

# DoD SBIR/STTR Beyond Phase II Conference



## Defense Consortia and Other Transactions: The Art of the Possible

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# Goal

- To inform you of a new opportunity space for R&D prototyping in DoD

# AGENDA: The OT/Consortium Business Model



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- What is it?
  - Consortium-based approach to R&D prototyping that has many advantages over traditional contracting
- Why You Should Care
  - Government - Better way of doing business
  - Industry/academia - Another opportunity space for engaging with DoD for R&D
  - Less bureaucracy
  - Built-in incentive for small business participation
- How to participate
  - Existing Consortia
  - Forming/Pending Consortia

# What is It?

## Consortium Approach to R&D



- An innovative acquisition approach for R&D prototyping and limited production with a technology or mission area focus
- Has numerous advantages over FAR-based contracting
  - Speed, agility, and flexibility
  - Collaborative and Competitive
  - Facilitates networking and teaming among the membership
  - Improved dialogue between government and consortium
  - Significant non-traditional and small business participation in meaningful R&D

**A New and Unique Opportunity Space for Small  
and Non-Traditional U.S. R&D Companies**

# OT for Prototypes: Legal Basis



- Authority: 10 USC 2371 as amended by Section 815 of National Defense Authorization Act of 2016 (PL 114-92) and previous NDAA's.
- Principal focus:
  - Provide access to innovative concepts / ideas / technologies from “non-traditional” sources (technology providers that previously have not done R&D business with the Government)
- Requirements on industry/academia participants (as amended by the FY16 NDAA):
  - at least one non-traditional defense contractor participating to a significant extent in the prototype project, or
  - All significant participants in the transaction other than the Federal Government are small businesses or nontraditional defense contractors, or
  - At least one third of the total cost of the prototype project is paid out of funds provided by the parties to the transaction other than the Federal Government.

**New Opportunity for Small Businesses to  
Perform Meaningful R&D for the DoD**

# The Business Model

- An agreement (i.e. contract), using Other Transaction Authority, between the Government and a consortium of large & small companies, non-profits, research institutions, and non-traditional small businesses organized to solve DoD challenges in a specific technology or mission area
- The Consortium membership is open to any eligible U.S. entity
- The Government establishes a CONOPS that governs the overall business process from requirements generation to contract award to a consortium member(s)
- Identified as an innovative contracting approach by the White House Office of Science and Technology Policy, Defense Science Board and Defense Business Board

# The Business Model: Scope



- Projects that are directly relevant to enhancing mission effectiveness of military personnel and supporting platforms, systems, components, or materials proposed to be acquired or developed by DoD, or improvement of platforms, systems, components, or materials in use by the armed forces.
- Physical or virtual models to evaluate:
  - Technical and/or manufacturing feasibility
  - Military utility of a technology or process, concept, end item or system
  - Performance of a technology or process, concept, end item or system

**Technology Demos, Traditional E&MD, Rapid Fielding  
for Emergent Requirements**

# The Business Model: Not a FAR-based Contract



- What does not apply under an OT agreement?
  - Competition in Contracting Act
  - Bayh-Dole and Rights in Technical Data
  - Truth in Negotiations Act
  - Contract Disputes Act
  - Procurement Protest System
  - Procurement Integrity Act
  - Grants and Agreements Regulations (DODGARS)
- Relief from FAR and supplemental regulations
- Flexibility to use “best practices”



# Typical Consortium Construct



Overarching Agreement:  
10 U.S.C. 2371 Section 815 Other  
Transaction



Government Spectrum Community



- OASD, R&E
- DHS
- NIST
- NSF
- Department of the Army
- Department of the Navy
- Department of the Air Force
- Special Operations Command
- DARPA
- DTRA
- NGA
- Other Agencies and Departments

National Spectrum Consortium  
(NSC)



- Defense Contractors
- Small Businesses
- Academic Institutions
- Non Profit Organizations
- Not -for-Profit Organizations
- Non-Traditional Defense Contractors

