How to Buy

Stand-Alone Acquisition

Agencies may acquire blockchain or distributed ledger technology through a stand-alone acquisition using the procedures identified in [FAR Part 12 Acquisition of Commercial Items](https://www.acquisition.gov/far/html/FARTOCP12.html), [FAR Part 13 Simplified Acquisition Procedures](https://www.acquisition.gov/far/html/FARTOCP13.html), or [FAR Part 15 Contracting by Negotiation](https://www.acquisition.gov/far/html/FARTOCP15.html).

Competition can be categorized in three ways, in accordance with [FAR Part 6, Competition Requirements](https://www.acquisition.gov/far/html/FARTOCP06.html):

1. Full and Open Competition: All responsible sources can compete.
2. Full and Open Competition “After Exclusion of Sources”: This type of acquisition is reserved for competition among a specific type of business concern.
3. Other Than Full and Open Competition: Sources are limited based on one of the seven reasons listed at FAR 6.302. This generally requires a justification and approval (J&A) in accordance with FAR 6.303 and 6.304.

Use of SBA’s 8(a) Program

The Small Business Administration’s (SBA) 8(a) Program allows procuring agencies to make quick, direct awards for procurements up to $4 million in value. This is beneficial for blockchain technology requirements because agencies may select the awardee through market research or capabilities briefings and award directly to the firm without further competition. Further, a sole source justification and authority (J&A) is not required for 8(a) contracts under $4 million and direct 8(a) awards are not protestable.

SBA has issued a [memo posted on TechFAR Hub](https://techfarhub.cio.gov/assets/files/8aSBA_USDSMemo.pdf) in conjunction with US Digital Service. The memo highlights the use of the 8(a) Program for digital services and clarifies that procuring agencies which award digital services requirements through the 8(a) Program need not request release from 8(a) competition when awarding digital service developmental iterations or add-on services. The memo identifies each iteration or add-on is a distinctly new project and should be treated as a new requirement for purposes of 8(a) release requirements and permits agencies to award contracts for additional development utilizing different acquisition strategies (to include non-8(a) strategies) without requesting release from 8(a) competition.

GSA’s [8(a) STARS II](https://www.gsa.gov/technology/technology-purchasing-programs/governmentwide-acquisition-contracts/8a-stars-ii-governmentwide-acquisition-contract-gwac) government wide acquisition contract (GWAC) leverages SBA’s 8(a) Program authority 8(a) allowing directed task orders up to $4 Million, including options. Orders more than $4 Million must be competed among the industry partners in your chosen constellation and functional area.

Orders against Existing Contracts

Indefinite delivery vehicles (IDV) include indefinite delivery, definite quantity and indefinite delivery, indefinite quantity (IDIQ) contracts.  Definite quantity contracts offer a specified quantity of products or services without specifying delivery over a fixed term of the contract.  IDIQ contracts provide for an indefinite quantity of services for a fixed time. They are used when agencies cannot determine, above a specified minimum, the precise quantities of supplies or services that the government will require during the contract period. IDIQs help streamline the contract process and speed service delivery.  IDIQ acquisitions are the most common type of IDV.  Agencies such as GSA, NASA, and HHS have established interagency contracts specifically focused on information technology.  Agencies can check with their organizations for any internal IDIQ IT contracts.  Please see the list below with a short summary of each interagency vehicle under additional resources below.

**Potential government wide Indefinite Delivery Vehicles (IDV’s) for emerging technologies include:**

[GSA FAS Schedule 70 Contracts](https://www.gsa.gov/about-us/organization/federal-acquisition-service/office-of-information-technology-category):

GSA Schedules are long-term government wide contracts with commercial companies to provide access to commercial products and services at volume discount pricing. Each GSA Schedule is composed of Special Item Numbers. It is a categorization method that groups similar products, services, and solutions together to aid in the acquisition process. GSA Schedules are Indefinite Delivery, Indefinite Quantity contracts that provide for an indefinite quantity of supplies and services during a fixed period of time. The contract has a five-year base period with (3) fiver year options resulting in a potential 20 year contract. [IT Schedule 70](https://www.gsa.gov/technology/technology-purchasing-programs/it-schedule-70/buy-from-it-schedule-70) is the government’s largest IT contract vehicle that delivers federal, state, and local customer agencies the tools and expertise to shorten procurement cycles, ensure compliance, and acquire the best value for innovative technology, products, services, and solutions. Schedule 70 includes the [FAStlane](https://www.gsa.gov/technology/technology-purchasing-programs/it-schedule-70/sell-through-it-schedule-70/making-it-easier-fast-lane) and [Startup Springboard](https://www.gsa.gov/technology/technology-purchasing-programs/it-schedule-70/sell-through-it-schedule-70/making-it-easier-it-schedule-70-startup-springboard) programs that are part of the Making It Easier initiatives.

