



# DoD Ordnance Technology Consortium (DOTC) Information Brief

[www.nac-dotc.org](http://www.nac-dotc.org)

15 October 2015



# What is DOTC

## ***DOTC Is:***

- An enterprise that allows the DoD Ordnance Community, industry and academia to work collaboratively in developing prototype solutions for earlier transition to System Development and Demonstration or Production Programs
- An enterprise that reduces acquisition lead time, cost and risk in a competitive environment in parallel with establishing FAR-based System Development and Demonstration or Production Program contracts, which reduces significantly the overall time from R&D to fielding
- A way to leverage resources and assets within the U.S. Ordnance Technology Base (DoD, Industry, and Academia)
- A way to expand the U.S. Ordnance Technology Base by competitively engaging non-traditional defense companies (primarily small businesses) possessing innovative ideas and technologies

## ***DOTC Is Not:***

- Just another contract vehicle
- A way to get sole source contracts
- A way to avoid Federal Acquisition Regulation requirements



# DoD Ordnance Technology Consortium

## DoD Ordnance Community



Overarching Agreement  
Section 845  
Other Transaction

## National Armaments Consortium



- OUSD (AT&L) LW&M
- Department of The Army
- Department of the Navy
- Department of the Air Force
- Special Operations Command
- DARPA
- DTRA
- Other Agencies and Departments

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

*DoD and NAC... Partnering to Leverage their Individual Capabilities and Investments*



# DOTC Vision & Mission

## ***Vision:***

- An integration of Government, Industry, and Academia into a single enterprise executing Joint and co-funded initiatives, sharing and developing goals and objectives, resources and assets, and utilizing existing personnel, facilities and equipment

## ***Mission:***

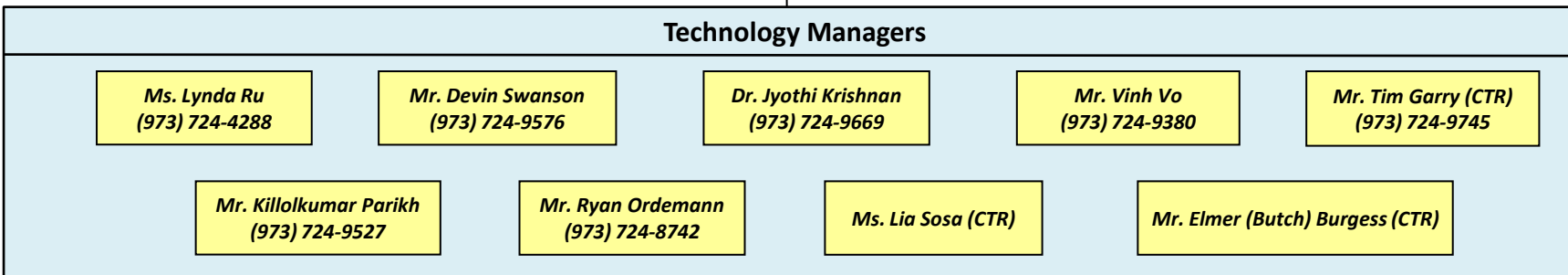
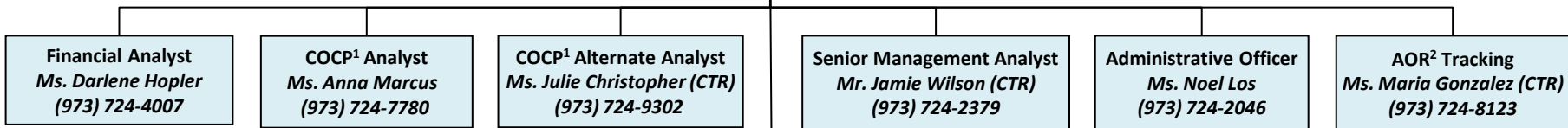
- To enhance our warfighters' lethality, survivability and combat effectiveness by facilitating the industrial and academic research, development and technology demonstrations needed to advance and expand our military technological superiority
  - Rapid technology transfer to the Warfighter
  - Advocates a critical mass of world-class technologists
  - Leverages government, private industry and academia R&D resources
  - Promotes nontraditional defense contractor involvement
  - Promotes innovation



