



UNDERSEA TECHNOLOGY
INNOVATION CONSORTIUM

UTIC

Doing Business with UTIC

25 July 2018

Agenda



- Undersea Technology Innovation Consortium Overview
- Other Transaction Agreement 101
- Project Solicitation & Proposal Submission Process Overview
- NUWC Technical Overview



UNDERSEA TECHNOLOGY
INNOVATION CONSORTIUM

UTIC

UTIC Leadership, Consortium Management and Membership

Consortium Leadership

UTIC

Board of Directors

- Raytheon Company - Tim DelGiudice, Chairman
- General Dynamics Electric Boat - Susan Adams
- Mikel, Inc. - Kelly Mendell
- PURVIS Systems – Debbie Proffitt
- Rite Solutions - Joseph Marino
- Systems Engineering Associates Corporation – Jon Tetreault

Executive Director

- Molly Donohue Magee

Manager

- Lee Silvestre

Consortium Manager (CM)

- Advanced Technology International (ATI)

UTIC Leadership

Governance Structure & Election Process

Board of Directors

- Not more than 15 members
- Development and oversight on policies concerning matters related to Board operations
- Participation in Strategic Plan development
- Approval of Strategic Plan, Program Objectives, Annual Budgets and Budget Guidelines
- Approval of the Consortium Member Agreement and amendments

Executive Director

- Supervision and control of UTIC operations
- Approval of UTIC members

Board of Director Elections:

- Board members must be from member organizations in good standing
- Board members will be announced at the Consortium Annual Meeting in April

UTIC and Advanced Technology International Relationship



- UTIC is responsible for:
 - Governance of Consortium
 - Leadership
 - Collaboration/Membership Management
- ATI is responsible for:
 - Consortium Management Support
 - OTA Contracting

Advanced Technology International



- Non-profit Consortium Manager (CM)
- Current Prototype OTA Consortia managed by ATI:
 - National Armaments Consortium (NAC)/DOTC (2002/2008)
 - Vertical Lift Consortium (VLC) - 2010
 - National Spectrum Consortium (NSC) - 2015
 - Medical Technologies Enterprise Consortium (MTEC) - 2015
 - Border Security Technology Consortium (BSTC) - 2016
 - Medical CBRN Defense Consortium (MCDC) – 2016
 - Countering Weapons of Mass Destruction Consortium (CWMD) – 2017
 - Space Enterprise Consortium (SpEC) – 2017
 - Undersea Technology Innovation Consortium (UTIC) – 2018
 - Information Warfare Research Project Consortium (IWRP) - 2018
- ATI also manages FAR and non-FAR based research collaborations

UTIC Timeline & Stats

- Notice of Award – 4 June 2018
- Key member documents approved – 11 June 2018
- NUWC Media Announcement – 18 June 2018
- Member on-boarding initiated – 18 June 2018
- Pre-solicitation of 1st topics – 10 July 2018
- Formal Solicitation of 1st topics – expected week of 23 July 2018; award expected by 30 Sept 2018
- OTA 101 session – 25 July 2018
- UTIC Information Session – 27 August 2018
- Expected next pre-solicitation of topics – early fall 2018
- Expected annual Industry Day cadence: October and April
- 1st Industry Day – October 2018
- 59 Members and growing daily (a/o 24 July)
- UTIC Annual Meeting – April 2019

UTIC OTA



This Agreement enables the Naval Undersea Warfare Center (NUWC) and the US Navy by leveraging partnerships with traditional and non-traditional defense contractors, academia, and non-profit research institutions, and others to:

- increase flexibility and agility;
- reduce cost;
- improve technology and capability insertion; and
- decrease program development cycles.

UTIC Membership is open to organizations interested in the collaborative rapid development, testing and maturation of innovative technology; and supporting, maintaining and furthering educational outreach for technology.

Only UTIC members can submit proposals under the UTIC OTA.

UTIC and ATI are non-profit organizations.

