

# *Headquarters U.S. Air Force*

---

*Integrity - Service - Excellence*

## **Space Enterprise Consortium (SpEC)**

## **Other Transaction Overview**



**SMC/ADY  
PR: 17-055**



# Overview

- 
- **SMC/AD is standing up a Space Enterprise Consortium (SpEC) Other Transaction (OT) to benefit the DoD Space Community**
  - **The plan is currently underway following approval by USAF Program Executive Officer, Space in Jan 2017**
  - **This is not a standard DoD acquisition program**
    - **Plan similar to Air Force Research Laboratory's C4ISR Consortium OT awarded in Jan 2016**
  - **This is a plan to facilitate space-related prototype development**
    - **Establish a consortium by selecting manager as the liaison between the government and the consortium**
    - **Consortium model encourages innovative solutions from non-traditional contractors and small businesses**
    - **Low risk approach - intend to award small value prototype projects**



# *Other Transactions Authority*

---

- **Statutory Authority: 10 U.S.C. 2371b and Section 815 NDAA 2016 grants service level authority for prototype projects above \$50M and less than \$250M**
  - **“...carry out prototype projects directly relevant to enhancing the mission effectiveness of military personnel and the supporting platforms, systems, components or materials proposed to be acquired or developed by the DoD, or to improvement of platforms, systems, components, or materials in use by the armed forces.”**
  - **Not part of the Federal Acquisition Regulation**
- **Provides more access to non-traditional contractors**
- **Allows traditional defense contractors to participate with certain constraints**
- **Provides ability for follow-on production contract or transaction\***
  - **Given competitive selection of original OT and**
  - **Successful completion of prototype project**

\* Never exercised before under OT – new authority added to NDAA 2016



# *Other Transactions - Appropriate Use*

---

- **Need to meet one of the following conditions:**
  - **There is at least one nontraditional defense contract 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 to be paid out of funds provided by parties to the transaction other than the Federal Government OR**
  - **The senior procurement executive for the agency determines in writing that exceptional circumstances justify the use of a transaction that provides for innovative business arrangements or structures that would not be feasible or appropriate under a contract, or would provide an opportunity to expand the defense supply base in a manner that would not be practical or feasible under a contract**



# *OT Advantages*

---

- **Rapid requirement-to-award process**
- **Broader access to innovative solutions (small business, traditional and nontraditional companies)**
- **Prototype development environment**
  - **Proof of concept quickly (succeed or fail fast)**
  - **Incorporate latest technology in real time**
- **No FAR or supplemental process/coordination to follow**
  - **Requires appropriate organizational oversight**
- **Encourages open interaction throughout process**
  - **May include requirements refinement to better scope project**
  - **Aids in realizing the correct time to test or adjust vector**
- **Directly affects should cost & schedule initiatives for programs**



# *Benefits of the Consortium Model*

---

- **A consortium arrangement will provide access to broader technology areas that support space enterprise development**
  - **The SpEC will be a collective pool of Space technology developers from industry and academia**
- **The Consortium Manager ensures success by:**
  - **Mentoring nontraditional and small businesses**
  - **Encouraging and facilitating cooperative teaming**
  - **Monitoring and executing payment for work**
  - **Conducting industry outreach to build consortium membership**
  - **Ensuring security and intellectual property protection**
  - **Liaising with government customers and industry to build relationships**



# Prototypes

## ■ As defined by the 2017 OT Guide:

- Described as a preliminary pilot, test, evaluation, demonstration, or agile development activity used to evaluate the technical or manufacturing feasibility or military utility of a particular technology process, concept, end item, effect, or other discrete feature
- May include systems, subsystems, components, materials, methodology, technology, or processes
- Examples may include a proof of concept; a pilot; a novel application of commercial technologies for defense purposes; a creation, design, development, demonstration of technical or operational utility; or combinations of the foregoing, related to a prototype
- Quantity developed is limited to that needed to prove technical or manufacturing feasibility or evaluate military utility
- Shared investment OT agreements should be limited to those situations where there are “commercial or other benefits to the awardee”
- Must exclude duplicate work in previous efforts



# *Scope of SpEC OT*

---

- **Wide range of space-related technology for prototype development:**
  - **Technology areas includes space, ground, launch, propulsion, communication, range utilization, etc.**
  - **Supports whole spectrum of acquisition life cycle**
  - **Intended to process classified projects as required**
  - **Prototypes may or may be related to Space Enterprise Vision**
  
- **Unique variables to be determined for each prototype**
  - **Payment terms**
  - **Data rights**



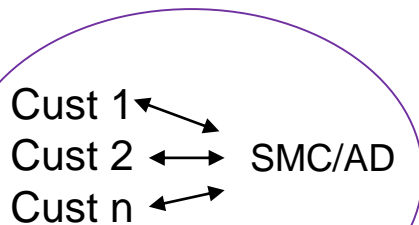


# Prototype Project Execution

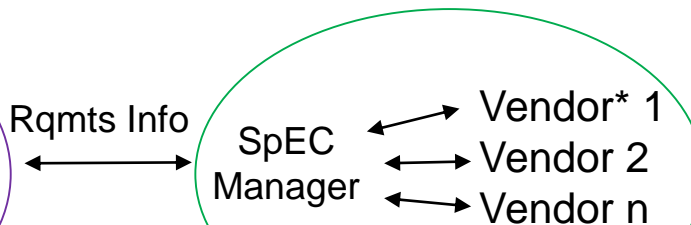
- OT environment encourages continuous interaction throughout process, with the following as a rough idea flow:
  - Once project award is made gov't customer put in direct contact with SpEC member performing work
  - SMC/AD, through the agreements officer, administers payment instructions and official changes to the project agreement
  - The gov't customer evaluates progress throughout process
  - Deliverables go to the gov't customer and SMC/AD agreements officer would complete the project closeout actions as needed

## Up through project award

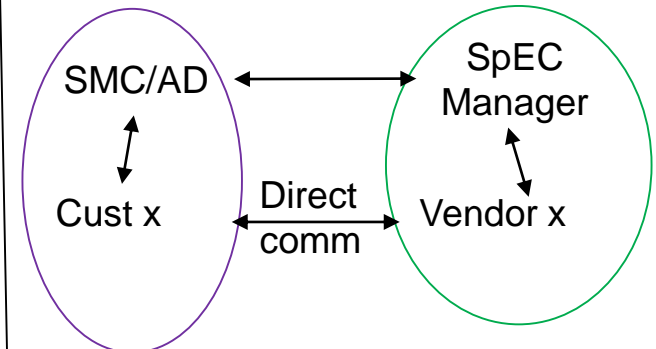
### Government



### SpEC



## After project award



\*Vendors may be traditional or non-traditional per OTA guidelines



# Summary

- **SMC/AD is standing up a Space Enterprise Consortium to build space-related prototypes for DoD Space Community**
- **This is not a standard acquisition program**
- **Low risk: intend to award multiple small value prototype projects**
- **Anticipated ceiling: \$100M**
- **Period of Performance: Aug 17 – Jul 22**
- **SAF/AQ-OTI POC:**
  - **Col Jody Merritt, [jody.a.merritt.mil@mail.mil](mailto:jody.a.merritt.mil@mail.mil), 408-318-3981(M)**