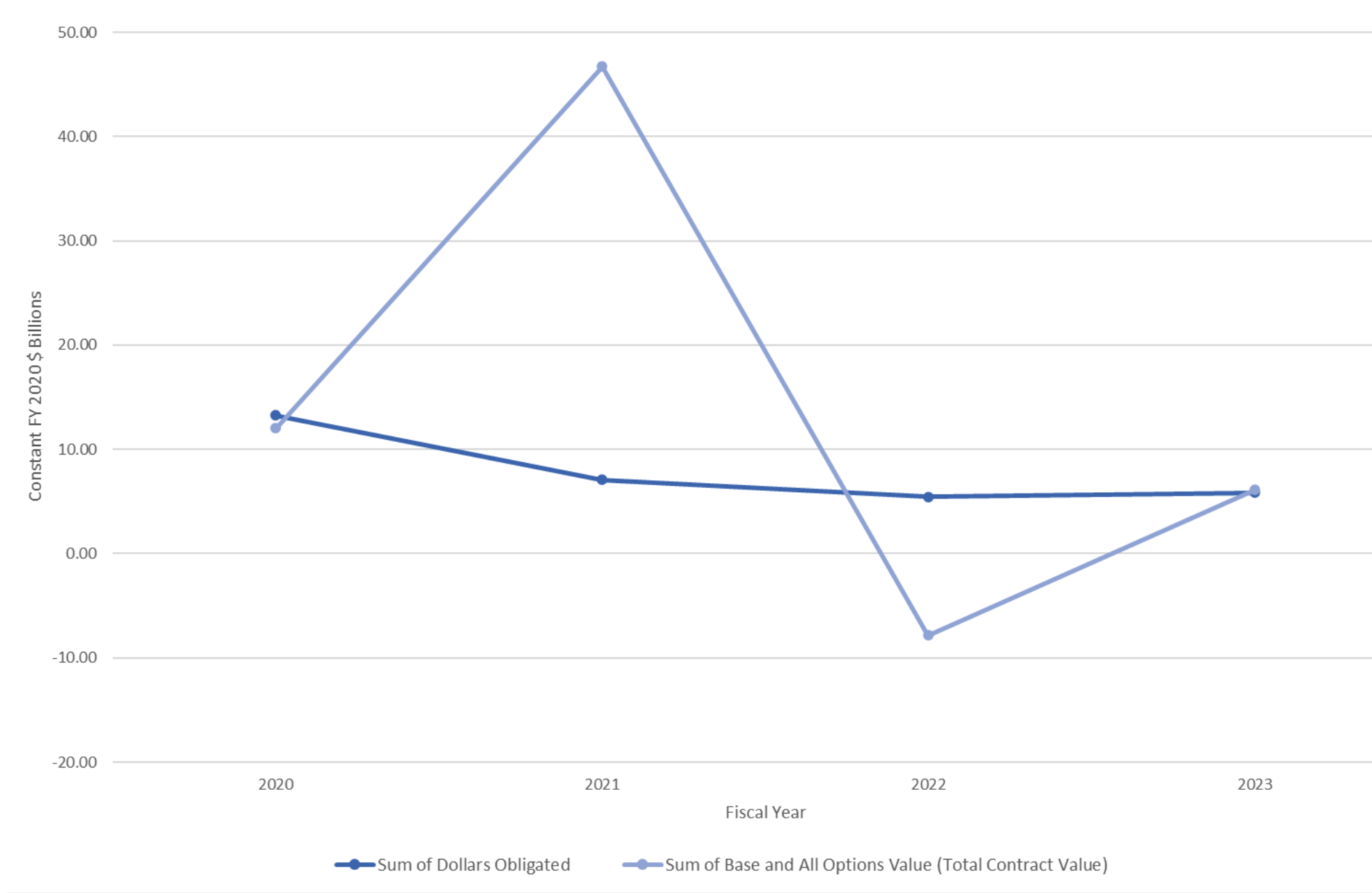




Abstract

This study delves into the U.S. Army's utilization of Other Transactions (OTs) from Fiscal Year 2021 to 2023, guided by the strategic imperatives of the Army 2030 initiative and recent policy evolutions. Utilizing the System for Award Management (SAM) database, it identifies trends in prototype and production OT usage. The research particularly focuses on legislative changes under the FY2023 National Defense Authorization Act (NDAA), which amended 10 U.S.C. §4022 to facilitate seamless transitions from prototype to production OTs without mandatory re-competition. This modification facilitates expedited introduction of innovative technologies, aligning with a broader strategy to incorporate non-traditional partners and enhance the Army's technological edge. By addressing the analytical gap post-FY2020, the study underscores a pivotal shift in procurement practices, aligning them with the objectives of Army 2030 to foster agile technological advancements.

