

**NSRP ASE
TECHNOLOGY INVESTMENT AGREEMENT
(Adjustable Fixed Price Milestone Payment Method)**

BETWEEN

**ADVANCED TECHNOLOGY INTERNATIONAL (ATI)
5300 INTERNATIONAL BOULEVARD
NORTH CHARLESTON, SC 29418**

AND

CONCERNING

_____ specific project name _____

For the

**THE NATIONAL SHIPBUILDING RESEARCH PROGRAM ADVANCED
SHIPBUILDING ENTERPRISE (NSRP ASE)**

Agreement No.:

Total Amount of the Agreement:

TBD

Total Estimated NSRP ASE Project Funding of the Agreement:

TBD

Total Estimated Recipient Cost Share:

TBD

Total Funds Obligated:

TBD

Authority: 10 U.S.C. § 2371

Agreement is entered into between the Advanced Technology International (ATI), hereinafter called "ATI," and _____, hereinafter referred to as "Recipient" and is governed by the laws of South Carolina to the extent that South Carolina law does not conflict with federal law and provisions of the NSRP ASE prime agreement.

ADVANCED TECHNOLOGY INTERNATIONAL
(ATI)

(Signature)

(Signature)

(Date)

(Date)

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ATTACHMENTS:

1. Statement of Work
2. Report Requirements
 - A. Quarterly Report
 - B. Status/Deliverable/Milestone Report
 - C. Special Technical Reports
 - D. Final Technical Report
 - E. Close-out Documentation

Sample Quarterly Report
 Sample Status, Deliverable, or Milestone Report Memorandum
 Project Results Template
3. Schedule of Payments and Payable Milestones
4. Proprietary Information Exchange and Nondisclosure Agreement
5. Cost Share Detail

ARTICLE I: SCOPE OF THE NSRP ASE PROGRAM

A. Definitions

As used throughout this Agreement, the following terms shall have the meaning set forth below:

“Recipient” means the awardee that enters into the agreement with ATI and is the organization that will receive the funding. In some cases the Recipient will be a single company. If a team effort is proposed, the Recipient will act as the “prime contractor” and “team leader” of the project. The recipient is responsible for the overall management of the project and the technical and financial deliverables.

“Program Administrator” means Advanced Technology International (ATI).

“NAVSEA” means the Naval Sea Systems Command, which is the lead Government organization in charge of executing the Program.

“Articles of Collaboration” means the document that has been executed previously by twelve shipyards that authorizes the Executive Control Board, or its designee, as its agent to enter into the Joint Funding Agreement.

“Collaboration” means the shipyards that have executed the Articles of Collaboration. The shipyards that are currently a part of the collaboration as set forth in the Articles of Collaboration are: BAE Systems Southeast Shipyards AMHC, Inc., Austal USA, Bath Iron Works Corporation, Bollinger Shipyards, Inc., Electric Boat Corporation, VT Halter Marine, Inc., Marinette Marine Corporation, National Steel & Shipbuilding Company, Northrop Grumman Shipbuilding, Inc. – Newport News, Northrop Grumman Shipbuilding, Inc. – Gulf Coast Operations (Avondale Shipyard), Northrop Grumman Shipbuilding, Inc. – Gulf Coast Operations (Pascagoula Shipyard), and Todd Pacific Shipyard Corporation.

“Collaboration Members” means each of the shipyards’ representatives listed above.

“ECB” means the Executive Control Board of the National Shipbuilding Research Program. The ECB is composed of one Voting Representative from each of the shipyards listed above.

“Program” means the NSRP ASE Program.

“Project” means the effort to be funded by this Agreement, which is described in the Statement of Work appended to this Agreement as Attachment 1.

“Project Participant” or “Project Participants” means any and all recipients, team members, or subcontractors that receive NSRP ASE funds under this project.

“Program Technical Representative (PTR)” means the person providing technical oversight of this project for the Program Administrator. The PTR reports to the ATI Program Technical Director.

“Parties” means - ATI and the Recipient where collectively identified and “Party” where individually identified.

“Milestone” means an observable technical event.

B. Background

The National Shipbuilding Research Program - Advanced Shipbuilding Enterprise (NSRP ASE) program is a follow-on research initiative to the National Shipbuilding Research Program (NSRP) and the Maritime Technology (MARITECH) program.

The program goals and objectives are to manage and focus research and development funding on technologies that will reduce the cost of building and maintaining ships to the U.S. Navy and other National Security customers and improve U.S. shipbuilding technical and business practices and processes. NSRP ASE is structured as a collaboration of major U.S. shipyards focused on industry-wide implementation of solutions to common cost drivers. The program targets solutions to consensus priority issues that exhibit a compelling business case to improve the efficiency of the U.S. shipbuilding and ship repair Industry. Solutions include both leverage of best commercial practices and creation of industry-specific initiatives. Aggressive technology transfer to, and buy-in by, multiple U.S. shipyards is a requirement of all funded efforts.

The NSRP ASE Strategic Investment Plan (SIP) was developed by the Collaboration of U.S. shipyards making up the NSRP in conjunction with Government, industry, and academia. The SIP focuses R&D dollars on the most important needs of the industry and provides vital industry insight and harmonized direction to other related government investments in manufacturing technology. Further, the SIP forms the framework to begin a continuous cycle of industry-wide planning and reinvestment. The initiatives selected as the framework for R&D investment are: (1) Business Processes and Information Technologies, (2) Ship Design and Material Technologies, (3) Ship Production Technologies, and (4) Infrastructure and Support.

The joint funding agreement between the Government and the ECB, representing the signing members of the Collaboration, sets out the terms and conditions for cost sharing between the parties in executing SIP initiatives. The ECB has selected the Advanced Technology International as the NSRP ASE Program Administrator. ATI acts with guidance from the ECB and is responsible for the overall management of the NSRP ASE Program. The Program Administrator employs the Executive Director of the NSRP, who is the leader of the NSRP ASE Program. Projects will be awarded based on technical merit, fit with the SIP and the offeror’s willingness to share cost. The sharing of cost leverages the total funds available for research projects and ensures the commitment of the team submitting the proposal. Six

major initiative teams have been established, and each has a team leader and an assistant team leader. These leaders or designees will interface with the recipients in their major initiative areas on a regular basis and may often be the designated Program Technical Representative assigned to the agreement.

This award is made as a result of a competition in response to NSRP ASE Request For Proposal for NSRP ASE 09-01.

