

SPACE AND NAVAL WARFARE SYSTEMS COMMAND

INNOVATIVE USE OF OTHER TRANSACTIONS (OT)

NARSOC BRIEF
29 JANUARY 1998

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SPAWAR

INNOVATIVE USE OF OTHER TRANSACTION AUTHORITY (OTA)

- OTA OVERVIEW
- MIDS BACKGROUND
- MIDS-FDL - LESSONS LEARNED
- MIDS PRODUCTION READINESS OBJECTIVE/CHALLENGES
- MIDS PRODUCTION READINESS SOLUTION
- SOLICITATION
- EVALUATION
- OT LESSONS LEARNED SUMMARY
- PRODUCTION READINESS TEAM

“OTHER TRANSACTION” (OT) TYPES

- OTs FOR RESEARCH {2371}
 - SUPPORT & STIMULATE RESEARCH
 - GENERALLY CO-MANAGED ARTICLES OF COLLABORATION
 - HIGH ‘COST-SHARE’ RATIO REQUIRED
- OTs FOR PROTOTYPES {845/804}
 - PROTOTYPE WEAPON SYSTEMS
 - GENERALLY PRIME/SUB RELATIONSHIPS
 - SMALL OR NO COST SHARING REQUIRED

“OTHER TRANSACTIONS” FOR RESEARCH

- **1989** - 10 U.S.C. 2371 AUTHORIZED DoD TO “ENTER INTO TRANSACTIONS (OTHER THAN CONTRACTS, COOPERATIVE AGREEMENTS AND GRANTS)”

AUTHORITY LIMITED TO:

- BASIC, APPLIED AND ADVANCED RESEARCH PROJECTS;
- ISSUED THROUGH THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY (DARPA);
- TO BE USED ONLY WHERE STANDARD CONTRACT OR GRANT IS NOT FEASIBLE OR APPROPRIATE

- **1992** - AUTHORIZATION CONTAINED AT 10 U.S.C. 2371 EXTENDED TO THE MILITARY DEPARTMENTS

“OTHER TRANSACTIONS” FOR PROTOTYPES

- **1993 - PL 103-160, Section 845:**
 - AUTHORIZED DARPA TO USE “OTHER TRANSACTIONS” FOR PROTOTYPE PROJECTS FOR DoD WEAPONS OR WEAPONS SYSTEMS
 - LIMITED TO A 3 YEAR PERIOD
 - USE EVEN WHEN A CONTRACT WOULD OTHERWISE BE APPROPRIATE OR FEASIBLE
 - WITH OR WITHOUT COST SHARING
 - STREAMLINED ACQUISITION PROCEDURES
 - FOCUS ON GOALS AND OBJECTIVES
- **1996 - PL 104-201, Section 804:**
 - EXTENDED THE AUTHORIZATION TO THE MILITARY DEPARTMENTS THROUGH 30 SEPTEMBER 1999

MIDS-LVT BACKGROUND

MULTIFUNCTIONAL INFORMATION DISTRIBUTION SYSTEM (MIDS) - LOW VOLUME TERMINAL (LVT)

- ON-GOING INTERNATIONAL COOPERATIVE PROGRAM
- MANAGED BY PEO FOR SPACE, COMMUNICATIONS AND SENSORS - CAPTAIN DAVID FITCH, PROGRAM MANAGER
- PROVIDES INTEROPERABLE LINK-16 TACTICAL DIGITAL DATA AND VOICE COMMUNICATION LINK AMONG MULTIPLE PLATFORMS
- EMD CONTRACT AWARDED IN MARCH 1994 TO MIDSCO (CONSORTIUM CONSISTING OF SUBCONTRACTORS FROM U.S., FRANCE, GERMANY, ITALY, AND SPAIN).

MIDS-FDL - LESSONS LEARNED

- **MIDS - FIGHTER DATA LINK (FDL)**
 - REQUIRED CONTRACTOR INVESTMENT
 - INDUSTRY RELUCTANT TO INVEST SIGNIFICANT DOLLARS
 - TO DEVELOP CONTINUOUS COMPETITION
 - INDUSTRY'S RESPONSE - CONTRACTOR TEAMING
 - ELIMINATED PROSPECTS FOR FUTURE PRODUCTION COMPETITION

MIDS PRODUCTION READINESS OBJECTIVES/CHALLENGES

- ATTRACT CONTRACTORS NOT CURRENTLY INVOLVED IN LINK 16 IN ORDER TO CREATE CONTINUOUS COMPETITION
- DEVELOP A BASE OF “QUALIFIED PRODUCTION SOURCES” CONCURRENT WITH ON-GOING EMD CONTRACT
- COMPETITIVE PRODUCTION AMONG “QUALIFIED” SOURCES IN 1999

