

OTHER TRANSACTION AUTHORITY (OTA) FOR CONSTRUCTION PROJECTS IN USACE

DIRECTORATE OF CONTRACTING

WHAT IS OTA?

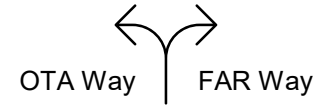
- Other Transaction Authority (OTA) is the authority to enter into an Other Transaction (OT) agreement.
- OTA is a legal procurement method not subject to the Federal Acquisition Regulation (FAR) or other agency supplements.
- Allows the Government to tap into non-traditional vendors, emerging technologies, and utilize common industry business practices.

AUTHORITIES & LIMITATIONS

Current authority for USACE military construction projects is limited primarily to Prototype OTAs, Follow-On Production FAR-based Contracts, and Follow-On Production OTAs. These agreements are authorized under Title 10 U.S.C. Section 4022.

The FY23 and FY24 NDAA broadened the authority to use OTA for prototype design, development, or demonstration of new construction techniques or technologies to improve military installations. A pilot program was established with a \$300M aggregate limit per service (not including repair projects). There are legislative proposals in to increase the use of OTA for construction. USACE is currently executing a follow-on OT for 3D printing for construction. The Defense Innovation Unit (DIU) awarded an OT to renovate the Fort Campbell VOLAR Barracks.

WHY CHOOSE OTA VS. FAR CONTRACT?



Innovation: Promotes the use of cutting-edge design and construction technologies for more efficient project delivery.

Flexibility: Allows use of commercial industry practices and standards, streamlining processes.

Tailored Terms: Customizable terms and conditions to suit project-specific needs.

Broader Industry Engagement: Brings in non-traditional partners, expanding the talent pool beyond typical government contractors.

Streamlined Contractor Selection: Less bureaucratic than traditional FAR contracts.

Enhanced Communication: Facilitates early collaboration between contractors and the government to refine project specifications and requirements.



3D Printed Barracks – Fort Bliss, TX

METHODS & PROCESS

Methods to Procure

- (1) Execute OT as a standalone agreement
- (2) Utilization of a Consortium

General Process

There is no "set" process for the solicitation, evaluation, and award of an OT. The process can be customized but starts with a problem statement and ends with a selected vendor where terms and price are negotiated.

Example Custom Process:

1. A statement of need is developed seeking solutions for a specific problem (i.e., construction of a 3D printed building or use of new construction techniques). Vendors respond with a short white paper. A down select process is conducted.
2. Invite the short list of vendors to present a "pitch" (i.e., think "Shark Tank") and engage in a highly interactive question and answer session with the government.
3. The Government selects a vendor(s) and requests a proposal. The selected vendor(s) will engage in a collaborate process with the Government to finalize scope, terms, and price of the agreement.

RISKS & MITIGATION STRATEGIES

- Risk: Lack of experience executing OTs in USACE which could result in compliance risks or avoidance of OT usage.
 - Mitigation: Train USACE personnel on OTA processes, best practices, and risk management to build internal capacity and understanding to include legal statutes which still apply.
- Risk: Engaging with non-traditional construction contractors.
 - Mitigation: Thoroughly evaluate potential contractors' qualifications, experience, and past performance to mitigate vendor related risks.
- Risk: Stakeholder misunderstanding and miscommunication on desired end results
 - Mitigation: Engage stakeholders early and throughout the project to align interests and facilitate clear communication.

WHO CAN AWARD AN OT?

- USACE OTA Warranted Agreements Officers. Agreements Officers are typically warranted Contracting Officers who have received OTA specific training. Each District is slated to have at least 1 individual trained to become an OT Agreements Officer.

WAY AHEAD

A USACE team is focusing on expanding the utilization of OTA for construction projects. Team goals include:

- Authorities** – Assessing Flexibilities & Efficiencies
 - Determination on best Consortium Path Forward for USACE
 - Gain Legislative Flexibilities to Utilize OTs for Construction more broadly

Knowledge Sharing – Creating Consistency & Sharing Resources

- Develop Guides, Templates, and Samples for Project Delivery Teams
- Stand-up Cadres for Knowledge Sharing

Processes – Standard Enterprise Guidance & Implementation

- Development of USACE Processes for OTs

Foundational Training – Educating Workforce

- OTs for Construction Overview Training: Training to have staff understand the basics of OTs and to know how to select the right construction project for an OT
- Executing OTs for Construction Training: Detailed training provided to PDTs that have selected a construction project for the OTA method

Pending changes in the 2026 NDAA are expected to open the aperture for expanded use of OTA for military construction. This Guide Sheet will be updated accordingly.