

Other Transactions (OT)

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Other Transactions (OT) are contractual instruments other than standard procurement contracts, grants, or cooperative agreements. OTs can include flexible business arrangements to acquire research and development activities to advance new technologies, and prototypes or models to evaluate technical or manufacturing feasibility or military utility of new or existing technology. This may apply to processes, concepts, end items, and systems from non-traditional defense contractors* (as well as from traditional defense contractors when statutory requirements for small business participation or cost sharing arrangements are satisfied) allowing the government access to cutting edge solutions. OTs provide opportunities to structure agreements that may leverage commercial business practices and remove barriers to entry such as cost accounting system (CAS) compliance and intellectual property rights requirements, to encourage non-traditional defense contractors to do business with the government.

OTs typically use RDT&E funding, but the statute does not prohibit use of other appropriations. The nature of the activity and overall effort it will support should be considered when determining appropriate funding sources. OT agreements may be fixed-price, expenditure based, or hybrid.

Most laws and regulations governing federal contracts do not apply to OTs (i.e., Federal Acquisition Regulation (FAR) and the Competition in Contracting Act (CICA)), however, the Procurement Integrity Act applies and competitive practices are applicable. OTs may be protested to the U.S. Court of Federal Claims, and GAO has limited jurisdiction to review OT decisions.

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