Dues and Fees

Annual Dues:

- Large Business: \$1500
- Small Business, Academia, Not-for-Profits: \$500
- Affiliate Member: \$500

Dues are payable on January 1st (6 month proration)

Project Award Assessment:

- 1.5% of all government funds awarded under a Project Agreement

Board of Directors evaluates on a periodic basis

How to Join

- Visit: www.underseatech.org/join
 - Review Consortium Membership Agreement
 - Complete and sign Membership Application
 - DD2345 Certification
 - FOCl: if FOCl, provide DSS letter or signed Export Form

- Membership limited to US firms or US-based affiliate of a foreign firm

- Send to utic.consortium@ati.org
 - Inquiries: Hannah Bolton
 - 843-760-3349

Forward-Facing Web Site



- www.underseatech.org
- Provides:
 - Up-to-date information on the consortium
 - Link to Consortium Management Agreement
 - Link for membership application
 - Link to Member-Only Website

Member Only Website Access



- Eligible for Member Only website access upon membership approval
- Access must be requested, typically ~1-2 business days
- It is recommended that several POCs within a member organization gain access

Member in “Good Standing”



- Definition: No greater than 60 days past due on membership dues or any project award assessment.
- Current Rules of Engagement for new Members
 - Eligible for Member Only website access upon approval of membership application

Questions?



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Consortium Based Other Transaction Agreement

Terminology



- OTA – Other Transaction Agreement
- CM – Consortium Manager
- AO – Agreements Officer
- AOR – Agreement Officer Representative
- RPP – Request for Prototype Proposal
- BA – Base Agreement
- PA – Project Agreement

OTA Authority “2371b” for Prototypes



Under the authority of 10 U.S.C. section 2371b, the Department of Defense has authority to carry out prototype projects that are:

- 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 Department of Defense, or
- to improvement of platforms, systems, components, or materials in use by the armed forces.

Consortium OTA Basics



- An “enterprise partnership” between the Government and a consortium of technology developers/providers in a specific domain where....
 - The “**Government**” partner can be a single sponsor (program executive officer) or multiple sponsors coordinated through a lead agency
 - The “**Consortium**” partner is a group of for-profit, not-for-profit, universities and other academic research organizations having competence in the technical domain of interest
- The parties are connected through a binding “contract - like” instrument called an “**Other Transaction**” that operates outside the normal Federal Acquisition Regulations (FAR)