MIDS PRODUCTION READINESS SOLUTION

- DEFINE OBJECTIVES
- EACH AGREEMENT CUSTOMIZED
- PARTNERING w/ INDUSTRY
- MULTIPLE “OTHER TRANSACTION” AGREEMENTS
- SELF CERTIFICATION OF COMPLETION
- ESTABLISHMENT OF CERTIFIED MIDS MANUFACTURING REGISTER (CMMR)

SOLICITATION

- SOLICITATION
 - PROVIDED DRAFT INDUSTRY INFORMATION PACKAGE (IIP) - 19 pages + attachments
 - PROVIDED A DRAFT OT AGREEMENT
 - REQUIRED PERFORMANCE, CERTIFICATION PROCESS AND LOGISTICS PLANS
 - REQUESTED LIMITED COST DATA
 - PROPOSED TO STATEMENT OF OBJECTIVES TO:
 - ACHIEVE A DEMONSTRATED STATE OF PRODUCTION READINESS
 - ENTER A FFP CONTRACT FOR PRE-PRODUCTION AT CONCLUSION OF OT

EVALUATION

- CONTRACTOR UNIQUE PLANS EVALUATED
- PROPOSALS
 - ORAL
 - STRENGTHS/WEAKNESSES DISCUSSED
 - VIDEOTAPED
 - WRITTEN
 - CAPTURE ORAL COMMITMENTS
- DCMC PARTICIPATION IN PAST PERFORMANCE EVALUATION
- STAGGERED AWARDS

OT LESSONS LEARNED

- DEFINE OBJECTIVES v. END-PRODUCT
- SOLICIT NEW WAYS/APPROACHES
- EMPHASIS ON COMMUNICATION w/INDUSTRY AND CUSTOMER
 - TEAMING AND PARTNERING
- BUY-IN AND SUPPORT OF SENIOR MANAGEMENT REQUIRED
 - OUT OF THE BOX THINKING

PRODUCTION READINESS TEAM

PEO-SCS

Mr. John DeSalme, PEO (SCS)

