Appendix C: Other Transaction Authority (OTA)

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Overview

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Other Transaction Authority (OTA) is the authority of a US Agency to use Other Transactions (OTs). Once the agency has OTA, it can establish an Other Transaction Agreement (OTA)

The two terms are often incorrectly used synonymously.

1. The **Other Transaction Authority (OTA)** is granted to be able to use Other Transactions and is generally considered for use in RTD&E contracts.

2. The US Agency with OTA then can then appoint a Government Contracting Office as an **Agreement Officer**

3. The **Agreement Officer** then creates an **Open Transaction Agreement (OTA)** as the basis to conduct business

4. OTAs are awarded in several ways[1)]:

- One way is through a direct award process such as a Request for Proposal (RFP), a Broad Agency Announcement (BAA), or through a follow-on to an existing OTA.
- A second mechanism is through a consortium-based OTA. A consortium is an association formed by multiple parties for the purpose of participating in a common activity or pooling resources to achieve a common goal. Consortium-based OTAs allow multiple companies (traditional defense contractors and NDCs) and academia to collaborate with government customers and to partner with each other to accelerate innovation.

The most important aspect of an OTA is the Other Transactions (OTs) provisions, which are a legally binding, streamlined acquisition process. Only Congressionally-designated Federal agencies can use to procure innovative technology (e.g., prototypes and other Research Development Test & Evaluation (RDT&E) projects) while avoiding burdensome processes normally associated with government contracts, grants, and cooperative agreements such as the Federal Acquisition Regulation (FAR) and agency supplements, like the Defense Federal Acquisition Regulation Supplement (DFARS). This makes OTA efforts more similar to the commercial sector contracts in that they offer a flexible and less regulated approach to connect government with industry for innovative solutions. [2)]

The use of OTs and OTAs are specially designed for government departments and agencies to use and manage Research Development Test & Evaluation (RDT&E) Funding.

Table 1 provides a list of Federal Agencies with Congressional OTAs.

> **Note:** The inclusion of non-DoD Agencies.

Table 1: Federal Agencies with Congressional OT Authorization[3)]

Agency	OT Authority	Agency Specific OT Requirements, Limitations, and Restrictions
NASA	51 U.S.C. § 20113(e)	No limitations or restrictions.
DOD [4)], [5)]	1. 10 U.S.C. § 2371 2. 10 U.S.C. § 2371b	Authorizes Research OTs and Prototype OTs. See DoD Other Transactions for detailed requirements, limitations, and restrictions.
DOE	42 U.S.C. § 7256	1. Limited to RD&D projects. A cost-sharing agreement is required. 2. Authorized for RD&D and prototype projects.
HHS	42 U.S.C. § 247-7e	1. Limited to RD&D projects. A cost-sharing agreement is required. 2. Authorized for RD&D and prototype projects.
DHS	6 U.S.C. § 391	Prototype projects require a non-traditional contractor and cost sharing agreement.
DOT	49 U.S.C. § 5312	Limited to RD&D focused on public transportation.
FAA	49 U.S.C. § 106(l)	No limitations or restrictions.
TSA	49 U.S.C. § 114(m)	No limitations or restrictions.
DNDO	6 U.S.C. § 596	No limitations or restrictions.
ARPA-E	42 U.S.C. § 16538	No limitations or restrictions.
NIH	1. 42 U.S.C. § 285b-3 2. 42 U.S.C. § 284n 3. 42 U.S.C. § 287a	Limitations and restrictions differ based on specific research programs.

Recommendations

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The Object Management Group recommends the US Federal Reserve continues to pursue **P0011** and **P0030** but as two separate issues. It is essential the Federal Reserve pursues a CBDC (i.e., **P0011**) and makes recommendations based on using Data, Information, Knowledge, Understanding and Wisdom gathered during the RTD&E efforts (i.e., **P0030**). CBDC is a large problem with many moving parts, all of which require a lot of systems analysis, engineering, and simulation in order to ensure public confidence:

> *For a nation's economy to function effectively, its citizens must have confidence in its money and payment services. The Federal Reserve, as the nation's central bank, works to maintain the public's confidence by fostering monetary stability, financial stability, and a safe and efficient payment system.* from the **Executive Summary** provided in the Money, and Payments: The U.S. Dollar in the Age of Digital Transformation White Paper

Pursuing a CBDC that is flawed could ultimately inflict more damage than it is worth.

