

Other Transaction Agreements (OTAs)

► Tom Lemmer, Dentons

► Benjamin McMartin, Public Spend Forum

► Neil Gardner, Northrop Grumman

Agenda



Introductions (5 Minutes)



What are OTA's and How are they Used (15 Minutes)



Current Focus Areas (30 Minutes)



Where are OTA's Going (10 Minutes)



Q & A (30 Minutes)



Speakers / Panelists

- ▶ *Thomas A. Lemmer*
 - ❖ Dentons US LLP

- ▶ *Benjamin McMartin*
 - ❖ Managing Partner - Public Spend Forum

- ▶ *Neil Gardner*
 - ❖ Director, Affordability, Compliance & Forward Pricing
Northrop Grumman Corporation



What are OTAs and How are they Used?

A Shift in How Governments Procure Technology

Standard Approach

1. Requirements Development (Solution)
2. Market Research
3. Synopsis
4. RFP
5. Source Selection
6. Award



Federal Acquisition Regulations & Associated Supplements

Acquisition Innovation Approach

1. Define the Problem
2. Market Research
3. Publication
4. Solicitation
5. Negotiation
6. Award



15 USC 3724
15 USC 3715

10 USC 2374a | 10 USC 2371
10 USC 2371b | 10 USC 2373

Section 804 Rapid Prototyping & Rapid Fielding

OTA Related Consortia

7 Management Firms | 34 Agreements | \$40 Billion in Ceiling

<p>Consortium Management Firm (CMF)</p>	<p>ATI 19 Consortia 19 Agreements</p>	<p>SOSSEC THE SYSTEM OF SYSTEMS CONSORTIUM 1 Consortium 7 Agreements</p>	<p>CMG Consortium Management Group 3 Consortia 4 Agreements</p>	<p>NSTXL 1 Consortium 2 Agreements</p>	<p>NATIONAL ADVANCED MOBILITY CONSORTIUM 1 Consortium 1 Agreement</p>	<p>DATC DEFENSE AUTOMOTIVE TECHNOLOGIES CONSORTIUM 1 Consortium 1 Agreement</p>
<p>Consortia</p>	<p>2000+ Members</p>	<p>500 Members</p>	<p>1000 Members</p>	<p>500 Members</p>	<p>350 Members</p>	<p>250 Members</p>

OTA Related Spend - FY16-18

Table 2: Top Recipients for Department of Defense Prototype Other Transaction Obligations for Fiscal Years 2016 through 2018

Recipients	Type of recipient	Obligations (in millions of dollars)	Percentage of obligations
Advanced Technology International	Consortium ^a	3,524.4	49
Consortium Management Group, Inc.	Consortium ^a	566.2	8
Lockheed Martin Corporation	Traditional defense contractor	380.8	5
National Center for Manufacturing Sciences, Inc.	Consortium ^a	376.9	5
Aerojet Rocketdyne of DE, Inc.	Traditional defense contractor	297.3	4
258 other recipients	Non-traditional companies, traditional defense contractors, consortiums, and other entities	2,080.4	29
Total	-	7,225.9	100

Source: GAO analysis of Federal Procurement Data System-Next Generation (FPDS-NG) data. | GAO-20-84



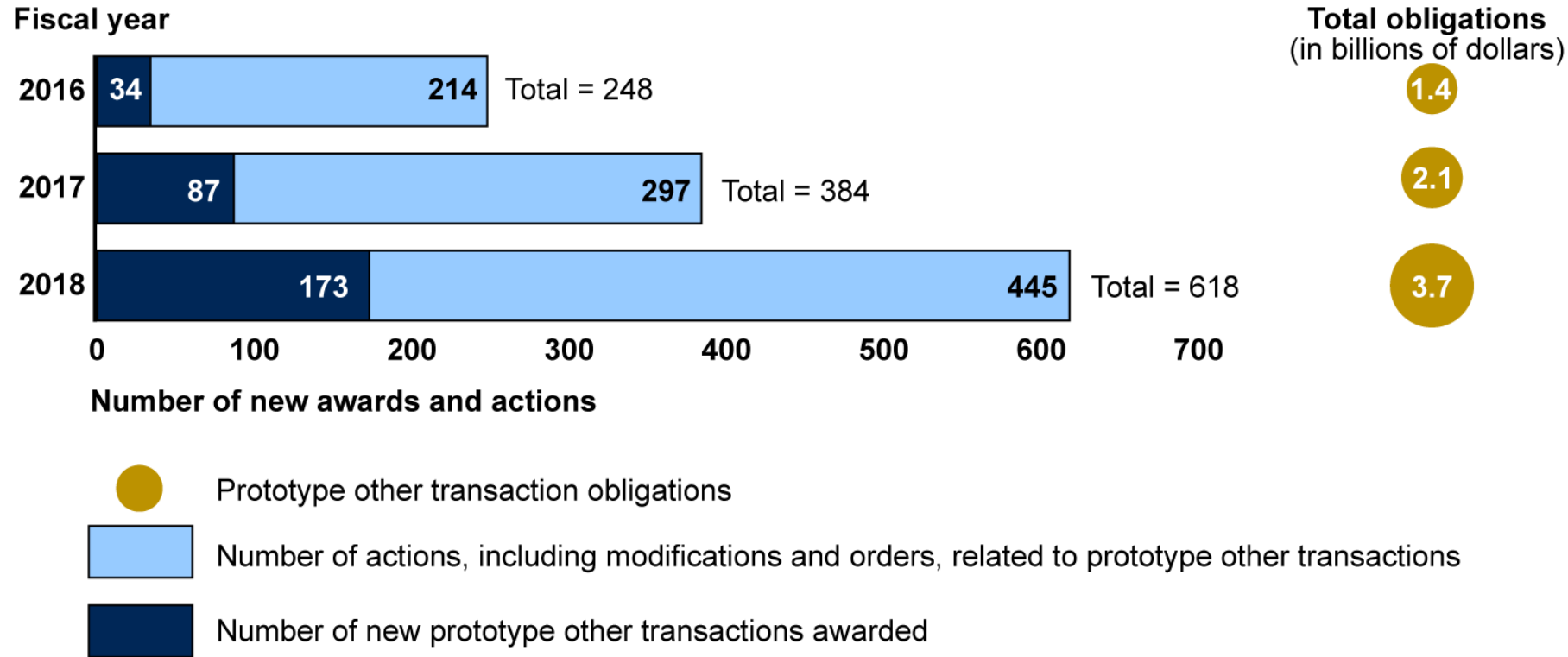
OTA Areas of Focus

- ▶ Ensuring an OTA exists
 - Statutory basis, appropriation basis and SOW
 - Risks of using wrong type of agreement
- ▶ Required terms vs. negotiated terms
- ▶ Patent and data rights
- ▶ Meeting cost share obligations
- ▶ “Simple” cost accounting obligations BUT
- ▶ Government audit rights
- ▶ Revenue recognition



Where are OTAs Going?

OTA Growth - FY16-18



Source: GAO analysis of Federal Procurement Data System-Next Generation data. | GAO-20-84



Q&A