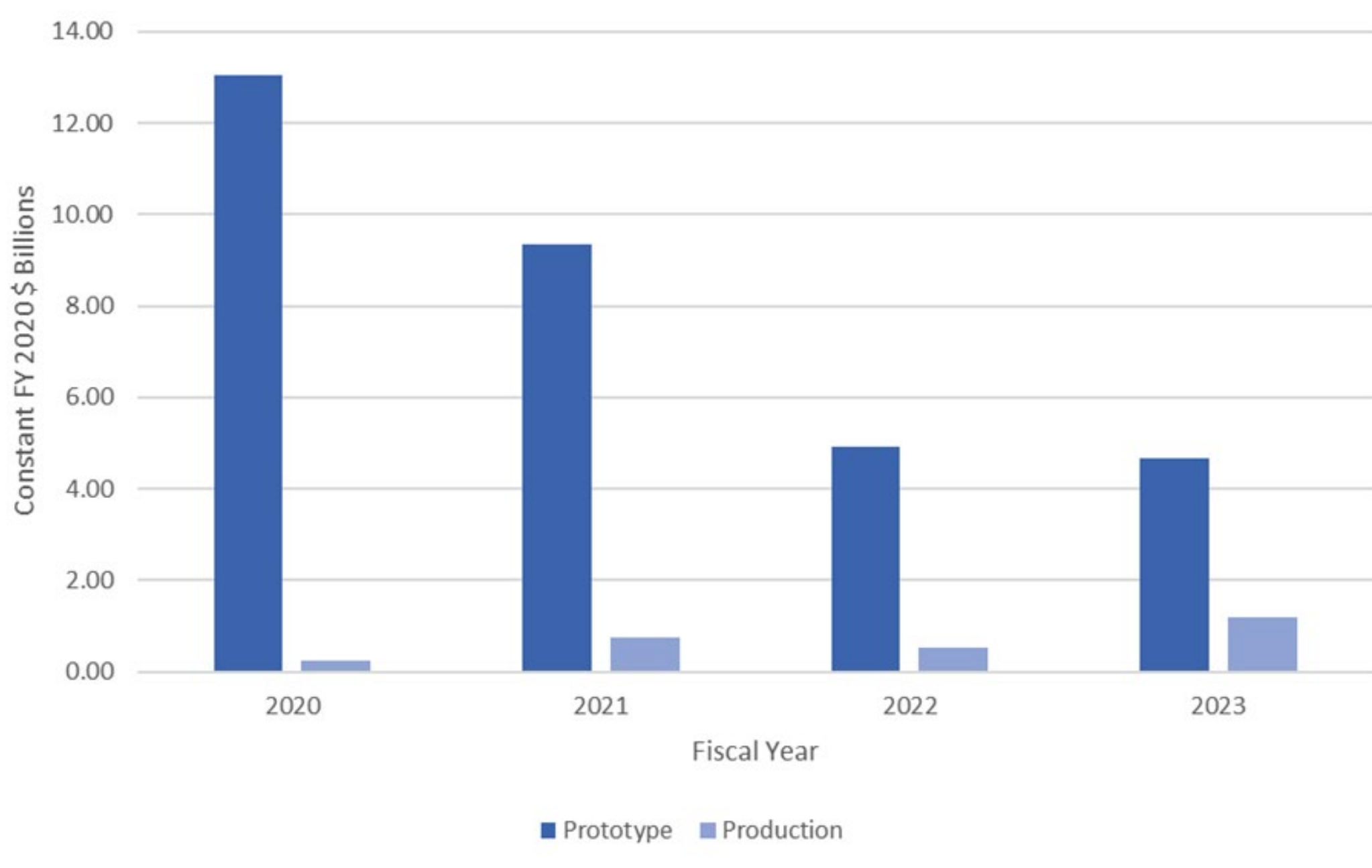


Army OT Obligations FY2020-FY2023

Methods

- **Mixed-method research approach**
- **Quantitative Analysis:**
 - **Data source:** SAM.gov databases.
 - **Data collection:** Utilized the “Ad Hoc Reports” feature for customized reports, focusing on relevant data fields and applying filters to isolate OT data.
 - **Analysis techniques:** Time series analysis to identify trends and patterns in OT usage from FY2021 to FY2023, employing comparative annual trend analysis to track changes over time.
 - **Financial consistency:** All monetary figures are standardized to constant FY2020 dollars for accurate comparison.
- **Qualitative analysis:**
 - **Primary sources:** FY2023 NDAA document, previous NDAA versions, the Other Transactions Guide, and historical GAO protests related to OTs.
 - **Methodology:** Content analysis to extract insights from documents and expert opinions, identifying key terms and concepts to understand strategic shifts and policy implications.
 - **Expert perspectives:** Inclusion of viewpoints from industry-leading experts to enrich understanding of strategic and policy shifts.

Results & Their Impact



Army OT Obligations by Type of Agreement FY2020-FY2023

- **Resilience in OT Spending** - Despite the COVID-19 pandemic's impacts, the Army adjusted OT spending from a peak of \$13.27 billion in FY20 to \$5.84 billion in FY23, showcasing resilience and adaptability in procurement processes.
- **Increase in Production OTs** - A significant increase in production OTs, from 2% of total obligations in FY20 to 20% in FY23, demonstrates the acceleration in the transition from prototyping to production of innovative technologies.
- **Streamlined Procurement** - The FY23 NDAA updates enhance OT flexibility, streamlining the procurement process to support faster fielding.
- **Vendor Diversity** – Expansion of the defense industrial base and decentralize procurement, increasing agility and broadens vendor participation (non-traditional and small business).
- **Army 2030 Alignment**- Increase in OT flexibility supports the Army 2030 focus on advanced technologies, enhancing R&D, and integrating digital infrastructure to maintain a technological edge.