C. Scope of the Agreement

The Recipient shall perform a coordinated research and development project in accordance with the Statement of Work incorporated in this Agreement as Attachment 1.

The Recipient shall be paid in accordance with the provisions of Article V. ATI and the Recipient (Parties) estimate that the Statement of Work of this Agreement can only be accomplished with the Project Participant's aggregate resource contribution as described in Article VI. The Parties anticipate that the NSRP ASE funding will be a cumulative total reevaluated at the completion of each project phase (at intervals not greater than a year) based on funding availability, project funding requirements, and progress/performance. By entering into this agreement, ATI intends to provide these funds as directed by the ECB based on the criteria stated above. If either ATI or the Recipient is unable to provide its respective total contribution, the other party may reduce its project funding by a proportional amount or choose to terminate the agreement.

ATI and the Recipient are bound to each other by the terms of this Agreement. This Agreement is an "other transaction" in accordance with NAVSEA Determination and Findings dated August 2004, pursuant to 10 U.S.C. § 2371. The Parties agree that the principal purpose of this Agreement is for the Government to support and stimulate the Collaboration to provide its best efforts in advanced research, technology and development for improving productivity and reducing costs to the U.S. Navy. The program goals and objectives are to manage and focus research and development funding on technologies that will reduce the cost of building and maintaining ships to the U.S. Navy and other National Security customers and improve U. S. Shipbuilding technical and business practices and processes. This Agreement is not for the acquisition of property or services for the direct benefit or use of the Government. The Federal Acquisition Regulation (FAR) and Department of Defense FAR Supplement (DFARS) apply only as specifically referenced herein. This Agreement is not a procurement contract or grant agreement for purposes of FAR Subpart 31.205-18. This Agreement is not intended to be, nor shall it be construed as, by implication or otherwise, a partnership, a corporation, or joint venture or other business organization.

ARTICLE II: TERM

A. Term of this Agreement

The period of performance for this Project is _____ through _____. If all funds are expended prior to the expiration of the term, the Parties must complete the milestone they are working on and may elect to cease performance and development after that point. Provisions of this Agreement, which, by their express terms or by necessary implication, apply for periods of time other than specified herein, shall be given effect, notwithstanding this Article.

B. Stop Work Order

ATI may, at any time, by written order to Recipient, require Recipient to stop all, or any part, of the work called for by this Agreement for a period of 90 days after the order is delivered to Recipient, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this Clause. Upon receipt of the order, Recipient shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to Recipient, or within any extension of that period to which the parties shall have agreed, ATI shall either-

- a. Cancel the stop-work order; or
- b. Terminate the work covered by the order as provided in the termination clause of this Agreement.

C. Termination Provisions

Subject to a reasonable determination that the project is failing to meet the requirements of the Statement of Work (Attachment 1) in matters of work quality and timeliness, or that the project will not produce beneficial results commensurate with the expenditure of resources and objectives set forth in Article I, either Party may terminate this Agreement by sixty (60) days written notice to the other Party, provided that such written notice is preceded by consultation between the Parties. In the event of a termination of the Agreement, it is agreed that disposition of Data developed under this Agreement, shall be in accordance with the provisions of Article IX, Data Rights. ATI and the Recipient will negotiate in good faith a reasonable and timely adjustment of all outstanding issues between the Parties as a result of termination. If ATI terminates this Agreement, ATI will not be obligated to provide funding or otherwise be liable beyond the amount already funded (or due as a result of completed effort) as of the date of termination. Termination costs will be calculated in accordance with the Federal Acquisition Regulation, Part 49. (This can be sent to Recipient upon request). If the Recipient terminates this Agreement, then ATI has no obligation to reimburse the Recipient beyond the last completed and paid milestone (if payments are made by the adjustable fixed price milestone method). In no event will ATI's obligation be more than the amount funded by the NSRP ASE Program.

ARTICLE III: MANAGEMENT OF THE PROJECT

A. Project Management and Team Organization

The Recipient of funding and team leader for the project is: _____. The organizations named below have been approved as key participating organizations to conduct research herein. Any changes must be approved in writing by ATI.

The NSRP is managed by a collaboration of shipyards. The Executive Control Board has appointed an Executive Director to manage the Program's operation, and approved Major Initiative Teams to ensure progress in each technology area specified in the Strategic Investment Plan. For management of individual projects on behalf of the Program, Program Technical Representatives (PTRs) are designated as the technical voice of the Program in dealing with each project. The PTRs are selected from the industry and while not employees of ATI, are responsible and accountable to the Executive Director for all aspects of the PTR role. The PTRs report directly to the Program Technical Director (an ATI employee on the Executive Director's staff) and work with the Program Administrator's Contract Representative in overall project management and oversight. This is a unique arrangement based on the NAVSEA-sponsored, industry-managed Program. It is important to note that while the PTR is an agent of the Program and will work closely with the Recipient and Program Administrator's Contract Representative, he or she has no authority to modify any Agreement provisions. This authority rests solely with the Program Administrator's Contract Representative.

B. Project Management Planning Process

The project management and planning process shall be subject to periodic reviews with inputs and review from the ECB, ATI, and the Program Technical Representative. Normally, the ECB will meet quarterly with attendance by the NAVSEA program manager. During the quarterly meetings, program status and accomplishments will be provided by ATI.

The Recipient, with ATI and PTR participation and review, will prepare an overall Project Management Plan (in contractor's format) within 75 days of selection notification. The Project Management Plan (PMP) provides a detailed schedule of research activities, the project team and management structure, and projected budget. The PMP also describes the work to be performed, and discusses the technology transfer plan and foreign access to technology issues. The Recipient may choose to utilize appropriate attachments from this Agreement (e.g., Statement of Work, Schedule of Payments and Payable Milestones) as sections of the Project Management Plan. The PMP will be updated when substantive changes occur.

C. Modifications

As a result of quarterly project review meetings, end of project reviews, or at any time during the term of the Agreement, research progress or results may indicate that a change in the Statement of Work or Term would be beneficial to project objectives. Recommendations for modifications, including justifications to support any changes to the Statement of Work, will be documented in writing and submitted by the Recipient to the designated Program Technical Representative with a copy to the Program Administrator's Contract Representative. This documentation will detail the technical, chronological, and financial impact of the proposed modification to the research project only. The Program Administrator's Contract Representative shall approve any Agreement modifications.