# DOTC Management Organization



**Program Director**  
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<sup>1</sup> Customer Order Control Point  
<sup>2</sup> Agreements officer Representative



# DOTC Objective Areas

## Ammunition (AMM)

- Small Caliber
- Medium Caliber
- Large Caliber
- Non-Lethal Ammo
- Mortars
- Grenades
- Demolitions
- Logistics
- Other

## Demilitarization (DEM)

- Disassembly of Munitions
- Munitions Recycle, Recovery, and Re-Use
- Munitions Destruction and Final Disposition
- Removal of Energetic Materials from Munitions
- Waste Stream Treatment
- Disposal Logistics
- Other

## Enabling Technologies (ENT)

- Precision Guidance
- GPS Denied
- Power Sources
- Material and Processes
- Manufacturing Technologies
- Weaponization
- Modeling and Simulation
- Other

## Energetic Materials (ENR)

- Explosives
- Propellants
- Pyrotechnics
- Ingredients
- Additive Manufacturing for Energetic Materials
- Other

## Fuzes & Sensors (FUZ)

- Hard Target Fuzing Technologies
- Tailorable Effects Fuze Technologies
- High Reliability Fuze Technologies
- Enabling Fuze Technologies
- Safe & Arm Fuzes
- MEMS
- Fuze Producibility
- High G-Force
- Sensor Development
- Other

## Joint Insensitive Munitions (JIM)

- High Performance Missile Propulsion
- Minimum Signature Missile Propulsion
- Blast Fragment Warheads
- Anti-Armor Warheads
- Gun Propulsion
- System Level Demonstration
- Explosive Ordnance Disposal (EOD) Insensitive Munition disposal tools/techniques
- Other

## Protection & Survivability (PAS)

- Threat Detection and Tracking
- Countermeasures, Counter Countermeasures & Anti-Tamper
- IED Detection and Destruction
- Explosive Ordnance Disposal
- Armament Survivability
- Personnel & Equipment Survivability
- Communications
- Situational Awareness
- Other

## Rockets, Missiles and Bombs (RMB)

- Air-to-Air
- Air-to-Surface
- Surface-to-Air
- Surface-to-Surface
- Shoulder Launched
- Other

## Warheads/Lethal Mechanisms (WLM)

- Chemical Energy
- Kinetic Energy
- Multipurpose
- Unitary
- Directed Energy
- Other

## Weapon Systems (WPN)

- Rifles
- Hand Guns
- Machine Guns
- Grenade Launchers
- Medium Caliber Cannons
- Large Caliber Artillery
- Non-lethal Weapons
- Fire Control
- Area Denial
- Electric Weapons
- Accessories
- Enablers
- Other



# What is a Section 845 Prototype Other Transaction Agreement (OTA)

## ***A Section 845 OTA Is:***

- For prototype projects that are directly relevant to weapons or weapon systems proposed to be acquired or developed by the DoD
- A legally binding instrument requiring at least one nontraditional defense contractor participating to a significant extent **OR** mandatory one third cost sharing
- An instrument that allows for negotiation of intellectual property and flexible payment provisions (payable milestones)
- Tailorable to fit your desired acquisition strategy

## ***An Section 845 OTA Is Not:***

- A FAR procurement contract, grant or cooperative agreement
- For acquisition of production quantities, engineering services, construction, operations & maintenance activities
- Constrained by previous USG contract practices and conventions
- Bound by GAO protest rules (i.e., no protests allowed)
- Subject to mandatory cost accounting standards





# OTA Requirements for Participation

## DoD-Specific

The DOTC Section 845 Other Transaction Agreement is for Technology Development and Prototype Demonstration Initiatives. The purpose of this OTA is to further the DoD's capabilities in the areas of ordnance technology Research, Development, Test and Evaluation (RDT&E) initiatives, as well as the implementation of best practices across the following Technology Area Objectives: Ammunition; Demilitarization; Energetic Materials; Enabling Technologies; Fuzes and Sensors; Protection & Survivability; Rockets, Missiles and Bombs; Weapons and Enablers; Warheads/Lethal Mechanisms; and Joint Insensitive Munitions.