Rationale for Using an OTA

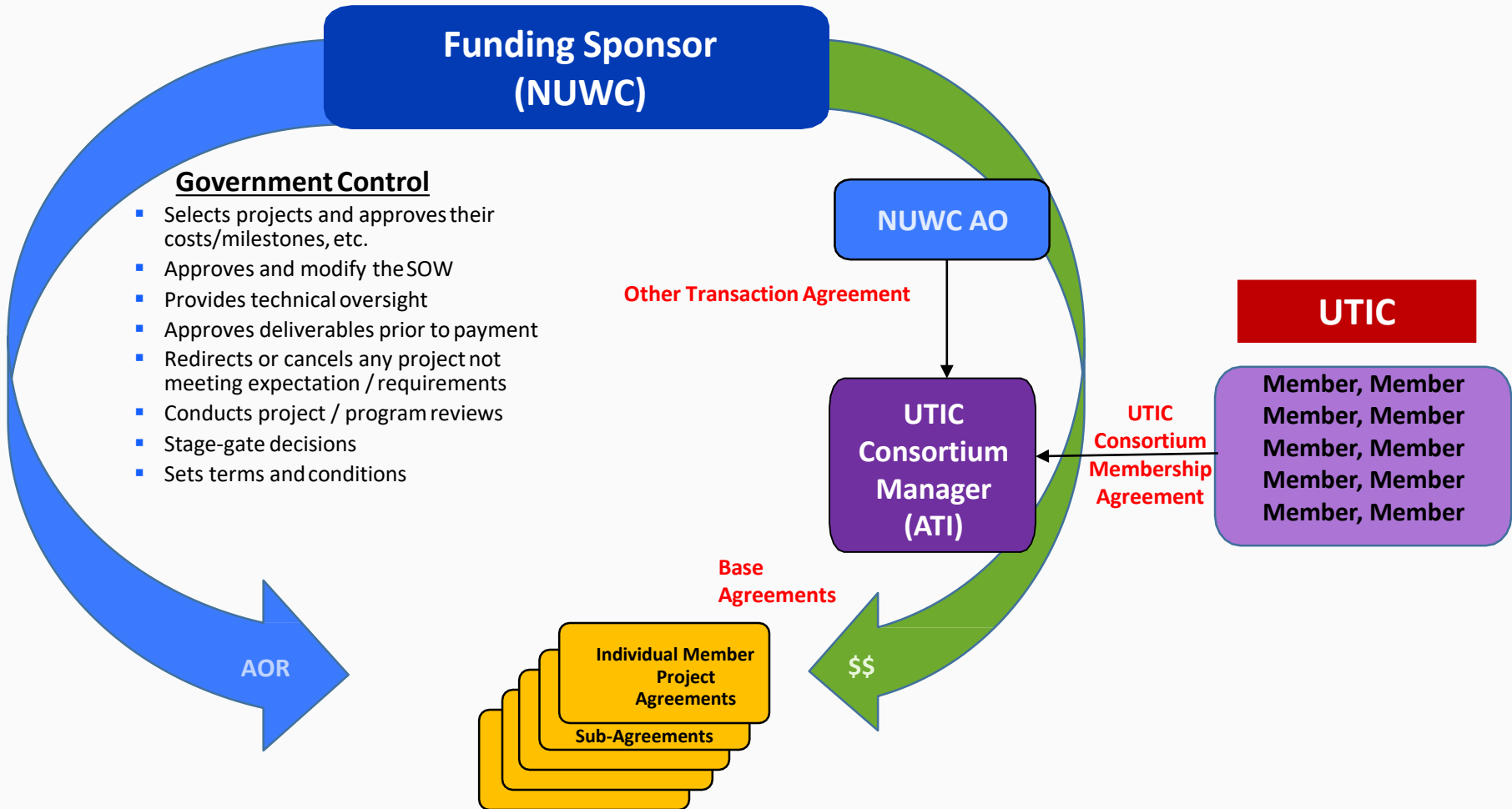
- Generally, the reason for using OT authority is that the Government needs to obtain leading edge prototype R&D from commercial sources, but some companies (and other entities/nontraditional) are unwilling *or unable* to comply with the Government's procurement regulations
 - The Government's procurement regulations and certain procurement statutes do not apply to OTs, and, accordingly, Other Transaction authority gives agencies the flexibility necessary to develop agreements tailored to a particular transaction
- By using an OT instead of a contract, an agency and its partners are able to develop a flexible arrangement tailored to the project and the needs of the participants:
- Additionally OTAs promote “a more collaborative working relationship,” which can be more conducive to R&D than the type of relationship established by a contract.

What's Different from the FAR?



- What does not apply under an OT?
 - Competition in Contracting Act
 - IP rights can differ
 - Truth in Negotiations Act
 - Contract Disputes Act
 - Procurement Protest System
 - DoD Grants and Agreements Regulations (DODGARS)
 - Cost Accounting Standards for nontraditional Award Recipients
- Relief from FAR and supplemental regulations
 - Not required to comply with all of the FAR, DFARS
- Flexibility to use “best practices”
 - Costs reasonable, but still requires due diligence to award federal dollars
 - Schedule and other requirements are enforceable
 - Payment arrangements promote on-time performance

Relationship of Parties



Important Topics

- Prototype
- Authority/Requirements
- Nontraditional Defense Contractors
- Significant Participation
- Cost Share
- Production
- Organizational Conflict of Interest (OCI)
- Communication

What is a Prototype?