D. Project Kickoff Meeting

Each awarded project team is required to schedule and conduct a Project Kickoff Meeting within 60 days of selection notification. The following are the recommended attendees: Project Technical Point of Contact, Project Business Point of Contact, NSRP PTR, ATI Representative, project team member leaders, and others as necessary. The following agenda items should be covered: (1) review roles of PTR, ATI, MI Team Leader, Project Team; (2) review goals and objectives of the project; (3) review the SOW, including deliverables and to what extent they will be distributed; (4) review the milestone payment schedule; (5) status/review of the proposed program management plan; (6) review/clarify reports and invoice flow (invoices, payable milestone reports, deliverable reports, quarterly reports, special technical reports); (7) technology transfer and foreign access to technology; and (8) next proposed quarterly review date and location. Additional attendees and / or topics should be added as needed by the project team to ensure the project is begun promptly and the contracted schedule is met. The date of the kickoff meeting should be agreeable to the project team, PTR, and ATI.

E. Technology Transfer Plan

The Recipient will prepare a Technology Transfer Plan within 75 days of selection notification. The Technology Transfer Plan should include the specifics of the efforts that will be performed to ensure successful implementation of the project results by the project team and activities to disseminate project information to all within the broad U.S. maritime industry who may benefit from implementation or knowledge of the results. The Technology Transfer Plan shall follow the guidelines and standard outline provided in the NSRP Guidelines for Developing and Effective Technology Transfer Plan, available at the NSRP website, www.nsrp.org. As indicated in these guidelines, the Technology Transfer Plan shall include a milestone schedule, consistent with Attachment 3 of this agreement, indicating the due date for each deliverable, to whom each deliverable will be distributed, any limitation or restriction on further distribution, and any proprietary content or intellectual property issues that may affect full public disclosure.

ARTICLE IV: AGREEMENT ADMINISTRATION

ARTICLE V: OBLIGATION, ESTIMATED COST AND COST SHARE, AND PAYMENT

A. Obligation

ATI's liability to make payments to the Recipient is limited to only those funds obligated under this Agreement or by modification to the Agreement. ATI may incrementally fund this Agreement.

B. Estimated Cost and Cost Share

The total estimated cost for the services to be provided by the Recipient is as follows:

<u>PHASE</u>	<u>ESTIMATED COST</u>	and	<u>ESTIMATED COST SHARE</u>
Phase I ()	\$		\$
Phase II ()	\$		\$
TOTAL ESTIMATED COST & COST SHARE	\$		\$

The Recipient shall not proceed to each succeeding phase before obtaining approval from the Program Administrator. The Program Administrator will work with the Executive Control Board (ECB) to determine continuation of the project. The factors that will be considered by the ECB for project continuation are as follows. The ECB will take into consideration previously identified metrics for phase transition, overall contract performance, and benefits expected/achieved based on progress to date. In the event the Program Administrator does not provide such approval, the Recipient agrees to a unilateral agreement modification reducing the agreement estimated cost by the amounts set forth above for the unexecuted phases.

C. Payments

Accounting System Requirements: Prior to the submission of invoices to ATI by the Recipient, the Recipient shall have and maintain an established accounting system that complies with Generally Accepted Accounting Principles and the requirements of this Agreement. The Recipient shall ensure that appropriate arrangements have been made for receiving, distributing and accounting for Federal funds. Consistent with this stipulation, an acceptable accounting system will be one in which all cash receipts and disbursements are controlled and documented properly.

Payment Terms: Payment terms are NET 30 days after ATI's receipt of an acceptable invoice. An acceptable invoice is one that meets the conditions described in the Payment Method section below.

Payment Method: Payments under this contract will be made by the adjustable fixed price milestone payment method as described below.

Adjustable fixed price milestone payment method: Payments shall be made in accordance with the Schedule of Payments and Payable Milestones (Attachment 3), provided the designated Program Technical Representative has verified compliance with the Statement of Work and accomplishment of the stated effort. The Schedule of Payments and Payable Milestones may be revised as appropriate and deemed necessary by issuance of a bilateral amendment to the agreement. Quarterly reviews by the PTR and ATI will assess the need for revisions to the Schedule of Payments and Payable Milestones. An acceptable invoice for adjustable fixed price milestone payments is one that (on the invoice or on the attached Payable Milestone Report required by Attachment 2, Part B):

- contains the date of invoice and agreement number;
- identifies any associated technical milestones and the progress toward completion of each milestone;
- lists the milestone cost negotiated and contained in Attachment 3; and
- includes a discussion of the cost share expended towards the accomplishment of associated milestone (this cost share discussion may be attached to the invoice if contractor practices make inclusion of such information on the invoice itself impractical).

Submission of Invoices: Invoices may be submitted no more frequently than monthly. The Recipient shall send the invoice electronically to afgforms@scra.org.

The designated Program Technical Representative (PTR), within ten (10) working days after receipt of each payable milestone report, will either: (i) verify the accomplishment of the technical milestone(s) and approve in writing (email is acceptable) the payable milestone report; or (ii) notify the Recipient the reason for not signing off on the payable milestone report. The 10 days review by the PTR is part of the overall 30-day cycle for processing invoices described above under the heading Payment Terms. If the PTR is unavailable or fails to act as described above, ATI will make the payment decision on the tenth day.

Payment approval for invoices will be made after reconciliation of ATI funding with actual Recipient cost share contributions.

The Recipient's final invoice (completion invoice) will be clearly indicated as such and shall indicate the cumulative amounts incurred and billed to completion, and a written certification of the total hours expended. Actual project costs incurred and cost share performance of each project shall be reported and reviewed each quarter.

Interest Earned: Funds received from ATI shall be maintained in an interest-bearing account separate from Recipient's general or other funds until disbursed to Project Participants. This account shall not be in U.S. Treasury Notes. Any interest earned shall be remitted annually to the ATI Accounting Office:

Attn: Treasury Management

May 25, 2011

5300 International Blvd.
North Charleston, SC 29418

Limitation of Funds: In no case shall ATI's financial liability exceed the amount obligated under this Agreement.

Incremental Funding: The total amount of funding currently available for payment and allotted to this Agreement is \$_____. It is contemplated that this sum will cover the work to be performed by the Recipient during the period _____ through _____. The amount specified, or as such amount may be increased from time to time, shall apply irrespective of any other provisions of this Agreement and any work performed in excess thereof shall be at the Recipient's risk. If at any time the Recipient has reason to believe that the Total Estimated Cost which will accrue in the performance of this Agreement in the next succeeding thirty (30) days, when added to all other payments previously accrued, will exceed eighty-five percent (85%) of the then current total authorized funding, the Recipient shall notify the Program Administrator to that effect, advising the estimate of additional funds required for the period specified.

