

## ACQUISITION STRATEGY DOCUMENT

For a complete description of the acquisition strategy for the [REDACTED] Demonstration Program Phase I, see [REDACTED]

### Consistency with Authority

DARPA "Agreements authority" was enacted as section 251, Public Law 101-189, the FY 1990 National Defense Authorization Act (codified at 10 U.S.C. § 2371) and is currently found in part of 10 U.S.C. § 2371. Section 845 of the 1994 National Defense Authorizations Act allows DARPA, on a pilot basis to use non-procurement Agreements for purely military Research and Development and, prototype projects and technology demonstrations of hardware directly relevant to weapon systems.

### Rationale for Using Authority

The primary benefit of this authority is that DARPA can tailor the contracting process to each project rather than conforming to predetermined contracting rules. This authority should increase the efficiency of DARPA's limited resources. DARPA also hopes use of this authority will shorten development time for these projects and enhance affordability.

### Technical Description of Program

[REDACTED] program will develop and demonstrate the capability to [REDACTED]

This program will also leverage advancements in [REDACTED]

### Management Description of Program

The goal of DARPA [REDACTED] program is to demonstrate the technical feasibility of a [REDACTED]

capable of providing [REDACTED]

### Risk Assessment

Dependent upon the proposed approach, this program could have medium to high technical risk. Offerors are free to propose either existing [REDACTED]

Schedule and cost risk are moderate. [REDACTED]

### Competition

DARPA will award multiple Agreements for Phase I of the [REDACTED] program. A Program Solicitation was issued on [REDACTED]

[REDACTED] An updated solicitation will be issued for Phase II and III and the selected contractors' agreements will be modified to extend them appropriately. The Phase I selection will be accomplished based on a subjective evaluation of proposals as described in the solicitation. There are three specific areas of evaluation that will be used, listed in descending order of importance: Product Capability and Technical Approach, Management and Cost. Each offeror's proposal will receive an integrated evaluation by a single multi-functional team. The government reserves the right to award without discussions.

### Nature of the Agreement

The Agreement will be an Other Transaction pursuant to 10 U.S.C. 2371 and Section 845, National Defense Authorization Act for Fiscal Year 1994, as amended. The Agreement is not a traditional FAR/DFARS contract. This Agreement can best be described as Government's Fixed Dollar Obligation tied to Payable Milestone as evidenced by completion of the milestone accomplishment criteria. As delineated in the agreements, the Government has no obligation to pay for uncompleted Payable Milestones.

### Terms and Conditions

Each agreement is a stand-alone document. The terms and conditions negotiated for each agreement may differ slightly from agreement to agreement. For an understanding of the starting point for all agreement negotiations, see the model agreement associated with [REDACTED]

Follow-on Activities

The [redacted] program is divided into three distinct phases. During Phase I, DARPA will award multiple, 9 month, Section 845 agreements. At the conclusion of Phase I, DARPA will determine whether to down select to Phase II or terminate the program. The decision will be based on a thorough assessment of the results of Phase I as well as the extent to which the contractor's proposed Phase II program will provide significant value. If the government decides to proceed, a maximum of two Phase I contractors will be selected to complete the [redacted] conduct risk reduction testing and continue to validate recurring mission cost model. At the conclusion of Phase II, once again, DARPA team will determine whether to down select to Phase III or terminate the program. Similarly, this decision will be based on a thorough assessment of the results of Phase II as well as the extent to which the contractor's proposed Phase III program will provide significant value. If the government decides to proceed, a Phase II contractor will be selected to [redacted]

[redacted] A proposal guidance update will be provided to continue without any disruption. The teaming composition can be revisited to take advantages of most matured technology to provide the Government lowest risk and highest performance in all aspect of the program. Phase III is scheduled to complete by the end of [redacted] at which point the partnering service is expected to take over management of a development toward an operational system.

Review:

[redacted]

Agreements Officer

Assistant General Counsel

[redacted]

Prototype Division Director

Approval:

[redacted]

Director, Contract Management Office

MEMORANDUM FOR CMO, ATTN: [REDACTED]

Subject: Justification for Using Other Transaction Authority for the [REDACTED]

The goal of [REDACTED] program is to demonstrate the technical feasibility of a [REDACTED]

The use of an OT is critical to the execution of this program for a number of reasons:

- To meet the program's aggressive schedule will require maximum acquisition speed. This is a three phased program that will start with up to three performers, eventually downselecting to a single contractor for [REDACTED]. Use of an OT will preserve the schedule by avoiding the 8-24 week delays between each phase that would be incurred for recompletions using traditional contracts.
- Because development of specific system capabilities are part of the Phase I trade studies, DARPA is not able to draft a system specification or statement of work sufficient for an RFP solicitation. Industry is being tasked to employ creativity and innovation to develop an optimized effective and affordable [REDACTED] system rather than meeting a Government-devised solution.
- There is a strong program need for vigorous collaboration among diverse performers. The PM expects involvement on the performing teams from Government labs, commercial firms, universities, and potentially non-traditional firms. Thus the program demands a flexible, adaptable instrument to accommodate unique teaming arrangements.
- Since the program objectives, system capabilities and demonstration objectives will become further defined as the program progresses, it is not feasible to use a FAR based contract. This would cause additional schedule burdens by requiring processing of engineering change proposals, SOW revisions and significant price negotiations.
- The technology used on this demonstrator will be at an advanced prototype level and has tremendous level of commercial service support and utility quickly after the demonstration program. It is appropriate that industry invest in the cost sharing for data rights for transitioning to a commercially operated [REDACTED]. The [REDACTED] will service universities, research laboratories and commercial sector.

Contact the undersigned with questions at [REDACTED]

[REDACTED]  
Program Manger