

nmtc

NATIONAL MINORITY TECHNOLOGY COUNCIL

# OTHER TRANSACTION AGREEMENTS

Building HBCU Competitiveness by Leveraging  
Industry and Government Partnerships

innovation

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# HBCUs Compete

BUILDING TRUSTED NETWORKS™

## **Other Transaction Agreements could Benefit HBCU Research and Development Activities**

### **INDUSTRY FINDINGS & RECOMMENDATION**

A January 2016 GAO Report indicated that Congress had authorized 11 federal agencies to use other transaction agreements. (<https://www.gao.gov/assets/680/674534.pdf>) The report explained "This authority allows an agency to enter into agreements "other than" standard government contracts or other traditional mechanisms. Agreements under this authority are generally not subject to federal laws and regulations applicable to federal contracts or financial assistance, allowing agencies to customize their other transaction agreements to help meet project requirements and mission needs. Furthermore, because fewer requirements apply, other transaction agreements can be useful in attracting entities, such as companies that have traditionally not done business with federal agencies. However, we and others have previously reported that the use of other transaction agreements carries the risk of reduced accountability and transparency, in part because such agreements may not require compliance with federal requirements, such as government cost accounting standards."

The National Minority Technology Council (NMTC) has researched this procurement methodology in our consideration as to how the great many minority technology companies (65,000) could actively participate in the federal contracting process. More specifically the over 2,000 active SBA 8A contractors or thousands of minority GSA contractors are a prime industry research partner for federal Research and Development efforts. It has been a longstanding effort to engage HBCUs in this ecosystem. In fact, NMTC was designated as an Innovation Stakeholder for a federal lab-to-market regional innovative ecosystem pilot with two HBCU associations based on the lack of minority participation with federal labs. This federal partnership was initiated based on a five-year study at the U.S. Department of Energy. Based on our engagement with multiple federal agencies and our research on Other Transaction Agreements (OTA) provide flexibility to develop customized agreements with entities and accomplish projects that the federal government could not have achieved using traditional contracting mechanisms. What is particularly beneficial about OTAs is

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they were specifically designed for entities that have not typically done business with the federal government. This is the profile of most HBCU's and U.S. based minority technology companies. One of the key areas of concern for many minority technology companies is maintaining control of their intellectual property. Also, the accounting system requirements for some federal contracts are very burdensome and present a barrier to entry. OTAs have the flexibility to address these issues.



## FEDERAL AGENCIES

*These are the Agencies that Congress has authorized to utilize OTAs*

NASA  
NIH  
DOD  
FAA  
DOT  
TAS  
DHS  
DOE  
ARPA-E  
HHS  
DHS-DNDO

Federal Agencies have different authorities for OTAs. Some of these authorities are limiting and require funding from the contractor. Department of Defence's (DoD) OTA seems most restrictive however NMTC believes that the White House Initiative on HBCUs (Initiative) is currently well suited to negotiate with each Agency to discover a willing Agency lead partner. This is key to the success of our HBCU community. NMTC leadership attended the 2018 HBCU Conference during the Smart HBCU session it was brought up by multiple HBCU participants that there was a lack of expertise and internal accounting system capability to participate in federal contracting. There was not a lack of interest or desire, in fact the contrary. Many HBCUs shared an interest in learning more and a desire to explore opportunities into contract with the federal government.

OTA's may include a single company, joint venture, prime contractor with subcontractors, contractor team arrangements or consortium. For DoD contracts forming or joining a consortia appears to be the common approach. Consortia are formed by contractors, non-traditional contractors and academia based on industry or specialty. The Initiative may consider how it could facilitate a consortia initiative that specifically promotes the many capabilities and assets of HBCUs. This approach would indeed be historic and from NMTC's perspective be in line with the directive of President Trump's Executive Order on HBCUs.

Over the past eight years NMTC has developed a Vendor Governance algorithm to assist in the teaming process. ([www.vendorgovernance.org](http://www.vendorgovernance.org)). We are encouraged with the direction of the Initiative and stand ready to support this vital White House effort.

The logo consists of the lowercase letters "nmtc" in a white, bold, sans-serif font, centered within a solid orange square.

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