Financial Records and Reports: The Recipient and Project Participants shall maintain adequate records to account for Government funds received under this Agreement and shall maintain adequate records to account for Project Participants' funding provided under this Agreement. Information pertaining to the type and amounts of Recipient and Project Participant cost share shall be included in the Quarterly Business Status Report (Attachments 2 and 5 provide additional details). Upon completion or termination of this Agreement, whichever occurs earlier, the Recipient shall furnish to the Program Administrator's Contract Representative a copy of the Final Technical Report and the Close-out documentation required by Attachment 2. The Recipient's relevant financial records are subject to examination or audit by ATI's approved designee or the Government for a period not to exceed three (3) years after August 28, 2014 <subject to change based on extension of NSRP Program in 2014>. ATI's approved designee shall have direct access to sufficient records and information of the Recipient to ensure full accountability for all funding under this Agreement. Such audit, examination, or access shall be performed during normal business hours on regular business days upon prior written notice and shall be subject to the security requirements of the audited party. Any audit required during the course of the Program may be conducted by the Government at any time using Government auditors at the Government's expense.

If an audit request is originated by the Government and Government auditors are not required to be used, the Recipient has the option of hiring an external CPA firm at the expense of the Recipient.

If an audit request is originated by ATI, the Recipient may request the auditing body to be Government (if the Government and ATI agree), ATI's approved designee (not at Recipient's expense), or has the option of hiring an external CPA firm. If Recipient elects to hire an external CPA firm, the audit will be at the expense of the Recipient.

ARTICLE VI: COST SHARING

A. Sharing Percentage

In calculating the Recipient's cost share ratio, both cash and in-kind cost share contributions for the NSRP ASE Program will be acceptable in accordance with the information contained in Cost Share Detail, Attachment 5. To the maximum extent practicable, industry-provided matching funds must come from non-federal sources (Type B Matching funds as defined in Cost Share Detail, Attachment 5). It is recognized that Recipient may be engaged in exclusive Government work, thereby reducing the sources of non-Federally reimbursed (Type B) funds. The Recipient may therefore elect to include Federally reimbursed sources of funds (Type A Matching funds as defined in Cost Share Detail, Attachment 5) to achieve the Recipient's cost share percentage as long as these costs are identified separately in the Quarterly Business Status Report. Where and to the extent the Recipient cites Type A funds toward meeting the "sharing" or "matching" goals specified below, this does not and need not constitute "cost sharing" as defined under DoDGARS 37.530. The goal for Type B funds is to exceed 15% of the total project cost. ATI will determine the applicability and acceptability of proposed and reported cost share in accordance with NAVSEA instructions detailed in Cost Share Detail, Attachment 5. A quarterly review of project cost and cost share performance will evaluate adjustments required in the project to ensure that the project objective is achieved. When appropriate and deemed necessary, the cost share information contained in this Agreement and/or its attachments may be revised by issuance of a bilateral amendment to the Agreement. Quarterly and annual reports described in Attachment (2) will closely monitor the cumulative share percentage and form the basis for evaluating this objective. In calculating the project cost share, both cash and in-kind cost share contributions shall be used in the project as defined in Cost Share Detail, Attachment 5. For the purposes of this Agreement, the Recipient cost share equals ____% of the cost of the _____ project. The specific cost share agreed to (including the agreed upon valuation) is detailed in Attachment 5. Recipient must meet or exceed the cost share ratio in accordance with the agreed upon Schedule of Payments and Payable Milestones (Attachment 3). If a Recipient is unable to meet its required cost share contribution as delineated in Attachment 3, ATI may withhold payment of invoices proportionate to the shortfall in cost share.

ARTICLE VII: DISPUTES

A. General

Any disagreement, claim, or dispute between ATI and the Recipient concerning questions of fact or law arising from or in connection with this Agreement, and whether or not involving an alleged breach of this Agreement, may be raised only under this Article. The Parties shall communicate with one another in good faith and in a timely and cooperative manner when raising issues under this Article.

B. Dispute Resolution

Whenever disputes, disagreements, or misunderstandings arise, the Parties shall attempt to resolve the issue (s) by discussion and mutual agreement as soon as practicable. Failing

resolution by mutual agreement, the aggrieved Party shall document the dispute, disagreement, or misunderstanding by notifying the other Party in writing documenting the relevant facts, identifying unresolved issues, specifying the clarification or remedy sought, and documenting the rationale as to why the clarification/remedy is appropriate. A Government/ECB Review Board, which will be identified by the Program Administrator, will make a determination regarding any disputes.

Within ten (10) working days after providing notice to the other Party, the aggrieved Party may, in writing, request a decision by the Government/ECB Review Board. The Board will conduct a review of the matter(s) in dispute and render a decision in writing within sixty (60) calendar days of receipt of such position. Any such decision is final and binding. Each party will bear their own costs, risks, and liabilities relating to any dispute.

C. Limitation of Damages

Claims for damages of any nature whatsoever pursued under this Agreement shall be limited to direct damages only up to the aggregate amount of funding disbursed as of the time the dispute arises. In no event shall ATI, the ECB, or the Government be liable for claims for consequential, punitive, special, and incidental damages, claims for lost profits, or other indirect damages. The Recipient disclaims any liability for consequential, punitive, special, and incidental damages or other indirect damages, except when such damages have been caused by the willful misconduct of the Recipient's personnel. In no event shall the liability of the Recipient, or any other entity performing research activities under this Agreement, exceed the amount obligated by ATI under this Agreement.

ARTICLE VIII. PATENT RIGHTS

A. Definitions

“Invention” means any invention or discovery, which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

“Made” when used in relation to any invention means the conception or first actual reduction to practice of such invention.

“Practical application” means to manufacture, in the case of a composition of product; to practice, in the case of a process or method; or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is capable of being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

“Subject invention” means any invention of a Project Participant conceived or first actually reduced to practice in the performance of work under this Agreement.

“Intellectual Property” means any inventions, ideas, concepts, creations, processes, mask works, works of authorship, software or other developments or improvements thereto,

whether patentable, copyrightable, or not. “Intellectual Property Rights” means any Rights in Intellectual Property including patents, copyrights, trade secrets, and confidential information.