After the Federal Reserve obtains OT Authority, the OMG further recommends that an **Other Transaction (OT) Consortium** be established. An OT Consortium is a formal relationship between a

government sponsor (i.e., Federal Reserve) and a collection of traditional and non-traditional vendors, non-profit organizations, and academia aligned to a technology domain area (i.e., cyber, space, undersea, propulsion) that are managed by a single entity, and focused on innovative solutions to government technology challenges that meet the intended scope and purpose of other transactions.

OT Consortium is based on the following OT Consortium Model:

Figure 1: The Existing OT Constoria Model

Generally, an OT Consortium has three components:

- Government Sponsor and Contracting Office
- Consortium Manager
- Consortium (i.e., Stakeholders)

> **Note:** Sometimes the government sponsors prefer to manage a consortium in-house rather than hire an industry Consortium Manager or Consortium Management Firm.

The Consortium Manager is awarded an OT agreement by the government (base OT agreement) and manages OTs awarded to its consortium member organizations (project OT agreements) under the base agreement. In the OMG Distributed Immutable Data Object Reference Architecture (DIDO-RA), this highest level (i.e., OT Consortium) is referred to as the Ecosphere which would roughly follow the steps outlined in Steps for Establishing an Ecosphere. Also see DIDO-RA on Legal Documents for a discussion of how Ecosphere, Ecosystem, and Domain are related. The overall intent is that the Ecosphere has the responsibility to external entities (i.e., sponsors). The OT Consortia (ie., Ecosphere) can create any number of Ecosystems and Domains as is needed. It is recommended that the Ecosystems create and are responsible for Domains that fall under their auspices, however, the Policy and Procedures (P&P) may require the Ecosphere's approval for creation.

Table 2 summarizes the relationship between the Ecosphere, Ecosystem, and Domains. Some P&P may require every Ecosystem and Domain to have their own sub-charter which a narrower scope than the Ecosphere. See OMG DIDO-RA, 3.2 Legal Documents

Table 2: Documents required to Create and Govern a DIDO CoI

DIDO CoI	Charter	Bylaws	Policies and Procedures
Ecosphere	Yes(§)	Yes(†)	Yes(‡)
Ecosystem	Subcharter of Ecosphere	covered by Ecosphere	covered by Ecosphere + extensions
Domain	Subcharter of Ecosystem	covered by Ecosphere	covered by Ecosphere + extensions from Ecosystem + local

(§) Initially, a legal statement created by the founders of the organization that lays out the goals, missions, and officers for the organization
(†) Legal document reviewed by lawyers from all the participating parties
(‡) Some Policies and Procedures may be mandated by law (i.e., discrimination, ADA, Safety, etc. while others may be added by local governing boards and should be drafted/reviewed by lawyers of all participating parties

There are many existing examples of Other Transaction Authorities (OTAs) that are already in existence

within the US Government. Table 3 provides a detailed list originally painstakingly developed by Capture 2 Proposal [6]. There is an excellent article by Stephen Speciale[7]

> *OTAs are binding agreements between Defense Department organizations and industry partners that are different than Federal Acquisition Regulation contracts, grants and cooperative agreements. While they are an innovative and flexible option that is not subject to all acquisition laws and regulations, they require vigorous program management.*
> *The intent of OTAs is to leverage commercial technologies for military purposes, improve the nation's industrial base and allow for more cost-effective and affordable solutions without extreme bureaucracy. Opportunities are available to traditional defense industry partners and nontraditional defense contractors, such as academia, non-profits, and other small businesses.*
> *Failing to plan is planning to fail. Since parties can negotiate and tailor many OTA elements, it is critical for all parties involved to complete sound planning efforts prior to execution. Also, because they promote "outside the box" business practices, risk management is not a choice, but the backbone of the effort from cradle to grave. Agencies should start planning with a clear needs statement or defined problem supporting a capability gap.*

Table 3: List of Other Transaction Authorities (OTAs) developd by Capture 2 Proposal[8]

