



U.S. DEPARTMENT OF
ENERGY

Office of
Technology
Transitions

Agreements for Commercializing Technology (ACT)

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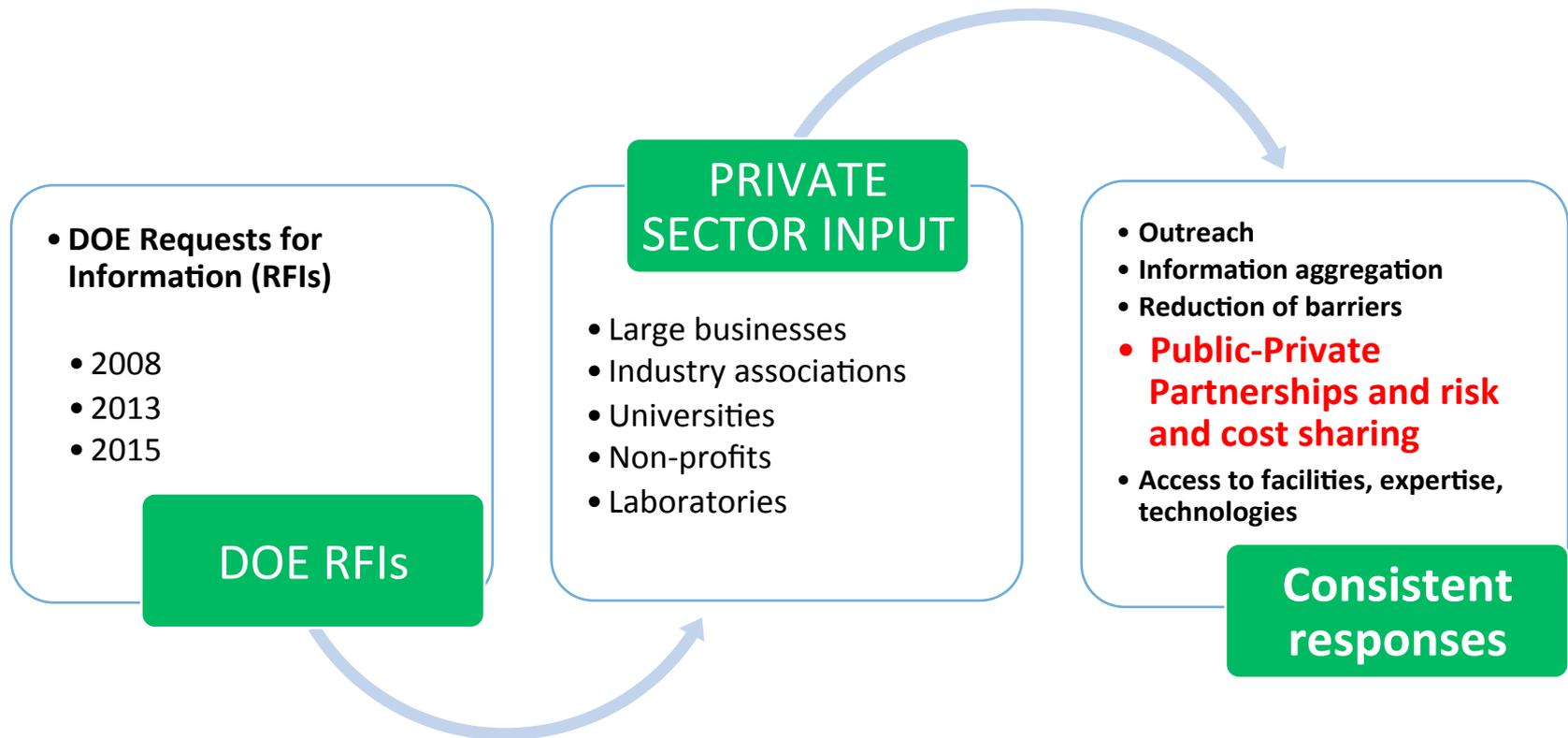
Agreements for Commercializing Technology (ACT) is a new DOE partnering mechanism:

- ❖ **Enabling DOE Laboratory contractors** to engage in partnerships with terms that are *more compatible with industry practices*
- ❖ **Supporting Industry-Lab Partnerships**, to leverage Federal investments
- ❖ **Complementing SPP** (aka Work-for-Others), CRADA and User Agreements

Piloted: 2012 – 2017

Secretary Perry authorized permanent mechanism: November 2017

- Implemented through modifying the contracts of M&Os interested in participating.
- Determining whether to participate or not remains with the M&O contractors.