“NSRP ASE Intellectual Property” means Intellectual Property developed by and in the course of identified tasks assigned to and performed by any Party whether performed under Government funding or funding provided by a Party as agreed to as in-kind contribution in the Funding Agreement and/or in these Articles.

B. Allocation of Principal Rights

Unless the Recipient notifies ATI (in accordance with subparagraph C.2 below) that a Project Participant(s) does not intend to retain title, the Project Participant(s) shall retain the entire right, title, and interest throughout the world to each subject invention consistent with the provisions of the ECB Articles of Collaboration, this Article, and 35 U.S.C. § 202. With respect to any subject invention in which the Project Participant(s) retains title, the Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced on behalf of the United States the subject invention throughout the world. The Project Participant may elect to provide full or partial rights that it has retained to other parties, but must notify ATI prior to doing so.

C. Invention Disclosure, Election of Title, and Filing of Patent Application

1. The Recipient shall assure that each Project Participant discloses each subject invention to ATI within two (2) months after the inventor discloses it in writing to its company personnel responsible for patent matters. The disclosure to ATI shall be in the form of a written report and shall identify the Agreement under which the invention was made and the identity of the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the invention. The disclosure shall also identify any publication, sale, or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure.

2. If a Project Participant determines that it does not intend to retain title to any such invention, the Recipient or Project Participant shall notify the Program Administrator’s Director of Contracts, in writing, within six (6) months of the disclosure of subject invention to ATI. However, in any case where publication, sale, or public use has initiated the one (1)-year statutory period wherein valid patent protection can still be obtained in the United States, the period for such notice may be shortened by ATI to a date that is no more than fifty (50) calendar days prior to the end of the statutory period.

3. Each Project Participant shall file its initial patent application on a subject invention to which it elects to retain title within one (1) year after election of title or, if earlier, prior to the end of the statutory period wherein valid patent protection can be obtained in the United States after a publication, sale, or public use. The Project Participant may elect to file patent

applications in additional countries (including the European Patent Office and the Patent Cooperation Treaty) within either ten (10) months of the corresponding initial patent application or six (6) months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications, where such filing has been prohibited by a Secrecy Order.

4. Requests for extension of the time for disclosure election, and filing under Article VIII, paragraph C, may, at the discretion of ATI, and after considering the position of the Recipient or Project Participant, be granted.

D. Conditions When the Government May Obtain Title

Upon the Government's written request to ATI, a Project Participant shall convey title to any subject invention to the Government via ATI under any of the following conditions:

1. If the Project Participant fails to disclose or elects not to retain title to the subject invention within the times specified in paragraph C of this Article; provided, that the Government may only request title within sixty (60) calendar days after learning of the failure of the Project Participant to disclose or elect within the specified times.

2. In those countries in which the Project Participant fails to file patent applications within the times specified in paragraph C of this Article; provided, that if the Project Participant has filed a patent application in a country after the times specified in paragraph C of this Article, but prior to its receipt of the written request by the Government, the Project Participant shall continue to retain title in that country; or

3. In any country in which the Project Participant decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceedings on, a patent on a subject invention.

E. Minimum Rights to the Project Participants and Protection of the Project Participant's Right to File

1. The Project Participant shall retain a non-exclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Project Participant fails to disclose the invention within the times specified in paragraph C of this Article. The Project Participant license extends to the domestic (including Canada) subsidiaries and affiliates, if any, of the Project Participant within the corporate structure of which the Project Participant is a party and includes the right to grant licenses of the same scope to the extent that the Project Participant was legally obligated to do so at the time the Agreement was awarded. The license is transferable only with the approval of the Government, except when transferred to the successor of that part of the business to which the invention pertains. Government approval for license transfer shall not be unreasonably withheld.

2. The Project Participant domestic license may be revoked or modified by the Government to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted consistent with appropriate provisions at 37 CFR Part 404. This license shall not be revoked in that field of use or the geographical areas in which the Project Participant has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the Government to the extent the Project Participant, its licensees, or the subsidiaries or affiliates have failed to achieve practical application in that foreign country.

3. Before revocation or modification of the license, the Government shall furnish the Project Participant via ATI a written notice of its intention to revoke or modify the license, and the Project Participant shall be allowed thirty (30) calendar days (or such other time as may be authorized for good cause shown) after the notice to show cause why the license should not be revoked or modified.

F. Action to Protect the Government's Interest

1. The Recipient agrees that the inventing Project Participant will execute or have executed and promptly deliver to ATI all the instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the Project Participant elects to retain title, and (ii) convey title to the Government when requested under paragraph D of this Article and to enable the Government to obtain patent protection throughout the world in that subject invention.

2. The Recipient agrees to require, by written agreement, that employees of its organization and the organizations of the Project Participants working on this project, other than clerical and nontechnical employees, agree to disclose promptly in writing, to personnel identified as responsible for the administration of patent matters and in a format acceptable to the ATI, each subject invention made under this Agreement in order that the Project Participant can comply with the disclosure provisions of paragraph C of this Article and to execute all papers necessary to file the patent applications on the subject invention and to establish the Government's rights in the subject invention. The Recipient shall instruct its employees and each Project Participant shall instruct its employees, through employee agreements or other suitable educational projects, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

3. The Recipient shall notify the ATI of any Project Participant's decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceedings on a patent, in any country, not less than thirty (30) calendar days before the expiration of the response period required by the relevant patent office.

4. The Project Participants shall include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under Agreement No.

_____ awarded by the Advanced Technology International with the Naval Sea Systems Command (NAVSEA) funding. The Government has certain rights in the invention.”

G. Lower Tier Agreements

The Recipient shall include this Article, suitably modified to identify the parties, in all subcontracts or lower tier agreements.

H. Reporting on Utilization of Subject Inventions

The Recipient agrees to submit, during the term of the Agreement, periodic reports no less frequently than annually, on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Project Participants, or their licensees or assignees to the Program Administrator's Director of Contracts. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Recipient or the Recipient's Project Participants, and such other data and information as ATI may reasonably specify. The Recipient also agrees to provide additional reports as may be requested by ATI in connection with any march-in proceedings undertaken by the Government in accordance with paragraph J of this Article. Consistent with 35 U.S.C. § 205, ATI and the Government have agreed that they shall not disclose such information to persons outside the Government or ATI without permission of the Inventor.