# Why You Should Care

# Features And Benefits

Feature	Industry	Government
Access	Provides access to Government stakeholders and networking with potential industry and academia partners.	Permits collaboration with Industry. Provides access to a broader range of technology experts because of the involvement of non-trationals.
Information	Affords greater visibility into Government needs, requirements and priorities enabling more focused IR&D investments.	Casts a wider net for capturing ideas and innovations. Affords greater insight into the “art of the possible” for technology.
Market Expansion	Helps small companies and non-traditionals identify opportunities and establish relationships.	Provides access to a broader range of potential solution providers in a competitive environment, including non-traditionals.
Speed	Enables faster access to new opportunities than the traditional BAA/FAR approach.	Shorter contract administration time enables gov tech managers to focus on tech and prototype development and demonstration - gets solutions to end-user sooner.
Contracting	Funding on contract sooner via quick, responsive task negotiations and awards -- minimizes cash-flow challenges.	Flexible contracting capable of multiple tasks with a single set of terms and conditions. <u>No protests allowed.</u>

# Benefits: Small Business and Non-trationals



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- Awards can be made to a small businesses and non-traditional firms without cost share when they are the only significant participants
- Industry/academia can avoid a 33% cost share by involving a non-traditional firm to a significant extent.

Other Transactions Incentivize the Use of  
Small Businesses and Non-Traditional  
Entities

# Benefits: Performance

- Speed and agility in awards:
  - Initial award (receipt of funding/SOW to award): Less than 90 days
  - Incremental award (within ceiling): Less than 45 days
  - Basket provision: Award in 60-80 days

# Participant Benefits

## U.S. Government

- Reduced Acquisition lead time
- One-stop technology shopping
- Access to broad spectrum of traditional and non-traditional contractors
- Full and open competition throughout
- Source selection integrity preserved
- Full control over use of sponsor's funds
- Ability to fund projects incrementally
- Open dialogue with Contractor is permitted up until proposal submittal
- Technically acceptable proposals placed in basket awaiting funding for 3 years

