Aero Excellence Products Corporation (CAGE XX303) has changed its name to Any Company, Inc. There has been no change in ownership or manufacturing location.

We wish to remain an AMCOM approved source for the restricted source parts listed below. These parts will now be manufactured under the company name of Any Company, Inc. (CAGE XX303). We are in the process of updating our company information in SAM and Dun & Bradstreet.

P/N 3467890-23 NSN 1690-01-539-4456 Hose Adapter

P/N 58703432-898 NSN 1690-01-327-6831 Low Pressure Hose

P/N 3427590-3458 NSN 3980-01-588-4827 Seal, Plain Encased

P/N 5643299 -569 NSN 4940-01-111-5678 High Pressure Hose

For these restricted source parts, There have been no changes to any of the following:

1. Work instructions, shop travelers, assembly and inspection records that control the manufacturing process
2. Personnel handling the actual hands-on work
3. Subcontractors, vendors, and/or suppliers
4. Quality manual
5. Production equipment, machinery, assembly tooling, fixtures, jigs, calibrated tooling, certified inspection tooling, production handling equipment, work stations, etc.

Sincerely,

John Doe

Director Government Contracts

**5.2 Example Letter – Change in Ownership Only Novation SAR Request** (no change in Company Name or Manufacturing Location)

Any Company, Inc.

34890 Highland Drive

Tulsa, Oklahoma 45902

(800) 325-99XX

Local: (314) 6XX-5300

Fax: (314) 6XX-5398

john.doe@anycompany.com

August 24, .2011

To whom it may concern:

On June 7, 2011, Any Company, Inc. (CAGE XX915) purchased all of the assets of Aero Excellence Products Corporation (CAGE XX303) located at 235 Smith Dr., Tulsa, Oklahoma 34567. Any Company Inc. will continue doing business as (dba) Aero Excellence Products Corporation (CAGE XX303) at this same location. There has been no change in company name or manufacturing location.

We wish to remain an AMCOM approved source for the restricted source parts listed below. These parts will still be manufactured under the company name of Aero Excellence Products Corporation (CAGE XX303). We are in the process of updating our company information in SAM and Dun & Bradstreet.

P/N 3467890-23 NSN 1690-01-539-4456 Hose Adapter

P/N 58703432-898 NSN 1690-01-327-6831 Low Pressure Hose

P/N 3427590-3458 NSN 3980-01-588-4827 Seal, Plain Encased

P/N 5643299 -569 NSN 4940-01-111-5678 High Pressure Hose

For these restricted source parts, There have been no changes to any of the following:

1. Work instructions, shop travelers, assembly and inspection records that control the manufacturing process
2. Personnel handling the actual hands-on work
3. Subcontractors, vendors, and/or suppliers
4. Quality manual
5. Production equipment, machinery, assembly tooling, fixtures, jigs, calibrated tooling, certified inspection tooling, production handling equipment, work stations, etc.

A copy of the novation agreement is attached.

Sincerely,

John Doe

General Manager

**5.3 Example Letter – Change in Company Name and Ownership Novation SAR Request** (no change in manufacturing location)

Any Company, Inc.

34890 Highland Drive

Tulsa, Oklahoma 45902

(800) 325-99XX

Local: (314) 6XX-5300

Fax: (314) 6XX-5398

john.doe@anycompany.com

August 24, .2011

To whom it may concern:

On June 7, 2011, Any Company, Inc. (CAGE XX915) purchased all of the assets of Aero Excellence Products Corporation (CAGE XX303). There has been no change in manufacturing location.

We wish to remain an AMCOM approved source for the restricted source parts listed below. These parts will now be manufactured under the company name of Any Company, Inc. (CAGE XX915). We are in the process of updating our company information in SAM and Dun & Bradstreet.

P/N 3467890-23 NSN 1690-01-539-4456 Hose Adapter

P/N 58703432-898 NSN 1690-01-327-6831 Low Pressure Hose

P/N 3427590-3458 NSN 3980-01-588-4827 Seal, Plain Encased

P/N 5643299 -569 NSN 4940-01-111-5678 High Pressure Hose

For these restricted source parts, There have been no changes to any of the following:

1. Work instructions, shop travelers, assembly and inspection records that control the manufacturing process
2. Personnel handling the actual hands-on work
3. Subcontractors, vendors, and/or suppliers
4. Quality manual – **Quality manuals will be updated to reflect the new name change only. No other changes will be made.**
5. Production equipment, machinery, assembly tooling, fixtures, jigs, calibrated tooling, certified inspection tooling, production handling equipment, work stations, etc.

Sincerely,

John Doe

General Manager

**5.4 Example Letter - Change in Company Name, Ownership, and Manufacturing Location Novation SAR Request**

Any Company, Inc.

34890 Highland Drive

Tulsa, Oklahoma 45902

(800) 325-99XX

Local: (314) 6XX-5300

Fax: (314) 6XX-5398

john.doe@anycompany.com

August 24, .2011

To whom it may concern:

On June 7, 2011, Any Company, Inc. (CAGE XX915) purchased all of the assets of Aero Excellence Products Corporation (CAGE XX303). Aero Excellence Products Corporation’s assets were relocated, in their entirety, from 235 Smith Dr., Tulsa, Oklahoma 34567 to the Any Company, Inc. (CAGE XX915) manufacturing facility located at 34890 Highland Drive, Tulsa, Oklahoma 45902.

We wish to remain an AMCOM approved source for the following restricted source parts. These parts will now be manufactured by Any Company, Inc. (CAGE XX915) at their 34890 Highland Drive, Tulsa, Oklahoma location. We are in the process of updating our company information in SAM and Dun & Bradstreet.

P/N 3467890-23 NSN 1690-01-539-4456 Hose Adapter

P/N 58703432-898 NSN 1690-01-327-6831 Low Pressure Hose

P/N 3427590-3458 NSN 3980-01-588-4827 Seal, Plain Encased

P/N 5643299 -569 NSN 4940-01-111-5678 High Pressure Hose

For these restricted source parts, changes are described below:

1. Work instructions, shop travelers, assembly and inspection records that control the manufacturing process – **No change**
2. Personnel handling the actual hands-on work – **Most of the senior personnel have been retained; some new personnel will be added.**
3. Subcontractors, vendors, and/or suppliers – **No change**
4. Quality manual when ownership changed – **Quality manuals will be updated to reflect the new ownership and name change only. No other changes will be made.**
5. Production equipment, machinery, assembly tooling, fixtures, jigs, calibrated tooling, certified inspection tooling, production handling equipment, work stations, etc. – **Relocated to new facility (see below)**

(Note: For novations involving a change in manufacturing location, examples of steps that could have been taken to ensure that acceptable quality was maintained after the relocation are listed below):

We have taken the following steps to safeguard our product quality at the new location:

1. Conducted new operator training using current Work Instructions and Tooling, including special process qualifications and certifications
2. Verified that operator training has been satisfactorily completed
3. Verified that process and assembly methods are the same at the new location
4. Performed Qualification of Special Processes
5. Performed Gage R&R on Acceptance Equipment
6. Performed Sub-Assembly First Article Inspections (FAI)
7. Performed Final End Item First Article Inspections
8. Submitted First Article Inspection Report for Customer approval
9. Re-qualified DQCR, DSQR and DQR personnel as needed
10. Existing manufacturing cells and all associated equipment were relocated in their current or similar configuration to eliminate any variations in product

A copy of the novation agreement is attached.

Sincerely,

John Doe

Director Government Contracts