PNW APMP CHAPTER

# OTAs and the Proposal Professional

Other Transaction Authority as a deliberate lane in a well-rounded federal pipeline

*Presented by Chelsea Roberts of Collaborative Compositions*
*www.linkedin.com/in/chelseadroberts*
*Collaborativecompositions.com*

SESSION ROADMAP

# What we will cover today

### Why OTs matter to proposal teams
The Section L and M reflexes that do not transfer, and the ones that do.

### What an OT is, and is not
The statutory basis, and why it sits outside the FAR.

### The legal framework
10 U.S.C. 4021 and 4022, and who qualifies as nontraditional.

### How OTs reach industry
Consortia, direct awards, and the award lifecycle.

### What the proposal becomes
White papers, pitches, and orals instead of compliant volumes.

### Where OTs fit in the pipeline
Matching the vehicle to the pursuit, and your next moves.

# The instincts that built your craft do not all transfer

Your profession is engineered around FAR Part 15. Section L tells you how to respond, Section M tells you how you will be scored, and the compliance matrix keeps you honest. OTs remove most of that scaffolding. The discipline still matters. The artifacts, the timeline, and the evaluation logic do not.

## The FAR Part 15 world you know

- A formal RFP with Section L and Section M
- The compliance matrix drives the outline
- Thirty to sixty day proposal cycles
- Tradeoff source selection on stated factors
- Past performance and cost volumes carry weight

## The OT world you are entering

- A call or request for white papers, often via a consortium
- A down-select from short concept to full proposal
- Weeks, sometimes days, to first submission
- Pitch days, demos, and oral evaluations
- The solution and transition story carry the win

***So what:*** *if your capture-to-proposal process only has one gear, the OT lane will outrun it.*

# What is an Other Transaction?

## The plain-language definition

An Other Transaction is a legally binding agreement the government uses to obtain or advance innovation, research, and prototypes. It is defined by what it is not: not a procurement contract, not a grant, not a cooperative agreement. Because it sits outside those categories, it is largely free of the FAR and DFARS by default.

*“Other” means outside the standard system, by design.*

### Not a FAR contract

No FAR, no DFARS by default. Terms are negotiated, not dictated by clause.

### Not a grant

The government is acquiring a result, not funding a public purpose.

### Not a cooperative agreement

No principal purpose of assistance, and no standard award structure.

THE FUNDAMENTALS

# Why the authority exists

The FAR is built for accountability and broad competition. Those are real strengths, and for most of the federal market they are the right defaults. They also make the standard system slow and hard for commercial and emerging firms to enter. OTs were created to solve a narrow problem: the government needs fast access to innovation that often lives outside the traditional defense base.

### Speed

Award timelines measured in weeks or months, not the year-plus a full FAR competition can take.

### Access

A deliberate on-ramp for nontraditional contractors, commercial firms, and small businesses.

### Flexibility

Terms, IP rights, and milestones negotiated to fit the project instead of forced into fixed clauses.

# Where the authority comes from

OT authority is statutory, not regulatory. For the Department of Defense, two sections of Title 10 carry the weight, and knowing which one applies tells you what the agreement can do.

## 10 U.S.C. § 4021

### Research OTs

- Funds basic, applied, and advanced research
- Advances science and technology objectives
- No follow-on production within the agreement itself
- The starting point for dual-use technology work

## 10 U.S.C. § 4022

### Prototype OTs

- Develops, demonstrates, or evaluates a prototype
- Covers processes, business models, and concepts
- Can lead directly to a follow-on production award
- The most widely used prototype authority

*Source: 10 U.S.C. 4021, 4022 (uscode.house.gov)*

# Who counts as nontraditional?

### The statutory definition (10 U.S.C. 3014)

An entity that has not performed, for at least the one-year period before the solicitation, any DoD contract or subcontract subject to full Cost Accounting Standards coverage.

### Why it matters

More firms qualify than expect to. Commercial technology companies, recent entrants, and firms outside the CAS regime routinely meet the test. Nontraditional status is the most common way a prototype OT clears the 4022(d) use conditions.

## Common ways firms qualify

- Commercial firms new to the defense market
- Startups and emerging technology companies
- Small businesses without full CAS-covered work
- Academic and nonprofit research institutions
- Established firms whose DoD work is CAS-exempt
- Subcontractors entering as significant participants

*Source: 10 U.S.C. 3014; use conditions at 10 U.S.C. 4022(d) (uscode.house.gov)*

HOW THEY WORK

# The three forms of an OT

### Research OT

10 U.S.C. 4021

Advances science and technology. Funds basic through advanced research. The on-ramp for dual-use innovation.

→

### Prototype OT

10 U.S.C. 4022

Builds and demonstrates a prototype. The workhorse of the OT world, and the bridge to production.

