ASMC PDI: Workshop #58

Funding for Other Transactions (OTs) and Middle Tier of Acquisition (MTA) Programs

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Outline

• Other Transactions (3)

• MTAs (3)

• Questions to Ask… (1)
Contract Strategies

An Array of Options for Contracting
2 Types of Other Transaction Authorities (OTAs)
- Research
- Prototype

3 Types of Other Transactions (OTs)
- Research: BA 1, 2 or 3
- Prototyping: BA 3, 4, 5
- Production:
  • If deemed LRIP, then could be RDT&E (BA 5) or Procurement (Proc)
    - “Should” be RDT&E funded, if used for DT or IOT&E by an independent operational test agency (If used for IOT&E must be production representative)
      » Frequently, Proc is used for LRIP items used for IOT&E
    - Proc used for establishing an initial production base for the system; and to permit an orderly increase in production rate
  • If not deemed LRIP, then Procurement funded
  • Default will be Procurement funded
OTs

- Funding policy derived from the OSD Comptroller Financial Mgt Reg
  - Vol 2A, Chapter 1, Para 010213 (DoD 7000.14-R)
    - Defines “Research” vs “Development”
    - Explains what should be funded with RDT&E funds
  - Vol 2B, Chapter 5, Para 050201, “RDT&E Budget Activities”
    - Research funded with BA 1 (Basic Research), 2 (Applied Research), and 3 (Advanced Technology Development)
    - Prototypes funded with
      - BA 3: prototypes for field experiments and/or tests in a simulated environment; proof of technology feasibility; pre-MS B
      - BA 4: …system specific efforts to help expedite technology transition from lab to operational use. pre-MS B (e.g., TMRR phase prototyping)
      - BA 5: “…programs have passed MS B approval and are conducting engineering and manufacturing tasks…prior to full rate production.”; Mature system dev, LFT&E and IOT&E of prod rep articles

- OTs
  - Research: BA 1, 2 or 3
  - Prototyping: BA 3, 4, 5
Adaptive Acquisition Framework

CONCEPT / NEED

Middle-Tier Acquisition
FY16 NDAA Section 804

Tailorable Traditional
DODI 5000.02

Acquisition of Services
DODI 5000.74

Defense Business Systems (DBS)
DODI 5000.75

There are Many Pathways to Deliver Capabilities
Middle Tier of Acquisition Funding (1/2)

- Funding policy derived from FMR (DoD 7000.14-R)

- Rapid Prototyping
  - Vol 2B, Chapter 5, Para 050201, “RDT&E Budget Activities”
    - Prototypes funded with
      - BA 3: prototypes for field experiments and/or tests in a simulated environment; proof of technology feasibility; pre-MS B
      - BA 4: ...system specific efforts to help expedite technology transition from lab to operational use. pre-MS B (e.g., TMRR phase prototyping)
      - BA 5: “...programs have passed MS B approval and are conducting engineering and manufacturing tasks...prior to full rate production.”; Mature system dev, LFT&E and IOT&E of prod rep articles (i.e., Post MS B EMD effort)
Rapid Fielding

- For the 6 months or less of development, use RDT&E
- Production:
  - If deemed LRIP, then could be RDT&E (BA 5) or Procurement (Proc)
    - "Should" be RDT&E funded, if used for DT or IOT&E by an independent operational test agency (If used for IOT&E must be production representative)
      - Frequently, Proc is used for LRIP items used for IOT&E
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Questions to Ask to Determine RDT&E Budget Activity for OTs/MTAs:

1. Is the RDT&E effort for Research or Prototyping?
   a) If Research: BA 1, 2, or 3 should be used based on the next set of questions
   b) If Prototyping: BA 3, 4, or 5 should be used based on the next set of questions

2. Describe the work that will be done with the funds.

3. Who will perform the work? Lab/university or contractor?

4. What is the current TRL for this effort? What TRL level do you expect it to be at, when this effort is done?

5. What kind of testing are you planning to do during this effort? Any operational testing? Live fire testing?

6. What’s next after this effort is done? Do you plan to transition to DoD 5000.02 via a MS B or MS C at a later date? ..or Rapid Fielding?

7. Is there a commitment now to enter production, if this is successful? When would production start?
Backups