[8(a) STARS II Government wide Acquisition Contract (GWAC)](https://www.gsa.gov/technology/technology-purchasing-programs/governmentwide-acquisition-contracts/8a-stars-ii-governmentwide-acquisition-contract-gwac)

The 8(a) STARS II GWAC offers access to highly qualified, certified 8(a) small disadvantaged businesses. The contract has a $10 Billion program ceiling with a five-year base period and one five-year option.

[Alliant and Alliant Small Business Government wide Acquisition Contracts (GWAC)](https://www.gsa.gov/technology/technology-purchasing-programs/governmentwide-acquisition-contracts/alliant-governmentwide-acquisition-contract-gwac)

The Alliant 2 and Alliant 2 Small Business GWACs represent the next generation GWAC vehicles for comprehensive information technology solutions through customizable hardware, software, and services solutions purchased as a total package.

[VETS 2 Government wide Acquisition Contract (GWAC)](https://www.gsa.gov/technology/technology-purchasing-programs/governmentwide-acquisition-contracts/vets-2-governmentwide-acquisition-contract-gwac)

As the successor to the VETS GWAC, VETS 2 is a service-disabled, veteran-owned small business set-aside that provides access to customized IT solutions from a diverse pool of industry partners.

NIH Chief Information Officer Solutions and Partners 3 ([CIO-SP3)](https://nitaac.nih.gov/services/cio-sp3) and [CIO-SP3 Small Business Government wide Acquisition Contract (GWAC)](https://nitaac.nih.gov/services/cio-sp3-small-business)

NIH's Information Technology Acquisition and Assessment Center administers three GWACs for information technology procurement. CIO-SP3, CIO-SP3 Small Business, and CIO-CS can be used by any federal civilian or Department of Defense agency to acquire information technology products, services, and solutions.

Other Transactional Authority

Congress has authorized 11 federal agencies to use [Other Transaction Agreements (OTAs)](http://www.transform.af.mil/Portals/18/documents/OSA/OTA_Brief.pdf?ver=2015-09-15-073050-867) --which generally do not follow a standard format or include terms and conditions required in traditional mechanisms, such as contracts or grants—to help meet project requirements and mission needs. The National Aeronautics and Space Administration (NASA) first received this authority in 1958. Over the next several decades, five additional federal departments were given this authority—Defense (DOD), Energy (DOE), Health and Human Services (HHS), Homeland Security (DHS), and Transportation (DOT). Congress also granted authority to five agencies within these departments, including DOT’s Federal Aviation Administration and DHS’ Transportation Security Administration (TSA).  The statutory authorities for most agencies include some limitations on the use of their agreements, although the extent and type of limitations vary.  Agencies with this special authority may find that entering into an Other Transaction Agreement (OTA) best matches their procurement needs for their blockchain solution.

OTAs make it easier to work with nontraditional partners (e.g. start-up companies).  They offer a flexible and streamlined method for procurement—often reducing the time and cost of delivery of technological advancements while improving capabilities.    
Specific flexibilities that OTAs may provide your agency include:

* The ability to address industry concerns regarding intellectual property and cost accounting provisions that would otherwise need to be included when using traditional mechanisms.
* The opportunity to tailor some terms and conditions of agreements as needed when working through the agile development of a capability.

OTAs are legally binding instruments, but they are not considered procurement contracts, grants, or cooperative agreements.  As a result, they are not subject to the Federal Acquisition Regulation, the Competition in Contracting Act, the Truth in Negotiations Act, or many other federal contracting regulations.  Consult with your agency’s legal counsel to determine which laws and regulations are still applicable and which provisions for intellectual property are suitable.

NTIS Joint Venture Program

NTIS' basic authority to operate a permanent clearinghouse of scientific and technical information is codified as chapter 23 of Title 15 of the United States Code (15 U.S.C. 1151-1157). This chapter also established NTIS' authority to charge fees for its products and services and to recover all costs through such fees "to the extent feasible."

Agile Procurement

When procuring blockchain or distributed ledger technology, agencies should consider agile acquisition methods.  Agile acquisition advocates rolling out capabilities in smaller chunks, more frequently. It also deemphasizes extensive up-front capabilities planning. Instead, developers put capabilities into action as soon as possible, then modify and adapt them as needed.  Agile acquisition allows programs to be more responsive to changes in operations, technology, and budgets. It also offers more opportunities for collaborating with users and other stakeholders to deliver priority capabilities rapidly.  Implementing agile development practices often requires changes in an agency's policies, processes, and culture. But the rewards are ample.

Traditional procurement methods for waterfall software implementations lack the flexibility to take advantage of the benefits of time, schedule, and cost that agile software development methods bring to the Federal government. For this reason, the acquisition workforce needs to make its processes agile, using innovative and creative solutions to procure IT services while maintaining compliance with the FAR and Federal law.

For more information on agile acquisitions, please see [FAI’s Agile Acquisition 101](https://www.fai.gov/media_library/items/show/81).