### **Initiatives awarded through DOTC have the following characteristics:**

- Have Prototype Deliverables
- Are pertinent to Weapons and/or Weapon Systems
- Are funded through RDT&E or PAA\* type funds
- Are pre-Milestone C\*\* in the Acquisition Lifecycle
- Include significant participation by a nontraditional defense contractor or 1/3 cost share

\* If PAA, the initiative must address a prototype, product improvement or single point failure

\*\* The OTA can be used to award prototype demonstrations up to a Low Rate Initial Production (LRIP) decision point. LRIP and beyond are not allowed under the Section 845 OTA authority.





# OTA Prototype Deliverables

## ***Each OTA initiative must have a prototype deliverable:***

- A prototype is described as “a physical or virtual model used to evaluate the technical, manufacturing feasibility or military utility of a particular technology, process, concept, end item, or system”
  - Quantities should be limited to that needed to prove technical or manufacturing feasibility or to evaluate military utility
- The predominance of the effort must be directly related to prototype development
  - Services, Maintenance, Construction, Equipment purchases/ installations and Production are not prototype deliverables
  - Only ancillary services that are directly related to prototype development are allowable



# Definition of a Nontraditional Contractor

- A **business unit** that has not, for a period of at least one year prior to the date of the OT agreement, entered into or performed on:
  - (1) any procurement contract that is subject to full coverage under the cost accounting standards, OR
  - (2) any FAR based procurement contract in excess of \$500,000 to carry out prototype projects or to perform basic, applied or advanced research
- Many small businesses and academia do not qualify as non-traditional contractors (very narrow definition)
- A unit of a traditional may qualify as a non-traditional contractor



# Nontraditional Defense Contractors

- **Can be a prime contractor, team member, subcontractor, lower tier vendor, or "intra-company" business unit, provided the business unit makes a significant contribution to the Initiative (i.e., is a key participant)**
- **Examples of significant contribution include:**
  - supplying new key technology or products
  - accomplishing a significant amount of the effort
  - causing a material reduction in the cost or schedule or increase in the performance
- **Must have a DUNS #**



# Nontraditional Defense Contractors

## Warranties and Representations Form

If the prime contractor is a traditional defense contractor and proposes the use of one or more nontraditional defense contractors, the following information is required for each participating nontraditional defense contractor.