## Industry and Academia

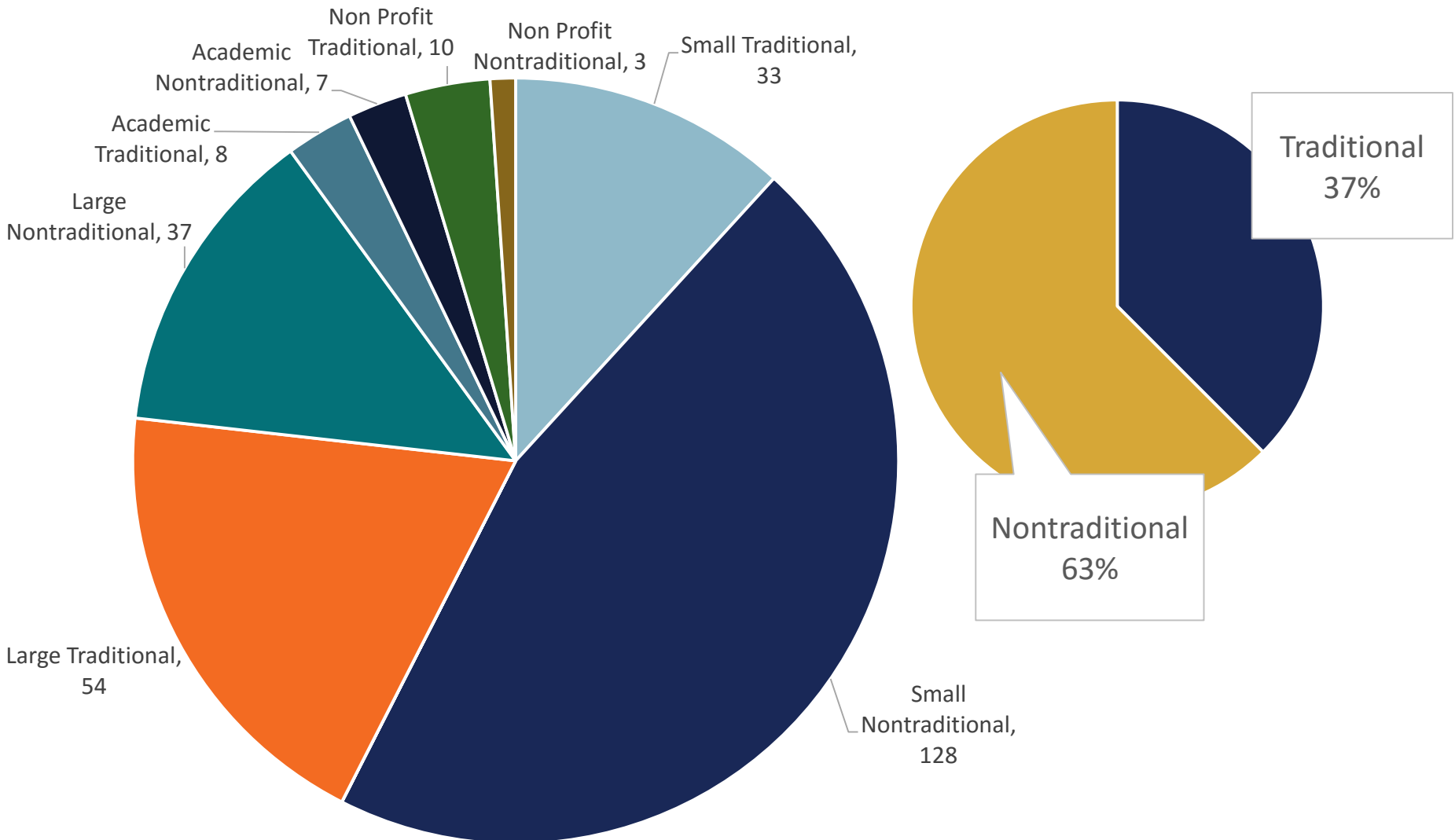
- Relief from FAR provisions
- IRAD funds can be used to fund projects
- Enables industry/academia planning for technology development investments
- Enhanced collaboration between the Government, Industry and Academia
- Reduced B&P costs with use of White Papers before proposal preparation
- Higher visibility into USG requirements
- Open dialogue with the Government is permitted up until proposal submittal
- Technically acceptable proposals placed in basket awaiting funding for 3 years

# National Advanced Mobility Consortium (NAMC)



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as of August 4, 2017  
280 Members