The Concerns:

- ***Advanced Payments***
- ***Indemnification***
- ***Guaranteed Performance – vs – Best Effort***
- ***Certain Reserved Government Rights to IP***

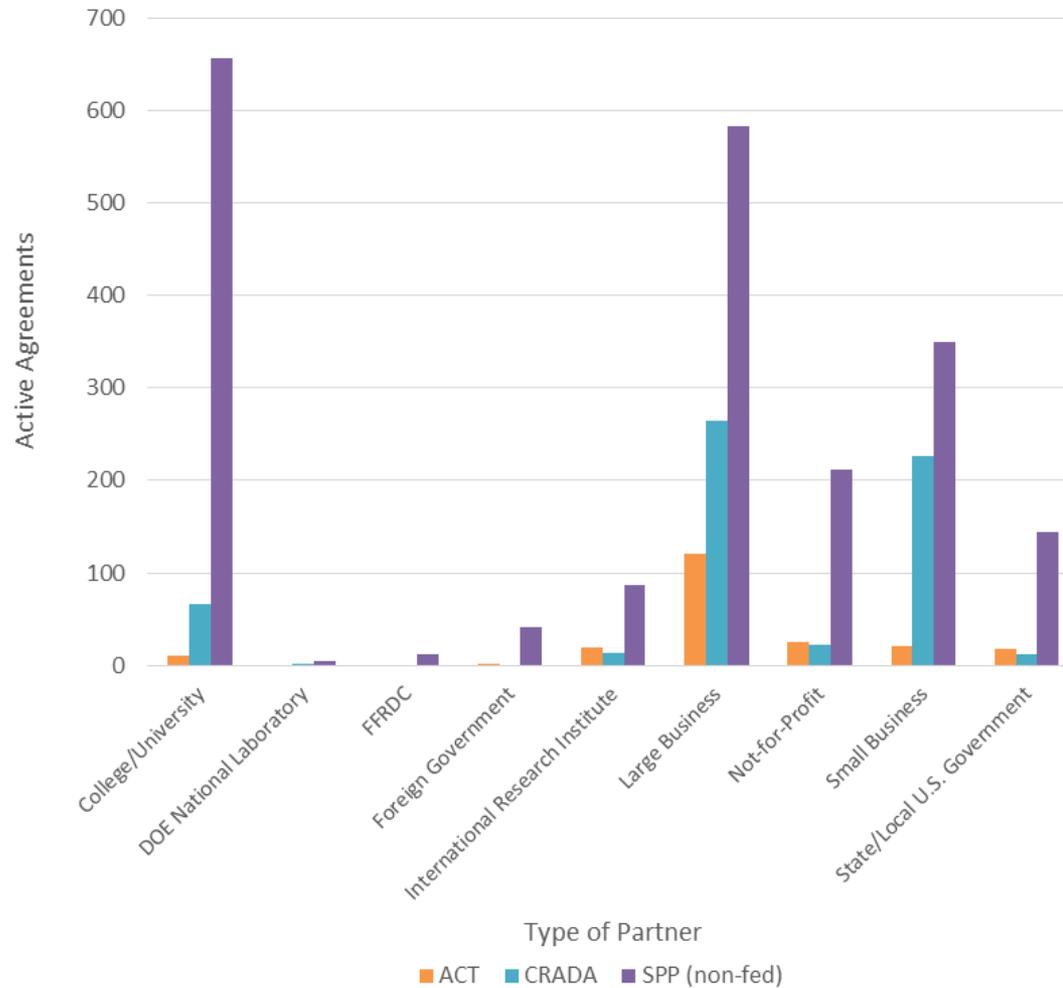
- ✓ To overcome barriers to collaboration
- ✓ When other DOE partnership mechanisms are difficult or unacceptable to clients and ACT is preferred
 - Some companies refuse or limit use of CRADAs or WFO.
 - Lack of flexibility in WFO and CRADA terms means some organizations don't even consider working with DOE Labs.
- ✓ When the partnership requires negotiated IP rights rather than standard provisions of WFO or CRADA
- ✓ When the partner wishes to negotiate projects with specific business terms and conditions, or risk-sharing
 - Different payment terms than DOE standards, specific project milestones or deliverables, fixed price contracts, other risk sharing
- ✓ When complex agreements such as consortia need to be established

- DOE is not a party to the ACT contract
- Single or multiple partners and funding sources. Cash or in-kind contributions. Collaborations or research services.
- Contractor parent or affiliate may directly sponsor / fund
 - OCI plan and specific DOE approval required before commencing work
- DOE approves work based on proposal: scope of work, resource and budget documents.
- DOE does not approve ACT contracts with commercial entities, unless certain conditions apply (national security, environmental). Contactor may submit approval package in the proposal stage to expedite review / pre-approval.
- Contract between M&O contractor and partner can be under negotiated commercial terms