I. Preference for American Industry

Notwithstanding any other provision of this clause, the Recipient agrees that neither its organization nor any Project Participant shall grant to any person the exclusive right to use or sell any subject invention in the United States or Canada unless such person agrees that any product embodying the subject invention or produced through the use of the subject invention shall be manufactured substantially in the United States or Canada. However, in individual cases, the requirements for such an agreement may be waived by the Government upon a showing by the Inventor that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that, under the circumstances, domestic manufacture is not commercially feasible.

J. March-in Rights

The Recipient agrees that, with respect to any subject invention in which it has retained title, the Government has the right to require the Recipient or a Project Participant, an assignee, or exclusive licensee of a subject invention to grant a non-exclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the Project Participant, assignee, or exclusive licensee refuses such a request, the Government has the right to grant such a license itself if the Government determines that:

1. Such action is necessary because the Recipient or Project Participant, or assignee has not taken effective steps, consistent with the intent of this Agreement, to achieve practical application of the subject invention;
2. Such action is necessary to alleviate health or safety needs, which are not reasonably satisfied by the Recipient or a Project Participant, assignee, or their licensees;
3. Such action is necessary to meet requirements for public use and such requirements are not reasonably satisfied by the Recipient or a Project Participant, assignee, or licensees; or
4. Such action is necessary because the agreement required by paragraph (I) of this Article has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

K. Survival Rights

Provisions of this Article shall survive termination of this Agreement under Article II.

ARTICLE IX: DATA RIGHTS

A. Definitions

1. "Government purpose rights" means the rights to-

Use, modify, reproduce, release, perform, display, or disclose technical data within the Government without restriction; and

Release or disclose technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that data for United States Government purposes.

2. "Unlimited rights" means rights to use, modify, reproduce, perform, display, release, or disclose technical data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

3. "Limited Rights" as used in this Article is defined in DFARS 252.227-7013 (a)13.

4. "Data" as used in this Agreement, means recorded information, regardless of the form or method of the recording, which includes, the items defined in DFARS 252.227-7013(a)(1) to (a)(5), (a)(10) and (a)(14).

5. "Collaboration Intellectual Property" as used in this Article means Intellectual Property developed or made by and in the course of identified tasks assigned to and performed by the Recipient or any Project Participant whether performed under Government funding or funding provided by a Party as agreed to as in-kind contribution in the Funding Agreement and/or in these Articles.

B. Data Categories

1. Category A is the Recipient or Project Participant Data developed and paid for totally by private funds, and is Data to which the Recipient or Project Participant retains all rights. Category A Data shall include, but not be limited to,

(a) the computer software, and any designs or other material provided by Recipient or Project Participant which was not developed in the performance of work under this Agreement, for which the Recipient or Project Participant retains all rights.

(b) any initial technical, marketing, or financial Data provided at the onset of the project by any of the Recipient or Project Participants. Such information shall be marked "Category A" pursuant to the Proprietary Information Exchange Agreement (Attachment 4).

(c) client lists, except that any surveys of potential customers may be converted to Category B Data if the identification of parties may be efficiently removed.

Category A Data shall not include Collaboration Intellectual Property.

2. Category B is any Data developed with mixed funding, i.e. data developed partially with costs from the Recipient or Project Participants that was not charged to a Government contract and includes data developed partially with Government funding.

3. The Parties to this Agreement understand and agree that the Recipient or Project Participants shall stamp all documents in accordance with this Article and that the Freedom of Information Act and Trade Secrets Act apply to this Data.

C. Allocation of Principal Rights

1. The Government shall have no rights to Category A Data.

2. The Government shall normally have immediate Government Purpose Rights to Category B Data upon project or Agreement completion (whichever is earlier). In unusual circumstances, the Recipient may request a delay of Government Purpose rights for a period not to exceed 5 years from project or Agreement completion (whichever is earlier). Such requests shall be submitted to the Program Administrator for approval and will only be made in those cases where the Recipient has validated the unique requirement through the formal voting procedures of the Executive Control Board of the NSRP.

3. Data that will be delivered, furnished, or otherwise provided to the Government under this Agreement, in which the Government has previously obtained rights shall be delivered, furnished, or provided with the pre-existing rights, unless the parties have agreed otherwise, or any restrictions on the Government's rights to use, modify, reproduce, release, perform, display, or disclose the data have expired or no longer apply.

4. The Recipient may prepare a supplemental list of Category A and B Data items which should include all of their Project Participants' Category A and B Data, for incorporation into this Agreement within a reasonable period not longer than twelve months, following award of this Agreement. Following mutual agreement of the Parties on the supplemental list of Category A and B Data, the Program Administrator's Director of Contracts will incorporate the list into this Agreement by written notification. This list may be amended from time to time as deemed necessary.

D. Marking of Data

Category A and B Data delivered to the Government shall be marked either Limited or Government Purpose rights, as appropriate in accordance with the marking procedures of DFARS 252.227-7013(f). It is not anticipated that any Category A Data will be delivered to the Government under this Agreement. The Government and the NSRP ASE Program shall have unlimited rights for all unmarked Data. It is the intent of the Program and one of NSRP ASE's Program goals to disseminate as much of the Category B data to the shipbuilding industry as possible, therefore, ATI shall have unlimited rights to Category B data for the purposes of disseminating the information throughout the shipbuilding industry. Exceptions can be negotiated on a case-by-case basis with ATI.

E. Distribution Statement

All data and reports shall be marked with a distribution statement to denote the extent of its availability for distribution, release, and disclosure without additional approvals or authorizations. NSRP ASE Program data rights should also be marked on all data delivered under this project.

F. Lower Tier Agreements

The Recipient shall include this Article, suitably modified to identify the parties, in all subcontracts or lower tier agreements.

G. Survival Rights

Provisions of this Article shall survive termination of this Agreement under Article II.

ARTICLE X: FOREIGN ACCESS TO TECHNOLOGY

This Article shall remain in effect in accordance with the regulations cited herein.

A. Definitions

1. "Foreign Persons" means any natural person who is not a lawful permanent resident as defined by 8 U.S.C. 1101(a)(20) or who is not a protected individual as defined by 8 U.S.C. 1324b(a)(3). It also means any foreign corporation, business association, partnership, trust, society or any other entity or group that is not incorporated or organized to do business in the

United States, as well as international organizations, foreign governments and any agency or subdivision of foreign governments (e.g. diplomatic missions).