Consortium	**Membership Firm**	**Description**
Advanced Manufacturing, Materials, and Processes (AMMP)	NCMS	Advance and enable additive manufacturing to create next-generation manufacturing breakthroughs
American Metalcasting Consortium (AMC)	ATI	An industry-led consortium developing new technologies and processes that support the DLA in the procurement of critical cast parts.
Aviation and Missile Research, Development and Engineering Center (AMRDEC)	US Army Contracting Command	The development and maturation of guided-missile technologies, manufacturing and enabling/disruptive technologies, and aviation technologies.
Aviation and Missile Technology Consortium (AMTC)	ATI	Develop and transition Army aviation and missile manufacturing technologies, and integrate advanced technologies, techniques and processes into future effective weapon systems.
Border Security Technology Consortium (BSTC)	ATI	Research, development, prototyping, and piloting initiatives to meet border security requirements and close capability gaps.
Center for Naval Metalworking (CNM)	ATI	To develop and deploy innovative metalworking and related manufacturing technologies to reduce the cost and time to build and repair key U.S. Navy ships and weapons platforms.
Composites Manufacturing Technology Center (CMTC)	ATI	An ONR Center of Excellence developing composites for advanced weapons systems.
Consortium for Command, Control, and Communications in Cyberspace (C5)	CMG	C5 is a consortium composed of leading companies and institutions in the C4ISR and cyber technology sectors.

Consortium	Membership Firm	Description
Consortium For Energy, Environment, And Demilitarization (CEED)	CMG	CEED is a consortium composed of leading companies and institutions in the Energy, Environmental, and Demilitarization technology sectors.
Consortium for Execution of Rendezvous and Servicing Operations (CONFERS)	ATI	Research, develop, and publish non-binding, consensus-derived technical and operations standards for OOS and RPO. These standards would provide the foundation for a new commercial repertoire of robust space-based capabilities and a future in-space economy.
Cornerstone	Rock Island Arsenal	A modern Industrial Base that integrates traditional and emerging sectors to respond at will to National Security Requirements.
Countering Weapons of Mass Destruction Consortium (CWMD)	ATI	Developing technologies to detect, prevent, and protect against weapons of mass destruction.
Cyber Apex Solutions Consortium	Cyber Apex Solutions, LLC	Applied cybersecurity research focused on filling the security gaps of critical infrastructure in the United States of America.
Defense Automotive Technologies Consortium (DATC)	SAE International	Develop and transition advanced automotive technologies to all branches of military and government agencies.
Department of Defense Ordnance Technology Consortium (DOTC)	ATI	Integrate the DoD Ordnance community to work collaboratively in RDT&E of prototype solutions to advance and transition ordnance systems, subsystems, and component technologies.
Forging Defense Manufacturing Consortium (FDMC)	ATI	Teaming the US forging industry with the DoD to address supply chain challenges and research needs.
Information Warfare Research Project (IWRP)	ATI	Developing and implementing advanced Information Warfare technology solutions.
Medical-Chemical Biological Radiological Nuclear (CBRN) Defense Consortium (MCDC)	ATI	Supporting the DoD’s medical, pharmaceutical, and diagnostic requirements to enhance the effectiveness of military personnel.
Medical Technology Enterprise Consortium (MTEC)	ATI	Provide cutting-edge technologies to help protect, treat and optimize Warfighters’ health.
Natick Soldier Research, Development, and Engineering Center (NSRDEC)	US Army-Aberdeen Proving Ground	Maximize the Warfighter’s Survivability, Sustainability, Mobility, Combat Effectiveness and Field Quality of Life by Treating the Warfighter as a System.
National Advanced Mobility Consortium (NAMC)	NAMC	To provide the Government with ready, quality access to the broadest population of U.S. ground vehicle system (GVS), sub-system, and component technology developers and providers.
National Armaments Consortium (NAC)	ATI	The focal point for armaments system technology research and development across the DoD.