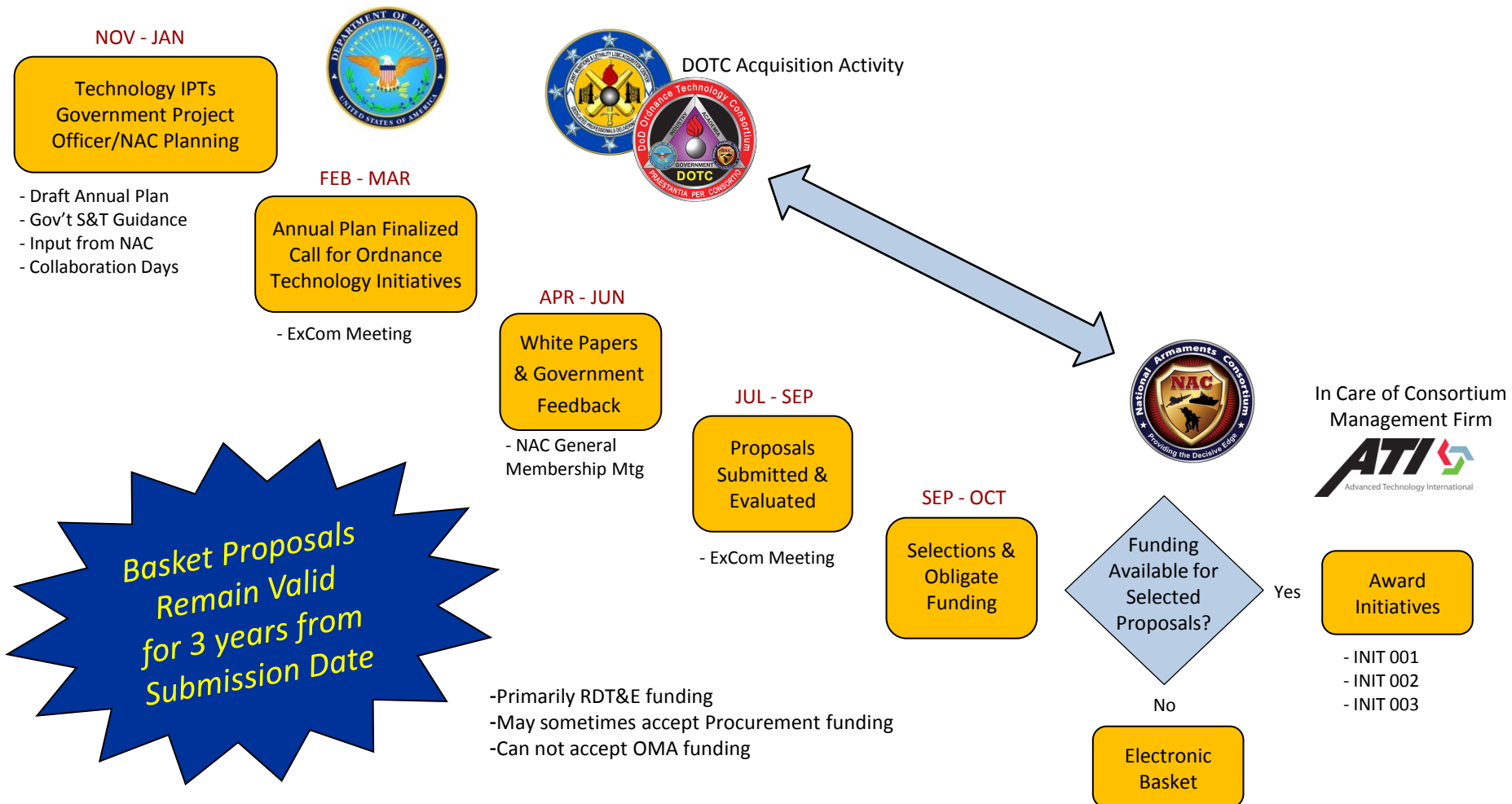
Legal Name of Nontraditional Defense Contractor:	
DUNS #:	
Address:	
Point of Contact (Name, Title, Phone #, Email):	
<b>I. Please select at least one or more of the significant contribution(s) listed below that will be provided by the Nontraditional defense contractor cited above:</b>	
<input type="checkbox"/>	<b>A - The significant contribution involves developing, demonstrating or providing a key technology.</b> <i>Please describe what the key technology is; why it is key to the DoD weapon system community, and what makes it key.</i>
<input type="checkbox"/>	<b>B - The significant contribution involves developing, demonstrating or providing a new part or material that is not readily available.</b> <i>Please describe what the new part or material is and why it is not readily available.</i>
<input type="checkbox"/>	<b>C - The significant contribution involves use of skilled personnel (such as modeling &amp; simulation experience, weapon system design experience, etc.), facilities and/or equipment that are within the capabilities of the designated nontraditional and required to successfully complete the program.</b> <i>Please describe the personnel, facilities and/or equipment involved in the proposed program and why they are required to successfully complete the program.</i>
<input type="checkbox"/>	<b>D - The use of this designated non-traditional will cause a material reduction in the cost or schedule.</b> <i>Please describe the specific cost or schedule impact to be realized</i>
<input type="checkbox"/>	<b>E - The use of this designated non-traditional will increase weapon system performance.</b> <i>Please describe what the performance increase will be attained by the use of this designated nontraditional defense contractor</i>
<b>II. In addition to the above please provide the following information:</b>	
<b>Q1</b>	<b>What capability does this Nontraditional defense contractor have that is necessary for this specific effort and makes it clearly the only contractor that will result in the successful completion of the effort?</b>
A1	
<b>Q2</b>	<b>Which task/phase(s) of the effort will the Nontraditional defense contractor be used?</b>
A2	
<b>Q3</b>	<b>What is the total estimated cost associated with the Nontraditional defense contractor included in the proposal?</b> <i>Note: While cost is an indicator for the level of Nontraditional defense contractor participation, there is no cost threshold required as it does not define the "significance" of the Nontraditional defense contractor contribution.</i>
A3	