CAPTAIN David Fitch, Program Manager

Mr. Frank Christe, Chief Terminal Engineer

Mr. Ron Rickwald, Production Manager

SPAWAR

Ms. Diane Thornewell 02-21 Procuring Contracting Officer

Ms. Ellen Cogswell 02-21A Procuring Contracting Officer

Mr. Charles Nurse 02-21B Procuring Contracting Officer

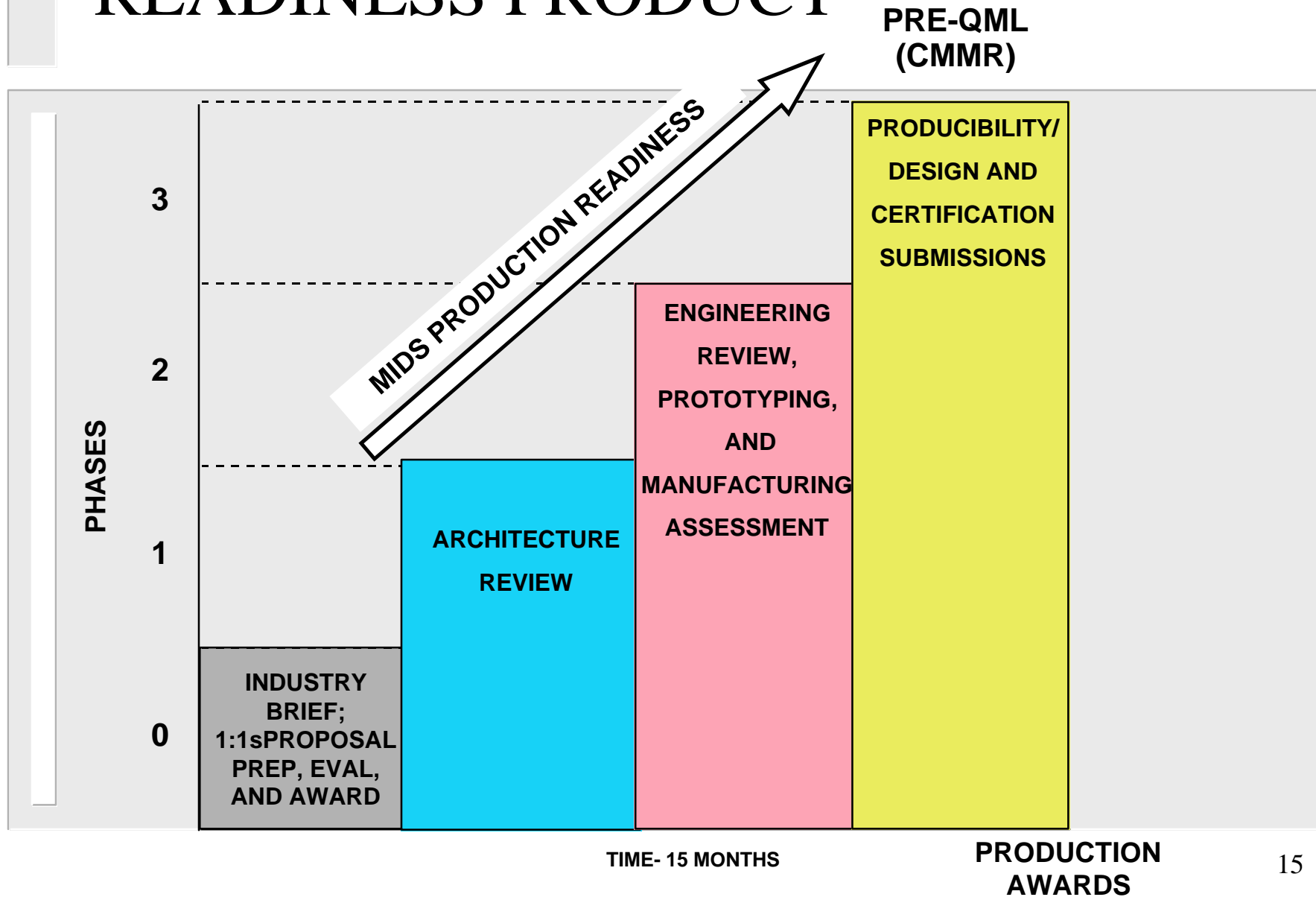
Mr. Tim Dowd, Counsel

Ms. Barbara Amster, Associate Counsel



BACKUP SLIDES

MULTI-PHASED PRODUCTION READINESS PRODUCT



LOGISTICS IPT

- DEFINE INNOVATIVE LOGISTIC SUPPORT STRATEGY TO MAXIMIZE AVAILABILITY AND MINIMIZE LIFE CYCLE COSTS IN PRODUCTION / DEPLOYMENT PHASES
- ADDRESS KEY SUPPORTABILITY ISSUES WHICH COULD BENEFIT FROM CONTINUOUS INDUSTRY / GOVERNMENT DIALOGUE
- STRONG TECHNICAL PARTICIPATION
- DUSD(L), N4, ARMY AND USAF PARTICIPATION INVITED