→

### Production OT

Follow-on to 4022

Produces the successful prototype at scale. Can be awarded without a new competition.

**The pipeline feature that matters:** a prototype awarded under competitive procedures can transition to a follow-on production award with no new competition (10 U.S.C. 4022(f)).

# Consortia: the most common entry point

A large share of prototype OT activity does not reach industry directly. It flows through consortia, each managed by a Consortium Management Organization under an umbrella agreement with an agency. For industry, joining the right consortium is often the highest-value positioning move available.

### Agency

Funds the requirement and sets the mission need.

→

### CMO

Manages the consortium and runs the solicitation.

→

### Members

Compete for awards as consortium participants.

**For proposal teams:** many calls are visible only to members and move on member timelines. Track which consortia serve your target agencies, and get your membership and past-performance package in before the call drops, not after.

# The other path: direct OT awards

Not every OT runs through a consortium. Agencies also award directly to a single performer or small team. The difference is who runs the process, not the rules that apply.

1

### Agency posts directly

A solicitation or special notice goes out on SAM.gov or an agency channel, with no consortium in between.

2

### You negotiate one-on-one

Submissions go straight to the agreements officer. Scope, IP, and price are negotiated directly.

3

### Agency awards and manages

The government administers the agreement itself, including any follow-on production decision.

## When agencies go direct

A known performer holds unique capability, the need is narrow, or speed is the priority. Program office relationships matter even more here.

## What it means for you

Membership is not the only way in. Watch SAM.gov and agency channels directly, and keep program-office relationships warm.

HOW THEY WORK

# The OT award lifecycle

1

### Mission need

Agency identifies a capability gap suited to rapid, flexible acquisition.

2

### Solicitation

A call or request for white papers is released, often through a consortium.

3

### White paper

Industry submits a short concept. Selected ideas advance to full proposals.

4

### Negotiation

Terms, milestones, IP, and price are negotiated with the agreements officer.

5

### Award

The OT agreement is signed. Work begins on a milestone-based schedule.

6

### Transition

A successful prototype can move to a follow-on production OT or contract.

**Note for proposal teams:** the white paper is the gate. A five-page concept, not a fifty-page volume, decides whether you advance. Different muscle, different schedule.

# What the proposal becomes under an OT

The deliverable that wins an OT rarely looks like a Part 15 volume. Instructions come from the consortium or the agreements officer, not Section L, and they vary by call. Expect a staged, shorter, more technical exchange that rewards clarity and speed over compliance choreography.

### White paper or concept

A few pages: problem understanding, technical approach, feasibility, and rough cost. The most common first gate.

### Pitch or demo

Slides, a live pitch, sometimes a working prototype. Evaluators want to see the solution, not read about it.

### Full proposal or RPP

For advancers: a request for project or prototype proposal with solution, milestones, IP position, and price.

***So what:*** *build a library of short, modular technical content and a fast internal review path. The team that turns a credible white paper in ten days out-positions the one still standing up a full color-team schedule.*

# OTs are a lane, not the whole road

An OT is a tool matched to a situation, not a strategy on its own. A healthy federal pipeline runs FAR vehicles and OTs in parallel, and the discipline is choosing the right instrument for each pursuit. Betting a pipeline entirely on OTs is as fragile as ignoring them.

## Lean OT when

- The requirement is a prototype or applied research
- Speed to award is decisive
- Your firm or a teammate is nontraditional or small
- The agency buys through a consortium you can join
- A production follow-on is the real prize

## Lean FAR when

- The need is a defined product or service at scale
- Sustainment, recompete, or commodity buys
- Broad competition and price are the drivers
- The customer has no OT-capable agreements officer
- Past performance on a FAR vehicle is the discriminator

***So what:*** *score every pursuit against both. The vehicle is a positioning decision you make early, not a default you inherit.*

# What proposal teams can do this week

### Map your consortia

For each target agency, list the consortia that serve it and your membership status. Membership before the call, not after.

### Build a white-paper kit

Stand up modular, reusable technical content and an internal review path measured in days. Speed is the discriminator.

### Qualify your nontraditional status

Confirm whether your firm, or a teammate, clears the 4022(d) conditions. It changes which calls you can pursue.

### Design for transition

Treat the production follow-on as the objective from the first white paper. Negotiate IP and milestones with that endgame in view.

THE TAKEAWAY

# OTs reward the team positioned before the call, not the one with the thickest volume.

Understand the authority, decide the vehicle early, and build a proposal process with more than one gear. OTs will not replace your FAR pipeline. Used deliberately, they add a faster lane to it, and the proposal professionals who master both will be moving while everyone else is still reading Section L.

Chelsea Roberts
Linkedin.com/in/chelseadroberts
Croberts@collaborativecompositions.com

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