According to the DoD OT Guide:

- A **physical or virtual model** used to evaluate the technical or manufacturing feasibility or military utility of a particular technology or process, concept, end item, or system
- Quantity limited to amount needed to determine feasibility
- Usually will result in delivery of;
 - prototype deliverables
 - Final report of a prototype process, physical model and/or virtual model
- NOT: Services, Maintenance, Production (including LRIP) and Construction

Use of Authority/Requirements



- There is at least one [nontraditional defense contractor or nonprofit research institution](#) participating to a [significant extent](#) in the prototype project
- 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 ([cost share](#))
- All significant participants in the transaction other than the Federal Government are small businesses or nontraditional defense contractors
- Senior procurement executive approves due to need for innovative business arrangements or structures

Nontraditional Defense Contractor



- An entity that is not currently performing and has not performed, for at least the one-year period preceding the issue date of the solicitation, any contract or subcontract for the Department of Defense that is subject to [full coverage under the cost accounting standards \(CAS\)](#) prescribed pursuant to Section 1502 of Title 41 and the regulations implementing such section

Are you a Nontraditional?

- **Small businesses** are not subject to full CAS and therefore are considered **nontraditionals**
- **Large business** NOT subject to full CAS would be considered nontraditionals
- Ultimately each member must self-certify status
 - The prior definition should be used to determine if you qualify
 - Warranties and Representations when proposing

NAICS Code for the OTA is: 541715

Nontraditional Defense Contractor



- A nontraditional defense contractor (NDC) can be:
 - At the Prime level
 - Subcontractors
 - Team members
 - “Intra-company” business units
 - Lower tier vendors
 - Teaming partners don’t have to be UTIC members, but are encouraged to join the consortium

Significant Contribution

- Rationale to justify a **significant contribution** include:
 - Supplying a key technology or products
 - Accomplishing a significant amount of the effort
 - Causing a material reduction in cost or schedule, and/or
 - Improvement in performance

- Government is the final determination of significant contribution.

Cost Share



- Without significant participation of a nontraditional defense contractor or nonprofit research institution, project can still be awarded under OTA if 1/3 of the project cost is provided as cost share **unless the specific RPP states otherwise**.
- Cost sharing - cash or in-kind resources expended during a prototype award by the Consortium Member or lower tier subcontractors that are necessary and reasonable for accomplishment of the project.

Cost Share Requirements



- Cash: Outlays of funds to perform the SOW. Cash includes labor, materials, new equipment, and relevant subcontractor efforts. Sources include new 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 Statement of Work and subject to the direction of the project's management may be utilized as cost share.
- In-Kind: Reasonable value of in-place equipment, materials or other property used in performance of the project. All cash or in-kind cost sharing availability must be clearly and convincingly demonstrated by the UTIC offeror.

Cost Share Requirements



- Additional Cost Share requirements
 - Must be verifiable from financial records
 - Must not be included as a cost sharing contribution for any other Federal Government contract vehicle.
 - Cost Share cannot be paid by the Federal Government under another contract vehicle, except IR&D
- Sunk costs or costs incurred before the start of the proposed project, foregone fees or profits, bid and proposal costs, value claimed for intellectual property or prior research, parallel research or investment

Organizational Conflict of Interest



- OCI clause requires Consortium to monitor all potential conflicts of interest
- Ensure prototype-level performance does not conflict with other agreements or contracts
- All white papers and proposals will address potential conflicts of interest and any proposed mitigation.
- Right of Government to limit Consortium Member Entity(ies)' involvement under this Agreement
- Mitigation plan may be acceptable on case-by-case basis.

Communication



- OTAs afford flexibility in communication between Gov't and Industry
 - Prior to solicitation release
 - During white paper and full proposal development, until the RPP closes

- Networking with Gov't and UTIC members
 - Webinars
 - General Membership Meetings
 - Industry Days, including Opportunities for 1-on-1 meetings

- Other UTIC Communication
 - Up-to-date information through email and the forward-facing and members-only websites

Questions?