- If the offeror asserts either (1) it is a nontraditional defense contractor or (2) proposes a nontraditional defense contractor as a team member/subcontractor, the Offeror shall submit Warranties and Representations (Attachment 2 of the PPG)
- Warranties and Representations will be uploaded separately in BIDS



# DOTC Annual Cycle

## Annual Plan Development to Initiative Award...





# 17-01 Schedule (tentative)

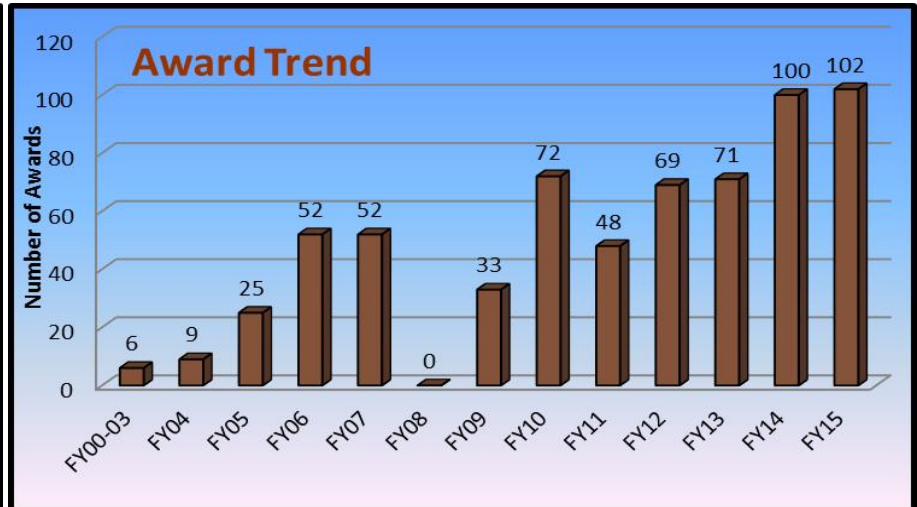
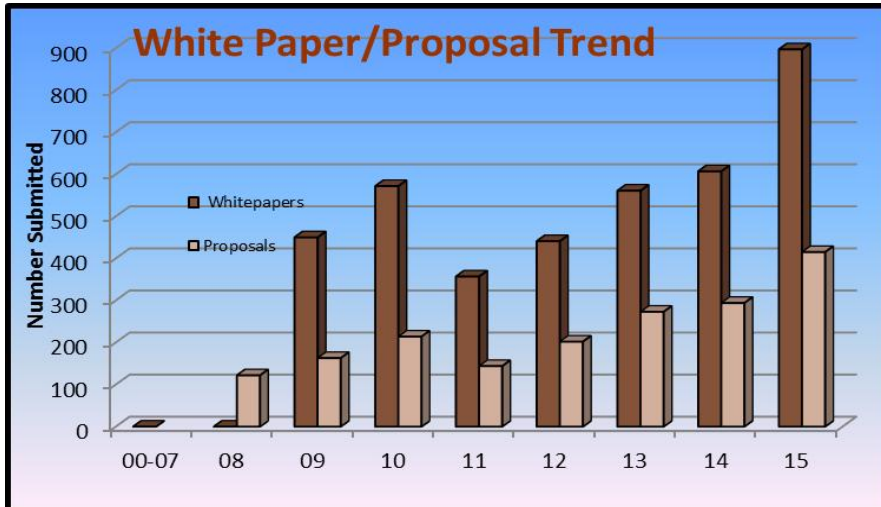
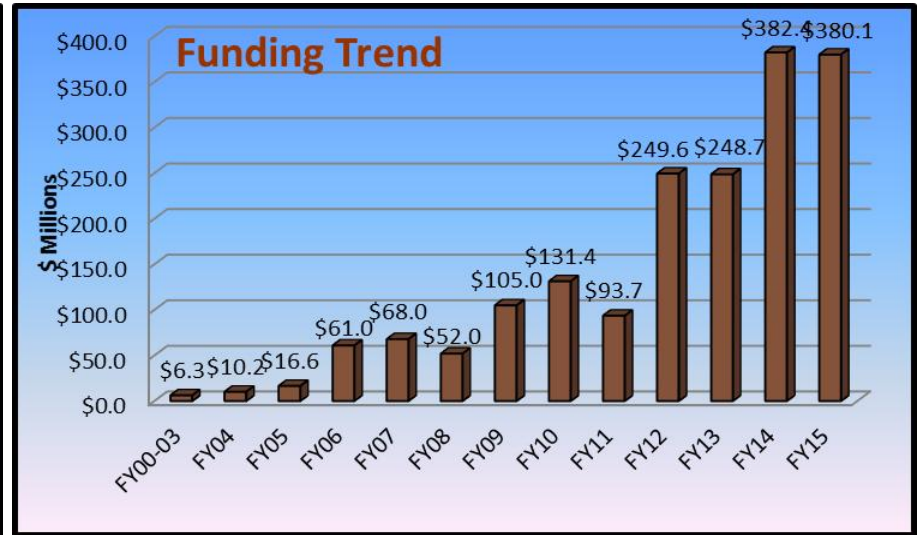
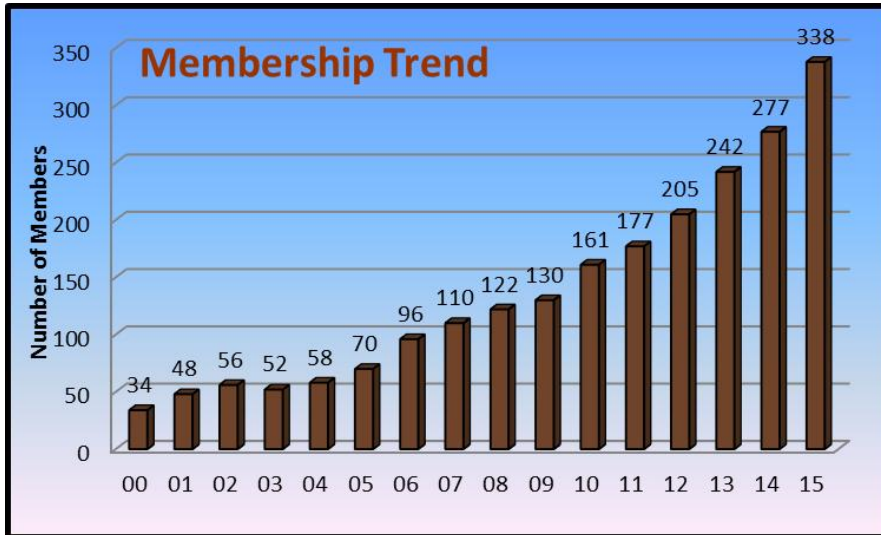
<b>Open/Close BIDS for Suggested Topics</b>	<b>07 OCT 15/ 28 OCT 15</b>
<b>Open/Close BIDS for Annual Plan Requirements</b>	<b>03 NOV 15/ 11 DEC 15</b>
<b>Open/Close BIDS for NAC Comments</b>	<b>11 JAN 16/ 22 JAN 16</b>
<b>Cut-off for Submissions to FY16 Annual Plan</b>	<b>09 FEB 16</b>
<b>Release of Annual Plan to ExCom</b>	<b>08 MAR 16</b>
<b>Release of Final Annual Plan to NAC</b>	<b>14 MAR 16</b>
<b>NAC General Membership Meeting</b>	<b>22-24 MAR 16</b>
<b>Request for Ordnance Technology Initiatives</b>	<b>30 MAR 16</b>
<b>DOTC ExCom MTG (linked w/NDIA Arm Sys Forum)</b>	<b>25 APR 16</b>
<b>White Papers Due in BIDS</b>	<b>27 APR 16</b>
<b>White Paper Feedback to NAC Members</b>	<b>01 JUN 16</b>
<b>Proposals Received in BIDS</b>	<b>26 JUL 16</b>
<b>Proposal Evaluations due in BIDS</b>	<b>19 AUG 16</b>
<b>DOTC ExCom Meeting (linked w/TAC)</b>	<b>15 AUG 16</b>
<b>Initiate Awards for Funded Proposals</b>	<b>Oct – Nov 16</b>
<b>Source Selection Complete</b>	<b>31 JAN 17</b>





