Enhancing Effectiveness of Independent Research and Development (IRAD)



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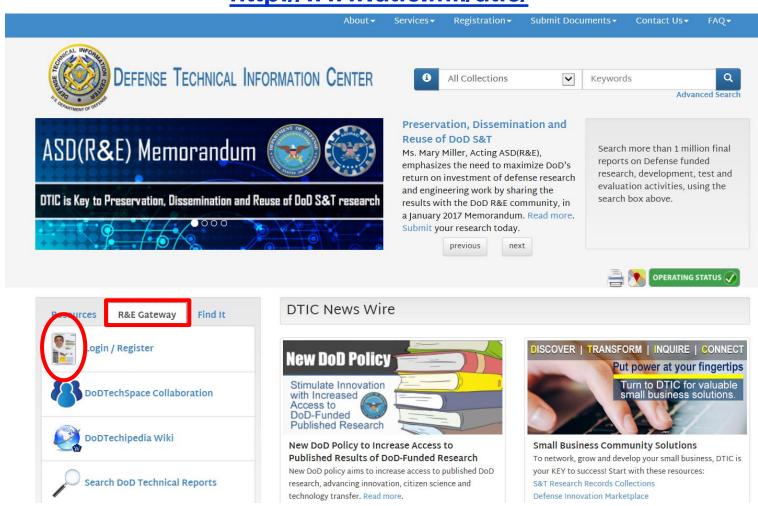
USD (AT&L) - Frank Kendall Memo

- Implementation of Defense Federal Acquisition Regulation Supplement (DFARS)
 Final Rule 2016-D002, Enhancing the Effectiveness of Independent Research &
 Development, January 4, 2017.
- Purpose: Improve the effectiveness of IRAD investments by the defense industrial base that are reimbursed as allowable costs.
- New IR&D rule requires "major" defense contractors to engage in a technical interchange with a technical or operational DoD Government employee prior to initiation of an IR&D project.
- Any contractor not meeting the threshold of a "major" contractor are encouraged to use the Defense Technical Information Center (DTIC) online input form to report IR&D activities.



Defense Technical Information Center

http://www.dtic.mil/dtic/



UNCLASSIFIED



 The dollar threshold to identify contractors designated as "major" is prescribed at DFARS 231.205-18

"Major contractor" means any contractor whose covered segments allocated a total of more than \$11,000,000 in IR&D/B&P costs to covered contracts during the preceding fiscal year. For purposes of calculating the dollar threshold amounts to determine whether a contractor meets the definition of "major contractor," do NOT include contractor segments allocating LESS than \$1,100,000 of IR&D/B&P costs to covered contracts during the preceding fiscal year.



- Contractor IR&D investments are NOT directed by the Government.
- Promote transparency, communication & dialogue between IR&D participants & DoD.
- Ensuring that both IR&D performers and their potential DoD customers have sufficient awareness of each other's efforts.
- To provide industry with some feedback on the relevance of proposed IR&D work.
- Contractors should communicate with a knowledgeable DoD Government employee who is cognizant of related ongoing and potential future opportunities in the area of interest.
- Many Services and DoD agencies already used to engage industry on IR&D projects.

- The rule has two requirements:
 - a knowledgeable DoD Government employee be informed of future IR&D plans or projects
 - Industry document the name of the DoD Government employee and the date the technical interchange occurred in the DTIC database
- The DoD Government employee may provide feedback on relevant DoD missions, but in no case has the authority to stop the project.
- The DoD Government employee will not issue any official declaration
- Face-to-face discussion are the preferred approach to conduct the technical interchange.
- DFARS rule does not require face-to-face discussions



Defense Innovation Marketplace

http://www.defenseinnovationmarketplace.mil/





Defense Innovation Marketplace (Cont'd)

- No later than January 31, 2017, DoD will implement an electronic process to facilitate this approach.
- Future IR&D opportunity maybe submitted through the Defense Innovation Marketplace.
- The targeted organization will respond to the submitter with a written statement with the date of receipt and name of the DoD Government employee who was made aware of the project.
- This website will maintain the necessary security to ensure protection of proprietary information and facilitate compliance with the DFARS requirement.

- This is a requirement on industry to communicate its IR&D plans to some relevant Government individual and record that this has been done. There is no Government approval required or expected.
- END NOTE: please provide your Service/Agency/Command IRAD POC information and/or any questions on the implementation of this rule to:

Lisa Hilton at lisa.a.hilton2.civ@mail.mil

Please do not send proposals to this e-mail address!



Class Deviation - Claire M. Grady Memo

- For IR&D projects initiated in the contractor's fiscal year 2017, as a prerequisite for the subsequent determination of allowability, the contractor shall:
 - Engage in a technical interchange with the technical or operational DoD
 Government employee sometime during the contractor's fiscal year 2017.
 - If the contractor does not have a point of contact for the technical interchange, the contractor may contact the Office of the Assistant Secretary of Defense for Research and Engineering (OASD R&E); information can be found at: http://www.acq.osd.mil/rd/contacts/
 - Use the online input form for IR&D projects reported to DTIC to document the technical interchange, which includes the name of the DoD Government employee and the date the technical interchange occurred.



Class Deviation (Cont'd)

- This class deviation alleviates the requirement that the technical interchanges occur before costs are generated for IR&D projects initiated in the contractor's fiscal year 2017.
- This class deviation remains in effect until incorporated in the DFARS or otherwise rescinded.
- Point of Contact: Mr. Mark Gomersall:

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QUESTIONS