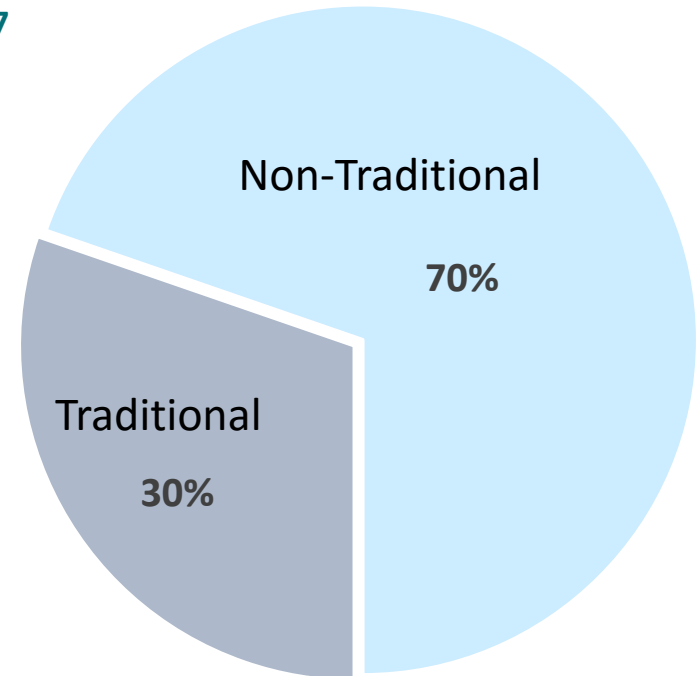
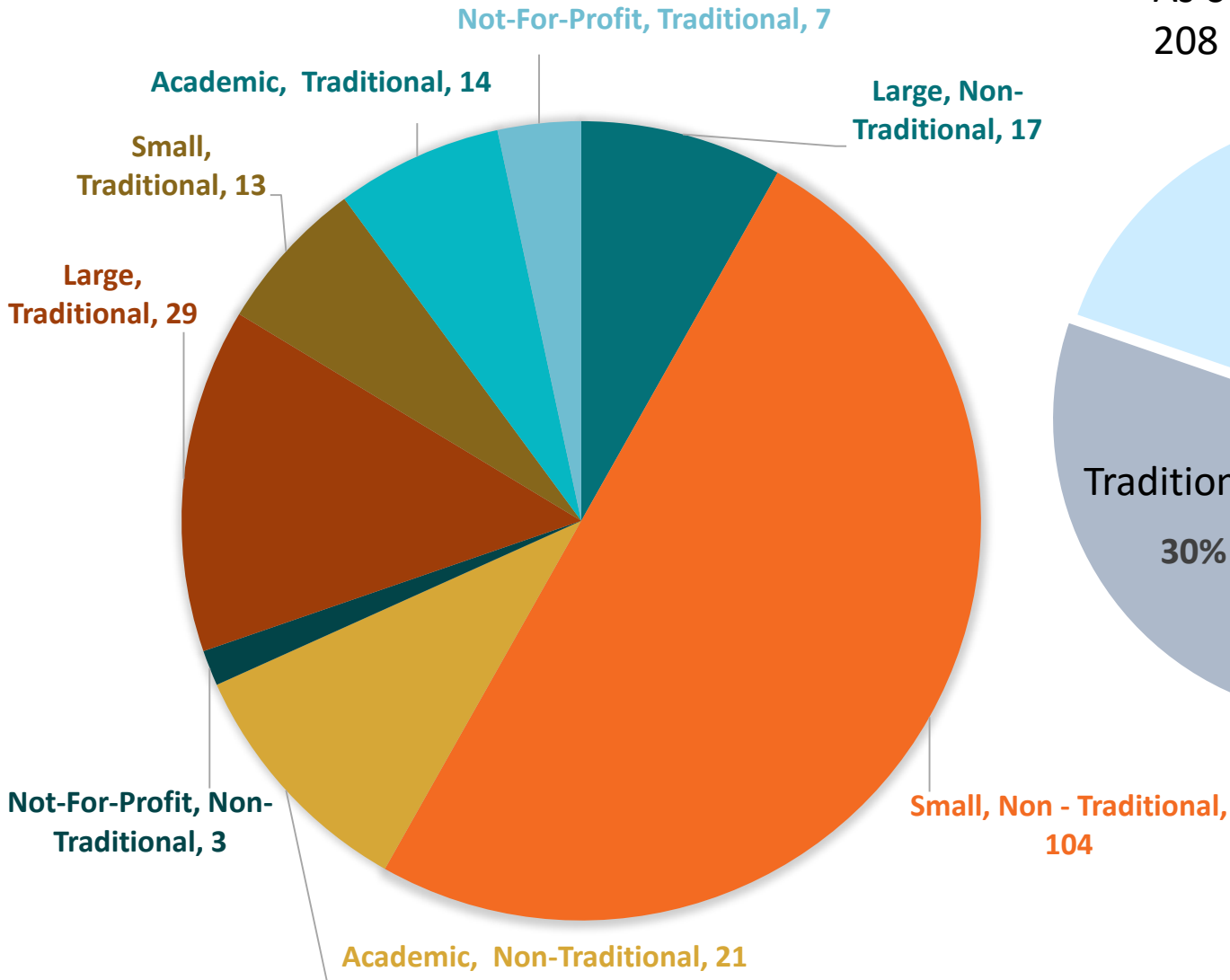