# Enterprise Trends

As of 23 September 2015



***Sustained Growth is Important to All DOTC Stakeholders - Government, Industry and Academia***





# DOTC is well Aligned with Better Buying Power 3.0 (BBP 3.0)

## Initiatives from OUSD (AT&L) Honorable Frank Kendall's Implementation Directive for BBP 3.0 (9 APR 15) ...

- *Increase the use of prototyping and experimentation*
  - Today there are 299 active prototype projects valued at \$931M on DOTC OTAs
- *Reduce cycle time while ensuring sound investments*
  - New precision mortar capability developed, tested and fielded in 18 months
- *Streamline documentation requirements and staff reviews*
  - Less than 90 days for first time initiative awards
- *Provide draft technical requirements to industry and involve industry in funded concept definition to support requirements definition*
  - Draft requirements provided to 338 industry members
- *Increase small business participation*
  - Approximately 65% of industry members are small businesses
- *Strengthen organic engineering capabilities*
  - Allows engineers for focus on engineering, not contracting



# Take Away

- DOTC has become an industry benchmark for Defense consortia
  - Since 2000 over \$1.5B total funding, 600+ awards and 335+ NAC members
- Focused on accelerating Warfighter superiority through extensive Government and Industry collaboration
  - Continuously streamlining the acquisition lifecycle to bring more rapid and innovative solutions to the field
  - Collaborative planning and agile processes allow for well aligned proposals
- Unique “can do” culture with Government, Industry, ACC-NJ and Legal
- Strong Government and Industry infrastructure to ensure your success (websites, help documentation, collaboration events, training sessions)
- Please visit our web site at [www.nac-dotc.org](http://www.nac-dotc.org)



# Back Up



# Consortium Benefits

## DoD:

- *Facilitates collaboration* with Service, Industry and Academic SMEs.
- *Leverages* IRAD funding and innovative technologies with defense contractors and universities.
- Facilitates planning and execution with incremental funding options
- Enables breakthrough technologies to be more accessible to address DoD warfighter requirements
- Permits DoD technical staff to *focus on technology*, not contracting

## Industry/Academia:

- Enables and increases *business relationships and partnerships*
- Provides more visibility and *higher resolution of technology gaps*
- Allows for open collaboration with DoD technical community during requirements development and project definition activities

## Defense Technology Base:

- *Enables a more rapid response* to DoD warfighter requirements
- Provides a focus on the demonstration of prototypes, thus reducing risk in development and production