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Project Solicitation & Proposal Submission Process

Solicitations and Proposal Process



- Requests for Prototype Proposals (RPPs)
 - Government defines requirements
 - RPPs contain 1 or more topics
 - Each topic details its technical requirements
 - Each topic will indicate submission of Proposals only or White Papers then Proposals (or other path)
 - The RPP contains proposal prep instructions
- Proposers Conference
 - ATI offers webinar to address proposal prep
- Submission
 - Submissions via secure upload to ATI for compliance screening
 - ATI distributes submissions to government for source selection

Selection, Negotiation, Award

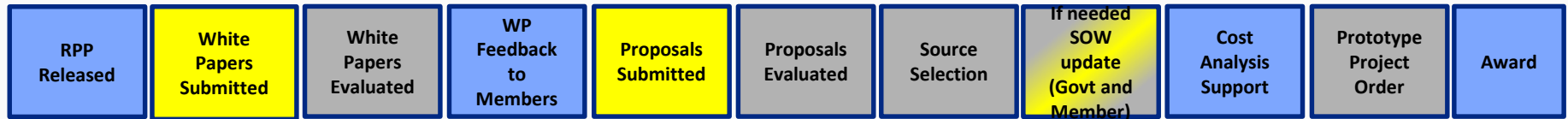


- Selection
 - Gov't finalizes selection, notifies ATI
 - ATI notifies offerors
 - Basket Provision
- Negotiation
 - Awardee and Gov't finalize SOW and Milestones
 - ATI performs cost analysis
- Award
 - Base Agreement
 - Project Agreement

Process Overview



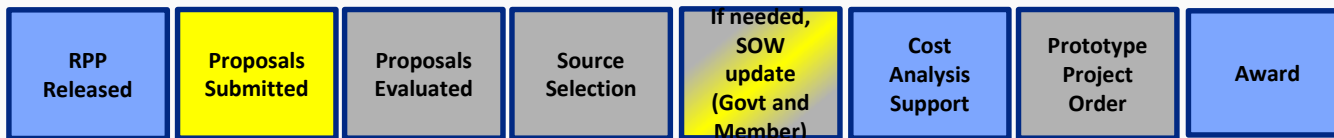
White Paper to Full Proposal



Enhanced White Paper



Full Proposal



CMF



Member



Government

RPP Release

- The published Request for Prototype Projects, any amendments, and supplementary information found in the Solicitations tab of the Members Only section of UTIC website (<https://private-utic.ati.org/>) after logging in
- Official sources of information regarding the active solicitation. If you act on information from any source other than these official sources, it is at your risk.
- The UTIC Consortium Manager will revise official guidance (if required) and post any such revisions on the Members Only web site.
- One Stop Shopping, except for classified attachments

Proposers' Conferences

- Webinars that detail the Request for Prototype Proposal (RPP)
 - Walk through the RPP
 - Review Preparation and Submission details
 - Review Cost Preparation

- Held after release of each RPP

- Slides made available on the Members Only website

Proposal Selection

- The Government may:
 - Select the proposal (or some portion of the proposal) for award;
 - Place the proposal in the Basket if funding currently is unavailable; or
 - Reject the proposal (it will not be placed in the Basket).
- Basket Provision
 - The Government reserves to the right to keep proposals for each prototype requirement for up to 36 months after submission of the proposal.
 - May be funded at any time during the 36 month period after the Government has reconfirmed validity of the proposal.

Key Documents



- **UTIC Base Agreement**
 - Between ATI and UTIC member organization
 - Serves as baseline agreement for all future project agreements
 - Flows down applicable T&Cs from OTA between gov't and UTIC
 - Government does not intend to negotiate different terms with each UTIC member so negotiations limited and applicable to all members

- **UTIC Project Agreement**
 - Issued by ATI to member under Base Agreement
 - Result of Government selection and funding on OTA
 - Government retains technical oversight
 - Defines the particulars of the awarded project
 - Include IP, data right assertions, SOW, milestones, payment instructions, etc.

UTIC Contact Information



- General Assistance or Questions
 - utic.consortium@ati.org
- Contract or Proposal Related Questions
 - utic.contracts@ati.org
- ATI Program Management Support
 - Chad.Bryant@ati.org
- UTIC Program Management Support
 - LSilvestre@underseatech.org

Questions?