2. "Technology" means discoveries, innovations, know-how, and inventions, whether patentable or not, including computer software, recognized under U.S. law as intellectual creations to which rights of ownership accrue, including, but not limited to, patents, trade secrets, maskworks, and copyrights developed under this Agreement.

B. Restrictions

The Parties agree that the research findings and technology developments arising under this Agreement may constitute a significant enhancement to the national defense, and to the economic vitality of the United States. Accordingly, access to important technology developments under this Agreement by Foreign Persons must be carefully controlled. The Recipient shall comply with the Export Administration Regulation (15 CFR 730-774) (the EAR) or the International Traffic in Arms Regulations (22 CFR 120-130) (the ITAR), and the National Industrial Security Program Operating Manual (DoD 5220.22-M) (the NISPOM), insofar as the EAR, the ITAR, and the NISPOM apply to various activities performed in the execution of this Agreement.

C. Lower Tier Agreements

The Recipient shall include this Article, suitably modified, to identify all Parties, in all subcontracts or lower tier agreements. This Article shall, in turn, be included in all sub-tier subcontracts or other forms of lower tier agreements, regardless of tier.

ARTICLE XI: TITLE AND DISPOSITION OF PROPERTY

A. Definitions

In this article "property" means any tangible personal property other than property actually consumed during the execution of work under this Agreement.

B. Title to Property

No significant items of property are expected to be acquired under this Agreement. Title to each item of property acquired under this Agreement with NSRP ASE funding that has an acquisition value of \$50,000 or less shall vest in the Recipient upon acquisition with no further obligation of the Parties unless otherwise determined by the Program Administrator's Director of Contracts. Should any item of property with an acquisition value greater than \$50,000 be required, the Recipient shall obtain prior written approval of the Program Administrator's Director of Contracts. The Recipient shall be responsible for the maintenance, repair, protection, and preservation of all property at its own expense.

C. Disposition of Property

At the completion of the term of this Agreement, items of property purchased with NSRP ASE funding that have an acquisition value greater than \$50,000 shall be disposed of in one the following manners:

1. Purchased by the Recipient or the Collaboration at an agreed-upon price, the price to represent fair market value, with the proceeds of the sale being returned to the Government; or
2. Transferred to a Government research facility with title and ownership being transferred to the Government; or
3. Donated to a mutually agreed non-profit organization, University, or technical learning center for research purposes; or
4. Abandonment may be authorized, if approved by the Program Administrator following concurrence from the Navy; or
5. Any other Government-approved disposition procedure.

ARTICLE XII: CIVIL RIGHTS ACT

This Agreement is subject to the compliance requirements of Title VI of the Civil Rights Act of 1964 as amended (42 U.S.C. 2000-d) relating to nondiscrimination in federally assisted Programs. Each Recipient has on file an Assurance of Compliance with the nondiscriminatory provisions of the Act. The Recipient shall include this Article, suitably modified, to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, issued to Collaboration members for experimental, developmental, or research work.

ARTICLE XIII: ASSIGNMENT

A. Assignment of Agreement

This Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and assignees. It may not be assigned in whole or in part by either party without the prior written consent of the other party, except upon the merger, consolidation, sale or other transfer of all or substantially all of the assets of either party.

B. Assignment of Claims

The Recipient may not assign its rights to be paid amounts due or to become due as a result of the performance of this Agreement to a bank, trust company, other financial institution, including any Federal lending agency, or any other organization without prior written approval of ATI.

ARTICLE XIV: INCORPORATION BY REFERENCE

All attachments that are referenced in this document and attached hereto and the Recipient's technical and cost proposal as modified in negotiations, are incorporated herein and made applicable to the Project.

ARTICLE XV: ORDER OF PRECEDENCE

In the event of any inconsistency between the terms of this Agreement and any other document, the inconsistency shall be resolved by giving precedence in the following order: (1) The Agreement; (2) Attachment 3; (3) Attachment 5; (4) all other attachments.

ARTICLE XVI: EXECUTION

This Agreement, including all attachments hereto and made a part hereof, constitutes the entire agreement of the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions among the Parties, whether oral or written, with respect to the subject matter hereof. This Agreement may be revised only by written consent of the parties.

**ATTACHMENT 1
STATEMENT OF WORK**

ATTACHMENT 2 REPORT REQUIREMENTS

A. QUARTERLY REPORT

On or before eighty (80) calendar days after the effective date of the Agreement and by the 20th day of the month of the calendar quarter (i.e., March 20, June 20, September 20 and December 20) thereafter throughout the term of the Agreement, the Recipient shall submit or otherwise provide a quarterly report in the format as shown in this attachment. The quarterly report will be submitted under cover letter on recipient's letterhead and signed by an authorized company representative. One (1) copy shall be submitted to the Program Technical Manager and one (1) copy shall be submitted to the Program Technical Representative. The report will have two (2) major sections.

I. Technical Status Report. The technical status report is prepared and submitted by the Recipient to provide a comprehensive assessment of project activities and future plans on a quarterly basis. The Recipient's Technical Status Report will address the following: Project Overview, Technical Progress, Major Developments (including short summaries of significant results that can be used for describing project accomplishments to a wide audience), Realized Benefits to Industry and Navy, Technology Transfer, Plans for the Next Quarter, Project Issues, Action Items, and a Project Summary.

II. Business Status Report. The business status report shall provide summarized details of the resource status of this Agreement, including the status of resources expended and cost share provided by the Project Participants versus milestone payments received. Cost share items that are not in compliance with Attachment 5 may not be allowed. This report will include a report on man months of effort expended (with subcontractors/team members listed separately), significant material expenditures, and personnel working on the project. Any significant deviations of effort and/or resources required shall be explained along with discussions of any adjustment action(s) proposed. The report shall include an accounting of any interest earned on Program provided funds. The Recipient is required to remit any interest earned on Program provided funds annually.

B. PAYABLE MILESTONES/DELIVERABLES

The Recipient shall submit to the NSRP ASE Program Technical Representative and Program Technical Manager documentation describing the extent of accomplishment of Payable Milestones and Deliverables.