Consortium	Membership Firm	Description
National Center for Manufacturing Sciences (NCMS)	NCMS	A cross-industry technology development consortium, dedicated to improving the competitiveness and strength of the U.S. industrial base
National Center for Simulation (NCS)		Promote and support modeling, simulation, and training (MS&T). Registered as Training and Simulation Technology Consortium, Inc. (dba National Center for Simulation)
National Shipbuilding Research Program (NSRP)	ATI	A Navy-sponsored, industry-led collaboration of shipyards that is reducing the cost of building and repairing Navy ships.
National Spectrum Consortium (NSC)	ATI	Develop technologies that broaden access to and use of the electromagnetic spectrum.
Naval Aviation Systems Consortium (NASC)	CMG	Support the technology needs of the Naval Air Warfare Centers (NAWCs) and the Naval Air Systems Command (NAVAIR)
Naval Shipbuilding and Advanced Manufacturing Center (NSAMC)	ATI	Developing and deploying advanced manufacturing technologies to reduce the cost and time required to build and repair Navy ships.
SAE Industry Technologies Consortia (SAE ITC®)	SAE International	Drive innovative solutions to key industry challenges.
Sensors, Communications, and Electronics Consortium (SCEC)	SOSSEC Inc.	Conduct research, development, and testing in cooperation with the Government, leading to technology demonstrations and prototype projects in the sensors, communications, and electronics sciences and other related fields.
Space Enterprise Consortium® (SpEC)	ATI	Reducing risk and increasing constellation refresh rates to improve the availability of new technology on-orbit and to enhance system responsiveness and survivability.
System of Systems Consortium (SOSSEC)	SOSSEC Inc.	Technology agnostic approaches that capture the best of breed solutions.
Strategic & Spectrum Missions Advanced Resilient Trusted Systems ((S2MARTS))	NSTXL	The S2MARTS OTA (pronounced “SMARTS”) is designed to refine strategies, management planning activities, and implement integrated, complementary solutions that enable broader Department of Defense (DoD) access to commercial state-of-the-art EMS technologies, advanced microelectronics, radiation-hardened (RAD-HARD) and strategic missions hardware.
Training and Readiness Accelerator (TReX)	NSTXL	To expedite the development, demonstration, and delivery of cutting edge technology capabilities in support of modeling, simulation, and training (MST) needs of the U.S. Department of Defense.

Consortium	Membership Firm	Description
Undersea Technology Innovation Consortium (UTIC)	ATI	Rapid development, prototyping, and commercialization of innovative undersea and maritime technology.
Vertical Lift Consortium (VLC)	ATI	Develop and transition innovative vertical lift technologies to meet Warfighter needs.
AFLCMC Consortium Initiative (ACI)	SOSSEC Inc.	Prototyping projects might include any topic generally consistent with the research, development, test, and evaluation within prototyping projects of the AFLCMC mission sets.
Cyberspace Operations Broad Responsive Agreement (COBRA)	SOSSEC Inc.	Establish defense-in-depth across the entirety of cyberspace by simultaneously combining DCO capabilities at global, regional and local levels using a layered and adaptive approach.
Defense Electronics Consortium (DEC)	USPAE	The DEC identifies challenges, needs, and opportunities in defense electronics, which has been impacted by the contraction of U.S. electronics manufacturing and other factors.
Defense Innovation Unit (DIU)	DIU	DIU is the only DoD organization focused exclusively on fielding and scaling commercial technology across the U.S. military at commercial speeds.
Defense Technological Information Center Energy OTA (DTIC)	NSTXL	Technical areas germane to this OTA include cyber, advanced materials, sensors, and biomedical challenges. The ceiling on this OTA has been reached and it is no longer accepting new projects. It does however continue to execute on several prototype projects/Ceiling reached. No longer accepting new projects. which are nearing successful completion.
DHS Silicon Valley Innovation Program (SVIP)	DHS	Incentivize product developers to open the aperture of their development roadmaps to include homeland security solutions. Opportunities posted on sam.gov.
Engineer, Research, and Development Center (ERDC)	SOSSEC Inc.	Performs prototype projects within the following focus areas as they relate to Military Engineering.
Expeditionary Warfare Consortium (EWC)	ARA	Develop innovative products, prototypes, and solutions to meet the expeditionary warfare needs of the Naval Surface Warfare Center.
Future Airborne Capability Environment (FACE™)	The Open Group	Define an open avionics environment for all military airborne platform types.
Govmates Consortium	ATI	An enterprise solution to the Federal Government. Rather than specializing in technology silos, members of this consortium have capabilities spanning nearly every technology vertical.
Nano-Bio Manufacturing Consortium (NBMC)	SEMI	Raises the readiness levels of nano- and bio-technologies.

