Other Transactions (OTs) for Prototypes and the Information Warfare Research Project (IWRP) Consortium OT

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Other Transaction for Prototype - 10 U.S. Code Section 2371b authorizes the DoD to carry out transactions specifically for prototype projects via instruments other than a procurement contract, grant, or cooperative agreement.

Appropriate Use:

- There is at least one nontraditional defense contractor participating to a significant extent in the prototype project;
- All significant participants in the transaction other than the Federal Government are small businesses or nontraditional defense contractors;
- At least one third of the total cost of the prototype project is to be paid out of funds provided by parties to the transaction other than the Federal Government.
Overview of OTs (Continued)

▼ A Prototype Project may involve:
- a proof of concept
- a pilot
- a novel application of commercial technologies for defense purposes
- a creation, design, development, demonstration of technical or operational utility; or
- combinations of the foregoing, related to a prototype

▼ Prototype Projects must be:
- “Directly relevant to enhancing the mission effectiveness of military personnel and the supporting platforms, systems, components, or materials proposed to be acquired or developed by the Department of Defense, or to improvement of platforms, systems, components, or materials in use by the armed forces.”
Unique Aspects of OTs

▼ Not FAR-based

▼ To the maximum extent practicable, should be competitive but the Competition in Contracting Act (CICA) does not apply

▼ Not covered by the Cost Accounting Standards required for traditional procurements. Covered by Generally Accepted Accounting Principles (GAAP) – Comptroller General has access to examine records in any agreement over $5M

▼ Commands must be delegated specific authority for executing OTs

▼ New feature added through FY 17 NDAA - May move to production on a sole source basis IF the original OT for Prototype was competitive
  - GAO requires that an OT explicitly provide for possibility of follow-on production contract or OT in the Agreement; otherwise there is not statutory basis to award non-competitive follow-on
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 Consortium OT for Prototype in support of the SPAWAR Claimancy
  - SSC Pacific has Ordering Authority
  - Ordering anticipated to begin in 1st Quarter of FY19
  - Significant execution growth expected for 2nd and 3rd year

 Prototype projects in the area of information warfare
  - Cyber Warfare
  - Data Science/Analytics Technologies
  - Assured Communications
  - Cloud Computing
  - Enterprise Resource Tools
  - Collaboration and Social Networking
  - Autonomy
  - Internet of Things (IoT) Embedded Systems
  - Mobility
  - Model-Based Systems Engineering (MBSE)
  - On-Demand Manufacturing
  - Technologies that would enable or improve: Assured Command & Control (AC2); Battlespace Awareness (BA); or Integrated Fires (IF)
Information Warfare Research Project (IWRP) Other Transaction (OT) Consortium

IWRP
- Focusing on underlying technologies that advance Naval information warfare capabilities through a consortium that can support research, development and prototyping
- Enables rapid research for information warfare
- Prototype projects in the area of information warfare
- Increases access to innovative commercial solutions for defense requirements
- Fosters innovation with non-traditional industry partners

Objectives
- Development of research data
- Innovation
- Rapid Prototyping and initial Fleet Fieldings
- Reduce barriers to competition
- Leverage advanced commercial technologies
Information Warfare Research Project (IWRP)  
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▼ Kick-off: 13 August @ Trident Technical College in North Charleston, SC

- Registration Link:
  https://events.bizzabo.com/209677
Final Thoughts on OTs

- Enables SSC Pacific access to a consortium made up of many experienced and innovative companies, many of which are non-traditional defense contractors.

- Streamlined Pre-Award process (compared to FAR-based).

- Still takes a significant amount of time to award.

- The more we use OTs, the more streamlined they will become.