# Acquisition Benefits

## – Unique Acquisition Process:

- **Competitive yet Flexible:** NAC membership is open. DOTC awards can be made to any US-based defense partner (NAC member). Whitepaper process enables DoD to provide guidance to industry on the proposals to be submitted
- **Basket Provision:** If funding is not available, then the DoD has the option of placing a source-selection-approved proposal in a basket with the option of funding it within three years of proposal submission
- **Single Point Contracting:** Contractor Management Firm (CMF) facilitates and manages DoD's engagement with all members of the National Armaments Consortium (NAC); e.g., Cost Analyses and Subcontractor agreement verifications will be conducted by CMF
- **No Protests Allowed:** Prohibits formal protests against the Government awards

## – Shorter Time to Award:

- First time award (funding/SOW received to award): **Less than 90 days**
- Incremental award: **Less than 45 days** - e.g., if a SOW with a ceiling of \$1m was funded up to \$500K, and an additional \$250K is subsequently made available, it can be awarded and available to the NAC member within 45 days of sending it to DOTC financial analyst
- Basket provision ("Basket" proposal pulled out for award): **60-80 days**

## – Reasonable Costs:

- DOTC's **total fees are 6.00%** of the project award value -- this covers all of the efforts of the DOTC Program Office, Army Contracting Command – New Jersey, Army Legal, and the Single Point Contracting agent for NAC to focus on and expedite the solicitation, review and award of ordnance technology projects for DoD customers.



# Basket Provision

- **A NAC proposal is placed in an electronic basket** for a period of three (3) years from the ROTI closing date when a proposal (rated better than poor) is not initially selected for award.
  - If a proposal selected for award is not funded within nine (9) months from the ROTI closing date, the proposal will be placed in the electronic basket
- **To maintain acquisition integrity** - Proposals placed in the basket will maintain rankings as specified by the source selection evaluation team for a period of nine (9) months from the ROTI closing date.
  - After this period it will become available to all DOTC customers under equal ranking
- **Exception to the 9 month rule** – Proposals can be selected from the basket out of the ranked order prior to 9 months provided that the selecting customer is from a different Service or business unit (Division level) organization than the source selection team organization.



# Cost Share

**If a proposal does not contain at least one nontraditional defense contractor participating to a significant extent, then it is required that the proposal contain at least one third of the total Initiative cost as cost share. There are two types of cost sharing:**

- Cash: Outlays of funds to perform the Ordnance Technology Initiative. Cash includes labor, materials, new equipment, and relevant subcontractor efforts. Sources include new Independent Research & Development (IR&D) funds, profit or fee from another contract, overhead or capital equipment expense pool. New IR&D funds offered to be spent on the Ordnance Technology Initiative SOW and subject to the direction of the initiative management may be utilized as cost share.
- In-Kind: Reasonable value of in-place equipment, materials or other property used in performance of the Ordnance Technology Initiative. All cash or in-kind cost sharing availability must be clearly and convincingly demonstrated by the Offeror. The Offeror will be required to provide financial reporting with appropriate visibility into expenditures of Government funds vs. private funds. Parallel research that might be related to the Ordnance Technology Initiative, but will not be part of the SOW or subject to the direction of the initiative management will not be considered for cost sharing. All costs, fees, profits, General & Administrative Expenses (G&A), bid and proposal costs, or intellectual property value incurred prior to the Ordnance Technology Initiative award will not be accepted.

## **Cost share requirements include:**

- Proposals that contain cost share cannot include fee.
- Cost Share may only be proposed on cost type agreements.





# Intellectual Property

- Negotiable
- Standard IP terms in OTA
  - Apply unless differing terms included in individual project
- Advise Contracting (AO) ASAP if negotiation required
  - Do not negotiate/include in SOW “happy to glad” changes
- Need your input to negotiate



# Legislative Changes

- Not yet effective/clarified
  - No implementing regulations
  - No new delegations of authority
- Expands applicability
  - Enhancing mission effectiveness; supporting platforms; components or materials
  - Not just weapon systems
- Small Business as prime and nontraditional participation
- Increase local authority