# National Spectrum Consortium (NSC)



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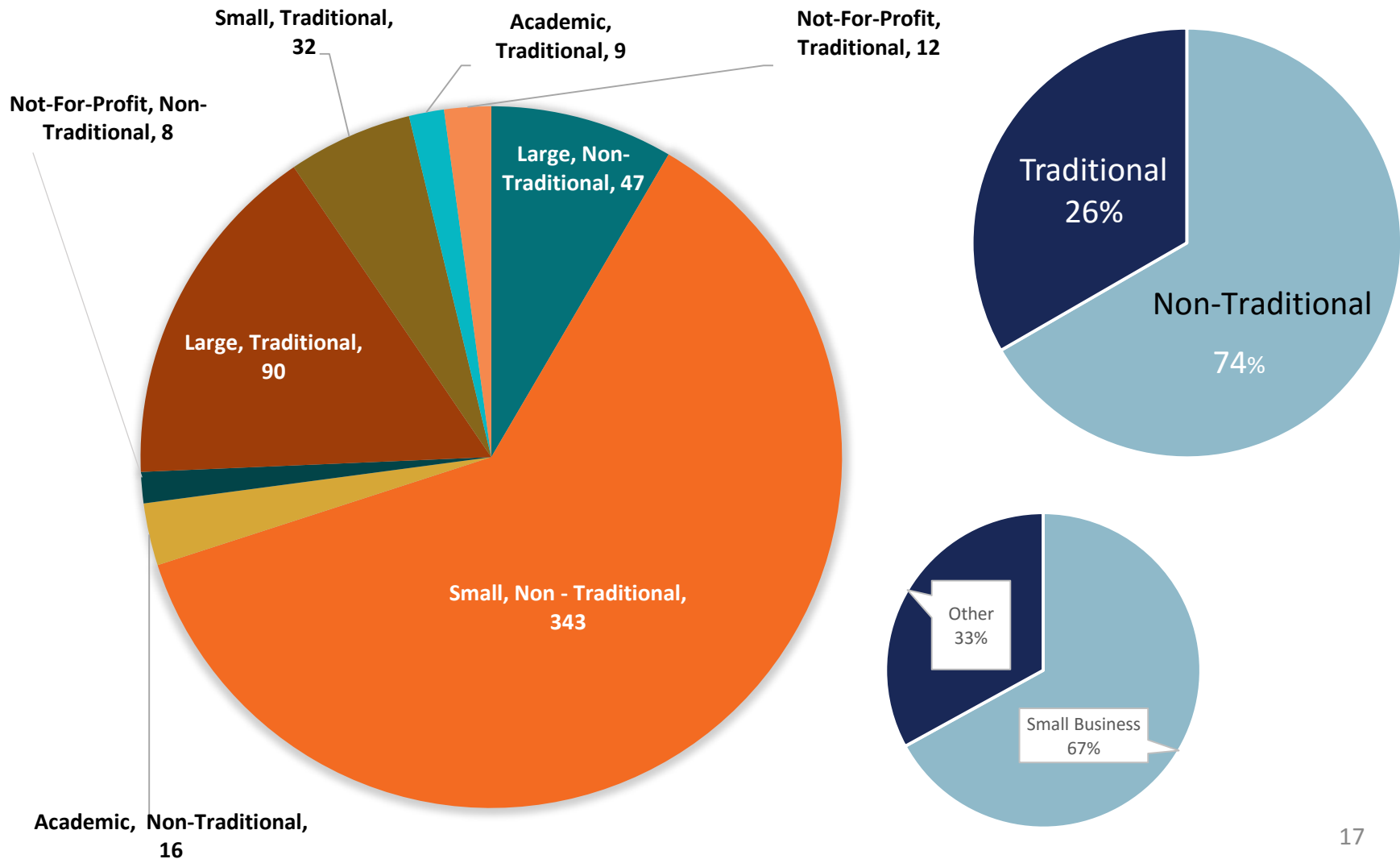
As of August 1, 2017  
208 Members





# National Armaments Consortium (NAC)

As of August 7, 2017  
557 MEMBERS



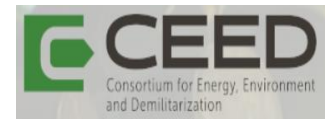
# What Are Some Active Consortia?