TECHNICAL DATA PACKAGE (TDP) IPT

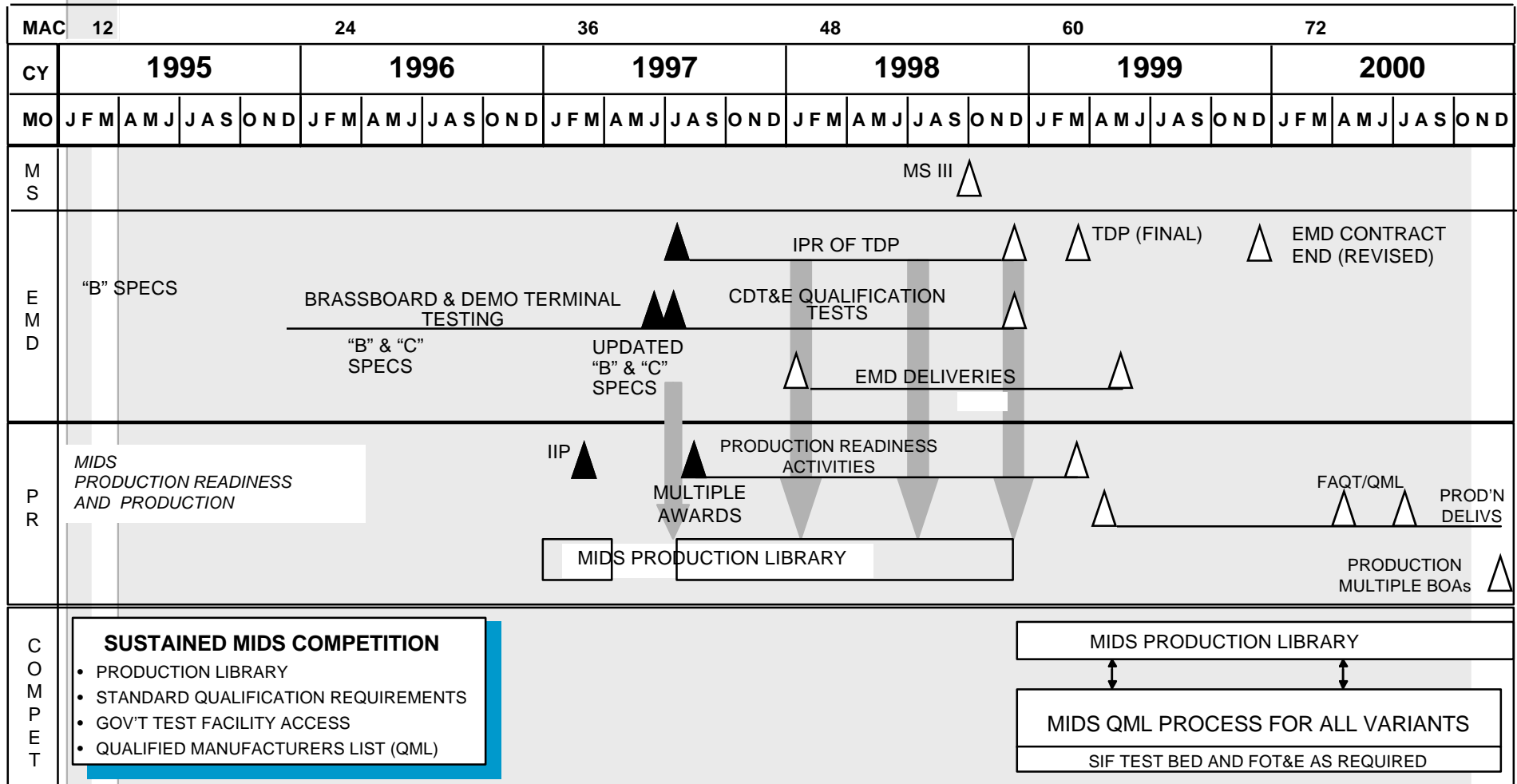
- CONTINUOUS ELECTRONIC COMMUNICATION WITH INTERNATIONAL PROGRAM OFFICE (IPO) ARCHIVED IN DATABASE FOR USE BY ALL CONTRACTORS
- Q&A REVIEW OF MATURING MIDS TDP
- ISSUES RESOLVED BY IPO USING EMD CONTRACTOR IN-PROCESS REVIEW AND TDP REVIEWS

PERFORMANCE SPECIFICATION IPT

- FOCUS ON MIDS SYSTEM SEGMENT SPECIFICATION, INTERFACE CONTROL DOCUMENT, AND CONFIGURATION ITEM DEVELOPMENT SPECIFICATIONS
- ELIMINATE “HOW TOs”, UNNECESSARY TEST REQUIREMENTS, AND FURTHER MINIMIZE MILSPECS/STANDARDS
- IDENTIFY CAIV OPPORTUNITIES
- IMPLEMENT COMMERCIAL PROCESSES / PRACTICES

EMD AND PRODUCTION READINESS RELATIONSHIP

12 JAN 98



PROPOSED EVOLUTIONARY U.S. PRODUCTION STRATEGY

Pre-Solicitation Activities

Industry Brief

Production Strategy
Outline Provided

One-on-One Meetings
With Industry

Solicit Industry
Comments

Open the MIDS
Production Library

Acquisition
Information
Continuously Updated
on the SPAWAR
Bulletin Board

Industry Participation
in Constructing the
Solicitation

OTA Production Readiness

Full and Open Competition

Multiple Awards

Phased Approach Which
Minimizes Contractor and
Government Risk

Government Technical Assistance
as Requested

Payment Linked to
Accomplishments

Cost Sharing Arrangement

Completion Leads to Pre-QML
(CMMR) Status

Use of 'Other Transaction'
Agreements Managed by
SPAWAR/IPO

First Production Lot

Full and Open Competition

Multiple Fixed Price Type
Contracts

Award Evaluation Will Consider
Completion of PR Activities, Other
Technical Considerations, and
Price

CMMR Contractors Exempt from
CMMR Requirements Evaluation

First Article Qual Test on
Production Terminals to Achieve
QML Status

Contracts Issued and Managed by
SPAWAR/IPO

Future Requirements

Continuous Competition
Among BOA Holders
(cost/schedule tradeoffs)

Delivery Orders Issued and
Managed by the Requiring
Activity (Government Entity
or Government Contractor)

QML Contractors May Be
Issued a MIDS-LVT BOA

BOA Holders Are Free to
Solicit Production Terminal
Business (Within BOA Terms
and Conditions)

MIDS OTHER TRANSACTION AWARD CYCLE

