

GAO Highlights

Highlights of [GAO-22-105357](#), a report to congressional committees

Why GAO Did This Study

In fiscal year 2020, DOD awarded OTAs valued at billions of dollars to companies that were members of consortia to respond to the pandemic. DOD has increased the use of consortia-based OTAs in recent years. GAO found in July 2021 that there was limited insight into who received these OTAs. GAO recommended that DOD track the contractors performing on consortia-based OTAs. DOD agreed with GAO's recommendation and implemented it in June 2022.

A conference report included a provision for GAO to review DOD's use of consortia-based OTAs. This report examines the extent to which DOD (1) used consortia-based OTAs from fiscal years 2019 through 2021, and (2) shared consortia-based OTA information with contracting personnel.

GAO analyzed DOD and federal procurement data; reviewed agency policies; interviewed agency and industry officials; and reviewed a nongeneralizable sample of 12 OTAs. GAO selected the sample based on high dollar amounts and a variety of consortia, among other criteria.

What GAO Recommends

GAO is making six recommendations to DOD, including to develop a systematic approach to track OTA award dollars each consortium receives and to collect, document, and share with its contracting personnel information to consider when planning for consortia-based OTA awards. DOD agreed with the recommendations.

View [GAO-22-105357](#). For more information, contact Marie A. Mak at (202) 512-4841 or makm@gao.gov.

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OTHER TRANSACTION AGREEMENTS

DOD Can Improve Planning for Consortia Awards

What GAO Found

The Department of Defense (DOD) has the authority to use a contracting mechanism known as an other transaction agreement, or OTA, which is not subject to certain federal acquisition laws and requirements. DOD can award OTAs to individual organizations or to consortia—a group of organizations focused on specific technology areas. The share of awards that DOD has made to consortia is significant. From fiscal years 2019 through 2021, DOD obligated over \$24 billion on OTA awards to consortia for prototyping efforts, which included developing COVID-19 vaccines. These obligations represented nearly two-thirds of all DOD's prototype OTA dollars obligated. In addition, of the 28 consortia that received OTA awards in this 3-year period, most were established since 2014 and managed by one of four organizations.

DOD's 28 Consortia by Year Established and Consortium Management Organization



Source: GAO analysis of Department of Defense (DOD) and consortium management organization data. | GAO-22-105357

DOD has collected some data on consortia-based OTAs, but it does not have data on the obligations each consortium has received because it does not have a systematic approach for tracking which consortia receive awards. GAO analyzed other sources of OTA data, including from industry, and found that from fiscal years 2019 through 2021, the top three consortia—medical defense, armaments, and aviation and missiles—received obligations of \$8.0 billion, \$5.0 billion, and \$2.6 billion, respectively, from DOD. By not systematically tracking this type of data, DOD does not provide decision makers insight into consortia and their technology areas.

GAO also found that DOD contracting personnel have limited information to help inform planning when considering whether and how to use consortia-based OTAs. In prior work, GAO found that collecting and sharing lessons learned from previous efforts provides organizations with a powerful method for improving work processes. However, DOD has collected, documented, and shared limited information with contracting personnel on considerations related to:

- benefits and challenges of different ways to structure OTAs,
- compensation for organizations that manage consortia, or
- whether to use an existing consortium or create a new one.

By sharing limited information, DOD is missing opportunities to leverage the knowledge of contracting personnel to better inform planning for future awards.