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Analysis of Other Transaction Agreements to Acquire Innovative Renewable Energy Solutions for the Department of the Navy

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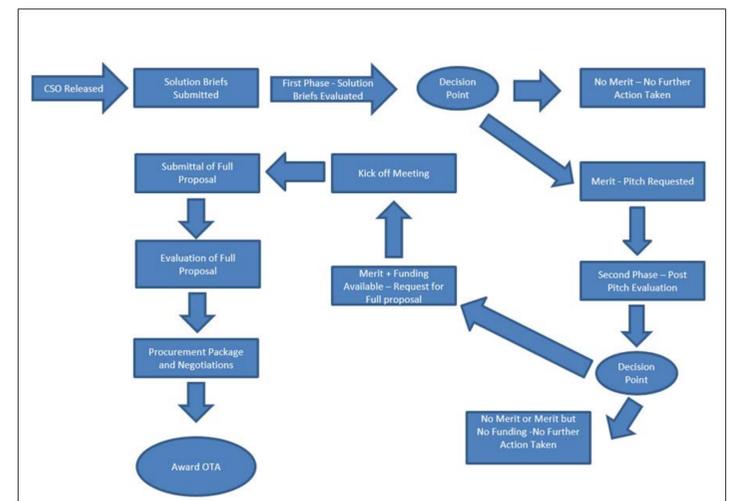
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Abstract

The purpose of this project is to apply a case-study approach to analyze the effectiveness and efficiency of *other transaction* (OT) agreements and the OT Consortium Model to acquire innovative renewable energy solutions. Research included personnel interviews with Defense Innovative Unit-Experimental (DIUx) personnel to highlight their experience with innovative businesses previously reluctant to pursue federal contracts. Additionally, research leveraged best practices from the Army Contracting Command-New Jersey, as well as industry partners such as Consortium for Energy, Environment, and Demilitarization (CEED) and the National Security Technology Accelerator (NSTXL) consortium, to achieve the Department of the Navy's strategy for renewable energy.

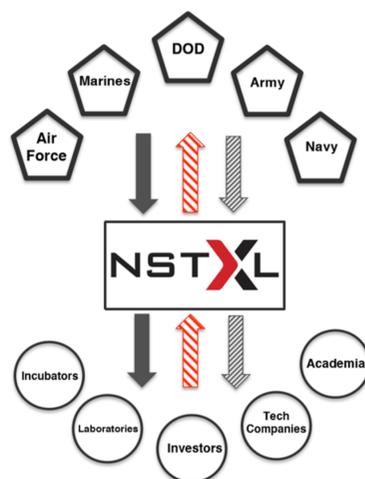


Competitive Award Process Map. Source: ACC-NJ (2016).

Bridging the Department of Defense and Technology Communities

Overview of the NSTXL Process

- Step 1:** NSTXL identifies and helps to define technology needs from across the Department of Defense. We then disseminate those requirements to our broad membership and network of innovators from small technology start-ups to universities and laboratories.
- Step 2:** NSTXL prospects cutting edge solutions from the private sector innovation community, vets the technologies and delivers qualifying solutions to the requirements back to the Government.
- Step 3:** NSTXL utilizes its unique contracting authority (described in more detail on the back) to efficiently move money from the Government to the innovator to prototype the solution for military use, helping to oversee the lifecycle of the project.



NSTXL Process for Improving Government-Industry Interactions. Source: NSTXL, personal communication, October 4, 2016.

Methods

- Our research was restricted to a select few DOD commands and public-private OT consortiums to determine notional standard operating procedures and best practices.
- Independent research of recent GAO, CRS, and DOD instructions was also incorporated to highlight the potential application of increased OT usage.
- Formal interviews with DOD command representatives from DIUx, ACC-NJ, OASN Energy, OASN Renewable Energy Program Office (REPO), and OPNAV N45, as well as industry representatives from CEED and NSTXL, provided substantive insight into the advantages and disadvantages of OT agreements from both government and industry perspectives.

Results

- Acquisition workforce lacks knowledge to the uses and application of OT authority
- DON does not leverage existing DOD OT expertise
- DON does not leverage non-traditional contractors' innovative technological expertise to acquire renewable energy solutions

Recommendations

- Educate acquisition workforce on the benefits of the use and application of OT authority
- Partner with DIUx or ACC-NJ to leverage their OT expertise and grow organic capability
- Partner with non-profit OT consortiums, such as NSTXL and CEED, to leverage innovative technological advances in the procurement of renewable energy solutions

“Through our rapid contracting tool, the Commercial Solutions Opening (CSO), DIUx has pioneered a way to move at the speed of business, completing deals with technology firms in as little as 31 days. DIUx has now published a CSO “how-to” guide so organizations across DoD can establish their own CSOs,”

-DIUx.mil/CSOguide