- DoD Ordnance Technology Consortium/National Armaments Consortium/
  - Armament and ordnance technologies
  - [www.nac-dotc.org](http://www.nac-dotc.org)
- Defense Mobility Enterprise/National Advanced Mobility Consortium
  - Ground vehicle systems and component technologies  
<http://www.defensemobility.org>
- Vertical Lift Consortium (VLC)
  - Vertical lift technologies
  - <http://www.verticalliftconsortium.org/>



# Active Consortia (con't)

- Consortium for Command, Control, and Communications in Cyberspace (C5)
  - <http://www.c5technologies.org>
- Consortium for Energy, Environment and Demilitarization
  - Energy, environment and demilitarization technologies
  - <http://www.ceed-ota.org>
- System of Systems Security Consortium (SOSSEC)
  - Systems of systems, open systems architecture
  - <http://www.sosseconsortium.com>



# Active Consortia (con't)



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- National Spectrum Consortium (NSC)
  - Military and commercial access to and use of the electromagnetic spectrum
  - <http://www.nationalspectrumconsortium.org/>
- Medical Technology Enterprise Consortium (MTEC)
  - Biomedical technology
  - <http://www.mtec-sc.org>
- Medical CBRN Defense Consortium
  - Medical solutions to counter Chemical Biological Radiological and Nuclear (CBRN) threats
  - <http://www.medcbrn.org>



# Forming/Pending Consortia



- Sensors, Communications, Electronics Consortium (SCEC)
  - Army CERDEC (NVESD lead); Solicitation “W909MY-17-R-J002\_B”
- Propulsion Directorate Consortium Initiative
  - WPAFB; Solicitation “AFLCMC-LPK-17-Consortium”
- Space Enterprise Consortium
  - AFSC, SMC, Solicitation “FA8814-16-9-0001”
- Undersea Technology Innovation
  - NUWC, Solicitation “N66604-17-9-0000”
- Training & Simulation Consortium
  - PEO(STR), Solicitation “W900KK-MSC-OTA”

# SBIR Phase III Awards



- **Step 1:** Member identifies a Government Technical POC with both (1) available funding and (2) an interest in furthering technology developed under a current or prior SBIR project.
- **Step 2:** Government Technical POC coordinates with the Government Agreements Officer and Program Office to determine feasibility of awarding under the OTA, based on these considerations:
  - How the proposed effort derives from, extends, or logically concludes efforts performed under prior SBIR funding agreements;
  - How the proposed effort fits within the definition of a prototype effort related to enhance mission effectiveness of military personnel in accordance with the statutory requirement;
  - How the proposed effort fits within the overall scope of work and the goals and objectives of the OTA
- **Step 3:** If deemed appropriate, the Government AO will send a proposal request to the member organization through the consortium manager.
- **Step 4:** Proposal undergoes technical and cost evaluation.
- **Step 5:** Government makes award determination and directs consortium manager to make an award to the member

# Speaker Biography



Tony Melita is an internationally recognized expert in munitions and land warfare systems acquisition forged from over 31 years of service with the U.S. Department of Defense (DoD).

Upon his retirement from the DoD in January 2010, Mr. Melita established MELITAconsulting, LLC – an independent defense consulting firm. As such, he continues to serve the United States defense acquisition community by providing various consulting services for individual U.S. defense contractors, as well as entire U.S. technology sectors through the development and management of DoD, industry and academic consortia.

Mr. Melita is a three-time recipient of the Office of the Secretary of Defense Medal for Exceptional Civilian Service; a recipient of a Presidential Rank Award as a Meritorious Executive; a recipient of the National Defense Industrial Association's Gold Medal; and a recipient of the National Ethnic Coalition's Congressionally-authorized Medal of Honor.

Mr. Melita is a member of the American Helicopter Society, the Marine Corps Aviation Association, the Association of the United States Army, and the National Defense Industrial Association. He serves on the Board of Directors of Expal USA and the Board of Advisors for Stratom, Inc. He serves as the Executive Director of the National Advance Mobility Consortium – the industrial and academic arm of the Department of Defense Mobility Enterprise, and as Executive Director of the National Spectrum Consortium.