- M&O Contractor is responsible for full cost recovery on behalf of DOE
- Contractor confirms that funding entity has been apprised of contracting options to fund and carry out the work (CRADA, SPP, ACT)
- DOE may use audit and other contractor assurance processes to review performance under ACT
- Commercially friendly IP rights - Patent class waiver to grant title to IP Lead as negotiated between the parties.
- Government use license in ACT is use for research purposes only
- U.S. preference language maintained
- “ACT Protected Information” terms available.

- Simplified DOE review and approval to facilitate timely response.
- Liability / indemnification of government is as negotiated between the parties. Funding client or Contractor / parent may accept certain liabilities as negotiated.
- Successor Contractor provisions – incumbent contractor holds primary obligation. May transfer all or portion of ACT programs to successor contractor based on negotiation.
- ACT requires a separate DOE IP Class Waiver with the new disposition of rights. Refers to existing class waivers and DOE authorities from Atomic Energy Act.
- New FedACT Pilot: Projects that include federal funding sources – requires full transparency back to federal sponsor with approval

Terms	ACT	Non Fed SPP	CRADA
Business terms	Negotiated between parties	Set WFO terms	Set CRADA terms
Pre-payment	Negotiated (contractor may advance funds)	Client pre-pays 60(90) days of project budget	Client pre-pays 60(90) days of project budget
Project deliverables	Negotiated (may agree on milestones, timing, deliverables)	Best efforts	Best efforts
IP Rights	Negotiated; designated IP lead	IPR to funding client	Contractor grants FOU IP License option to client
Government Use License	Research use only	Government Use License	Government Use License
Data rights protection	Protected 5 years (or more) but allows research use	Data belongs to funding client	Protected 5 years
Indemnification	Negotiated	Client indemnifies	Client indemnifies
Compensation	Negotiated	Best efforts budget	Best efforts budget



Technology Transfer Partners with Active Agreements across Participating Pilot Laboratories by Mechanism, FY 2014–2016

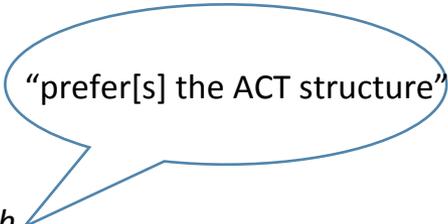
- DOE IG audit, June 2015, found ACT provided private industry with increased access to DOE Labs and facilitates transferring Lab knowledge or capabilities. Also found certain deficiencies which have since been addressed.
- Heritage Foundation, ITIF and Center for American Progress commended ACT for allowing flexible partnerships with industry and its “potential to bridge many of the gaps left by existing partnership agreements” and encourages DOE to make ACT permanent and expand its use to include partners that are utilizing federal dollars to fund work at the DOE Labs.
- Current legislation calls for ACT pilot expansion to include federally-funded research (S.1460)

NREL has been able to work with the Wells Fargo Incubation Innovator (IN²) through ACT since 2014.

IN² is funded by the Wells Fargo Foundation, co-administered by NREL and designed to facilitate early-stage technologies providing scalable solutions to reduce the energy impact of commercial buildings.

IN² provides access to NREL's world-class facilities and researchers, which tests, validates, and incubates the companies' technologies to help them meet critical validation milestones on their path to the commercial marketplace.

To date, **IN² has funded 20 early-stage startups and has seen the successful exits of two Round 1 awardees** via acquisition, as reported in BusinessWire. The program has attracted national and international interest as a unique and successful model to accelerate the commercialization of environmentally beneficial technologies.



"prefer[s] the ACT structure"

large business which entered into CRADA, SPP, and ACT agreements with multiple labs: INL, LANL, ORNL, and PNNL

LLNL has worked with the Institute of Physics at the Academy of Sciences of the Czech Republic, through ACT, on a \$45M contract to develop the High-Repetition-Rate Advanced Petawatt Laser System (HAPLS), the world's higher average power petawatt laser system.

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Establishing a new pilot authorizing an expansion of ACT to include Federally-funded partners (FedACT)

--- Requires special consideration of:

1. M&Os charging partners fees beyond actual costs for work;
2. statutory constraints that typically accompany federal funding in regard to IP rights;
3. flow down provisions from other agencies into DOE contracts; and
4. concerns with transparency of the action to the federal agency providing funds to the sponsoring partner.