Consortium	Membership Firm	Description
National Geospatial-Intelligence Agency (NGA)	SOSSEC Inc.	Drive innovative and transformational change into the National System for Geospatial-Intelligence (NSG) and Allied System for Geospatial-Intelligence (ASG) environments.
National Offshore Wind Research and Development Consortium		Reduce the Levelized cost of energy (LCOE) of offshore wind in the U.S. while maximizing other economic and social benefits.
National Security Technology Accelerator (NSTXL)	NSTXL	Support of the Warfighter mission. Management firm-level access to all of their OTAs (S2MARTS, TReX, SpEC).
Naval Surface Technology and Innovation Consortium (NSTIC)	ATI	Supporting naval surface technology innovation across a broad range of technology areas and disciplines.
Nuclear Science and Security Consortium (NSSC)	NNSA	Develop a new generation of laboratory-integrated nuclear experts.
Open System Acquisition Initiative (OSAI)	SOSSEC Inc.	Produce prototypes in command, control, communications, and cyber, intelligence, surveillance, and reconnaissance (C4ISR) that increase the efficiency of Government, industry and academia capabilities in information systems proposed to be acquired or developed by the Department of Defense (DOD), and to reduce the cost of defense information systems technology.
Propulsion Directorate Consortium Initiative (PCI)	SOSSEC Inc.	Perform critical research, development, test, and evaluation within prototyping projects addressing propulsion needs and the future of the propulsion enterprise.
Sensor Open Systems Architecture (SOSA Consortium)	SOSA	The SOSA Consortium is creating open system reference architectures applicable to military and commercial sensor systems and a business model that balances stakeholder interests.
Supply Chain Consortium Initiative (SCCI)	SOSSEC Inc.	Perform critical research, development, test, and evaluation within prototyping projects addressing 448th Supply Chain Management Wing (SCMW), to include other organizations in the Air Force Material Command (AFMC) or strategic partners, needs and the future of these enterprises.
University Consortium for Applied Hypersonics (UCAH)	UCAH	Deliver the innovation and workforce needed to advance modern hypersonic flight systems in support of the national defense.

1)

Benjamin Schwartz, and Bill Greenwalt, The Chertoff Group, OTHER TRANSACTION AUTHORITY AND THE CONSORTIA-BASED ACQUISITION MODEL: A VALUABLE TOOL FOR RAPID DEFENSE INNOVATION, 2020, Accessed: 14 March 2022, https://www.chertoffgroup.com/hubfs/TCG_Other%20Transaction%20Authority%20r010821_REVISED.pdf

2)

American Council for Technology-Industry Advisory Council (ACT-IAC), Other Transaction Authority - Best Practices for Industry and Government, 10 July 2020, Accessed: 11 March 2022, https://www.actiac.org/system/files/OTA_1.pdf
3)

Other Transaction Authority (OTA), Acquisition in the Digital Age (AIDA), MITRE.org, Accessed: 27 February 2022, https://aida.mitre.org/OTA/
4)

Section 815 of the FY 2016 NDAA defines a non-traditional defense contractor as an entity that is not currently performing and has not performed, for at least the one-year period preceding the solicitation of sources by the DoD for the procurement or transaction, any contract or subcontract for the DoD that is subject to the full coverage under the cost accounting standards prescribed pursuant to Section 1502 of title 41 and the regulations implementing such section.
5)

Section 815 of the FY 2016 NDAA replaced section 845 of the FY 1994 NDAA (repealed) and provided DoD with permanent authority for prototypes, as well as increased dollar threshold approval levels for prototype projects, the amended criterion for OTA eligibility, and allows a prototype project to transition to the award of a follow-on production contract.
6) 8)
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Capture 2 Proposal, Accessed: 26 February 2022), https://capture2proposal.com/consortiums-supporting-government-other-transaction-authority-ota-opportunities/
7)

Stephen Speciale, National Defense, Other Transactions – Best Practices to Enable Success, 15 April 2020, Accessed: 27 February 2022, https://www.nationaldefensemagazine.org/articles/2020/4/15/other-transactions-best-practices-to-enable-success