



Navigating the Army CSO Process

What Is a Commercial Solutions Opening?

A Commercial Solutions Opening (CSO) is a competitive solicitation **method** that enables the Army to acquire innovative commercial capabilities that fulfill operational requirements, close capability gaps, or provide technological advances. Unlike traditional FAR-based procurements, CSOs are explicitly designed to treat all awarded products and services as commercial items, reducing regulatory overhead for industry.

Authorized by Section 880 of the FY2017 NDAA and made permanent in FY2022, CSOs were formally implemented in DFARS Subpart 212.70 in August 2023. Momentum has accelerated sharply with guidance to buy fast and buy commercial.

How the CSO Process Works

The Two-Layer Structure

Army CSOs operate on a two-tier architecture that must be understood to engage effectively:

- **Umbrella CSO.** The Umbrella CSO is a standing solicitation published on SAM.gov, often open for multiple years. that establishes the legal authority, evaluation framework, process rules, and broad technology domains. It does not itself fund any work. Example is the current GVSC CSO ([SAM.gov](https://sam.gov))
- **Areas of Interest.** Areas of Interest (AoIs) are published as amendments to the umbrella. Each AoI defines a specific operational problem or capability gap, submission timelines, evaluation criteria, and available funding. Awards flow from AoI competitions, not from the umbrella itself. A funded AoI can also be identified by the suspense date for that AoI, unfunded AoI's have no suspense date listed in the applicable paragraph.

The Phased Evaluation Process

Submissions typically proceed through three phases, with the government conducting down-selection between each:

Phase	What Is Required
1 Solution Brief / White Paper	Short non-binding summary (typically 2–5 pages) describing the proposed capability and its relevance to the AoI. Low investment; broad participation encouraged.
2 Oral Presentation / Pitch (optional unless specified)	Selected companies present to government subject-matter experts. Format varies by command. Technical merit and commercial readiness are emphasized.
3 Commercial Solution Proposal (CSP)	Full proposal including technical approach, pricing, terms, and IP provisions. This is the basis for contract award.

A critical distinction from traditional FAR source selection: proposals are evaluated on their individual technical and commercial merit, not comparatively ranked against each other. Multiple awards from a single AoI are possible and common.

Announcement and Contracting Mechanisms

The CSO is a solicitation method, **not** a contract type. Resulting awards take one of two forms:

- **Fixed-Price Contract.** FAR Part 12 Fixed-Price Contract. A traditional contract with commercial item treatment, eliminating CAS coverage, TINA, and most standard government accounting requirements. Limited to fixed-price or fixed-price incentive arrangements.
- **OTA.** Other Transaction Agreement (OTA) under 10 U.S.C. § 4022. Fully outside FAR/DFARS. Accelerated timelines (as fast as 60–90 days at DIU; average closer to 120 days at Army commands). Terms, milestones, and IP provisions are negotiated, not mandated by regulation.

THE FOLLOW-ON PRODUCTION PATHWAY — THE STRATEGIC PRIZE

- If the original CSO was openly competed, the prototype awardee is eligible for a sole-source follow-on production contract or OTA — bypassing open competition for the production award.
- **CRITICAL:** The original solicitation (umbrella CSO or AoI) must explicitly state that a follow-on production award may be made. If this language is absent, the agency may lack authority for sole-source production. Review this before investing in prototype development.
- For OTA follow-ons specifically, there are no mandatory IP clauses — rights are negotiated, not dictated.

Things to Know

1. SAM.gov Is Your Primary Watch Point

All umbrella CSOs and AoI amendments are published on SAM.gov. Monitor the specific Army Contracting Command nodes relevant to your technology domain: ACC-NJ, ACC-WVA, ACC-RRAD, ACC-DTA, CPE-IEW&S, and others each manage distinct portfolios. Set up automated alerts; AoI windows can be short.

2. Nontraditional Status Is a Structural Advantage

A nontraditional defense contractor, defined as an entity that has not held a single CAS-covered contract or subcontract of \$50M or more in the preceding year, receives significant advantages including relaxed cost-share requirements and streamlined compliance obligations. Companies should verify their status before each engagement, as it can change.

3. Protect Your IP Before Negotiations Begin

For OTAs, there are no mandatory IP clauses, but DoD negotiators will press for broad government rights by default. Companies must identify pre-existing IP and IP anticipated to be developed under the OTA before sitting down at the table. Scope and license terms must be drafted precisely. Vague IP provisions at award become costly disputes during follow-on.

4. Fixed-Price Only — But Terms Are Highly Flexible

CSO awards under FAR Part 12 are limited to fixed-price structures. However, for OTAs, payment milestones, deliverable definitions, acceptance criteria, and many other commercial terms are fully negotiable. Companies should arrive with a clear commercial offer rather than waiting for the government to dictate structure.

5. Registration and Compliance Prerequisites Apply

SAM.gov registration is required for all respondents. PIEE registration is typically required for OTA awardees. Even where FAR/DFARS do not apply, the False Claims Act, Fair Labor Standards Act, export controls (ITAR/EAR), and nondiscrimination requirements continue to govern. Cybersecurity requirements (CMMC) may also apply and has been required for drawings and performance specifications.

6. Early Engagement Is Encouraged — Use It

Unlike traditional FAR procurements, pre-solicitation engagement with program offices that have posted CSOs is **appropriate and strategically valuable**. Industry days, RFI responses, and direct outreach are not just permitted, they are expected. The Army wants to understand what industry has built. Companies that engage before an AoI is published are better positioned to respond to it.

BOTTOM LINE FOR YOUR BUSINESS DEVELOPMENT STRATEGY

The CSO pathway represents the most accessible on-ramp DoD has created for nontraditional and commercial technology companies, bypassing the most burdensome aspects of traditional defense contracting while preserving a structured path to large, sole-source follow-on production awards. The discipline required is straightforward: identify the right AoI, protect your IP from the first conversation, verify the solicitation explicitly preserves your follow-on production rights, and engage early. Companies that treat CSOs as a transactional exercise miss the strategic value. Those that use the process to build genuine program-office relationships and demonstrate working solutions consistently convert prototype awards into durable production revenue. The key is your solution must be innovative.