I. Submission of Payable Milestones/Deliverables. The Recipient is required to submit all deliverables identified as Payable Milestones, as shown in the Schedule of Payments/Payable Milestones (Attachment 3), as well as any other deliverables listed in Section 4.0 of the Statement of Work (Attachment 1) but not included in Attachment 3. Two (2) copies of all deliverables, one (1) electronic (either pdf or MS

Office 98 or later version) and one (1) hardcopy, shall be submitted to the Program Technical Manager and one (1) copy shall be submitted to the Program Technical Representative.

II. Payable Milestone/Deliverables Report. The Payable Milestone/Deliverables Report as shown in this attachment shall accompany all submissions indicated in section B.I. The Program Technical Representative shall provide written approval (email is acceptable) of Payable Milestones/Deliverables Report to the Program Administrator within ten (10) working days of receipt. The Payable Milestone/Deliverables Report will be used to verify that all submissions are technically acceptable and will also be used to substantiate invoice payment for Payable Milestones.

C. SPECIAL TECHNICAL REPORTS

As agreed to by the Recipient and ATI, the Recipient shall submit or otherwise provide to the NSRP ASE Program Technical Representative and the Program Technical Manager one copy of special reports on significant events such as target accomplishments by project members, significant tests, experiments or symposia.

D. FINAL TECHNICAL REPORT

The Recipient shall submit or otherwise provide a Final Technical Report making disclosure of all major accomplishments by the project upon completion of the Agreement or within sixty (60) calendar days of termination of this Agreement. With the approval of the NSRP ASE Program Administrator reprints of published articles may be attached to the Final Technical Report.

As an attachment to the Final Technical Report, the Project Results Template as shown in this attachment shall be used to develop a short, executive-level overview of the project. The project results overview should only contain information that can be released to the public, as this document may be separated from the Final Technical Report and used as a technology transfer tool to help other U.S. shipyards learn of the project objective and results and obtain point of contact information for possible future implementation.

Two (2) copies of the complete Final Technical Report shall be submitted, one (1) in an electronic format and one (1) hardcopy, to the Program Technical Manager and one (1) copy shall be submitted to the Program Technical Representative.

The Final Technical Report and all other reports delivered under this Agreement shall be marked with a distribution statement to denote the extent of its availability for distribution, release, and disclosure without additional approvals or authorizations.

E. CLOSE-OUT DOCUMENTATION

The Recipient shall submit or otherwise provide all required close-out documentation signed and certified within ninety (90) calendar days of completion or termination of the Agreement. Required close-out documentation shall include the following forms that will be provided by ATI once the last milestone is satisfactorily completed:

- Final Milestones Report and Certification
- Recipient Certification Concerning Disposition of Classified Material
- Property Inventory and Property/Equipment Report for Property with an Acquisition Cost of Greater than \$50,000
- Patents Report and Invention Proposal Disclosure Checklist
- Settlement of Cost Share/Contribution
- Certification Concerning Interest Earned
- Recipient's Release
- Final Invoice

As part of the close-out of the Agreement, a final modification to the TIA will be issued to reflect any changes in the Agreement and/or its attachments as a result of final close-out documentation.

QUARTERLY REPORT

DATE _____

Section I
Technical Status Report
Technology Investment Agreement xxxxxxxx
between
the Advanced Technology International (ATI)
and
yyyyyyyyy
for
(specific project name)

Project Overview

Provide a short description of the project and objectives being addressed.

Technical Progress

This is the xxxx Technical Status report for the subject agreement. Technical efforts for the period _____ through _____ 20XX include:

- Continued xxxx
- Published yyyyy
- Held zzzzzzz
- Commenced aaaaaa
-

Major Developments

Describe key developments that have been achieved during this reporting period. Include short summaries of significant results that can be used for describing project accomplishments to a wide audience.

Realized Benefits to Industry and Navy

Provide a qualitative assessment of the benefits realized by the project lead, team members, and other non-participating industry members through technology transfer. A discussion on how the Navy has benefited from project execution should also be included. It is anticipated that once the project enters the implementation phase, quantitative returns will also be provided.

Technology Transfer

Describe activities/efforts that were accomplished during the reporting period to transfer technology beyond the project team members. These activities can include demonstrations, presentations, participation in symposia, etc.

Plans for the Next Quarter

Briefly list planned activities for the next period.

Project Issues

Briefly discuss any technical issues identified that may impact the current program progress. In addition to technical issues, list any subcontractors not under agreement or any subcontractor-related issues that may impact the current program progress.

Schedule Issues

Briefly discuss issues affecting the approved schedule and actions planned to adhere to approved schedule.

Cost Issues

Briefly discuss issues that may impact the contracted amounts for program funding and cost share.

Action Items

Discuss the status of any action items established between the project team and the PTR.

Project Summary

Section II
Business Status Report
Technology Investment Agreement xxxxxxxx
between
the Advanced Technology International (ATI)
and
yyyyyyyyy
for
(specific project name)

Agreement Summary Information

Total Amount of the Agreement: \$
 Total Estimated NSRP ASE Project Funding of the Agreement: \$
 Total Estimated Recipient Cost Share: \$
 Total Funds Obligated: \$

Project Resource/Cost Information:

The following resources/costs are applicable to this project for the period _____ through _____ 20XX:

Company	Man Months Provided This Period **	Cumulative Man Months Provided **	Significant Material Costs This Period	Cumulative Material Costs	List of Personnel Working This Period
Recipient					
Team Member A					
Subcontractor X					
Total					

** As an alternate, actual costs (less material costs) may be provided in lieu of Man Months

Status of Milestones

Milestone Number and Description	Percentage Completed During this Period	Cumulative Percentage Completed
1 – Design Document		
2 - etc		
...		
X-		

Interest Earned \$

Cost Share Provided by Project Participants

Cost share in the amount of \$ _____ is provided for this reporting period. Cumulative cost share to date for the project is \$ _____. The following summarizes the cumulative cost share provided for this project by category:

Participant-Provided Resources					
Resource Type	Cumulative Type A Private Sector (Federal Sources) Matching Funds	Cumulative Type B Private Sector (Non-Federal Sources) Matching Funds	Cumulative Public-sector participant provided funding	Total (less Public Sector provided funding)	Explanation
Funding Resources					
Cash (including donations from state or local governments). Examples include the outlay of funds to support the proposed statement of work through the acquisition of material or equipment and paying company cash for subcontractor labor or consultant cost					
Labor costs associated with allowable labor cost categories that are not billed directly to program funds (e.g., SP Panel members)					
Expenses associated with allowable labor cost categories that are not billed directly to program funds (e.g., ECB member travel)					
Overhead (excluding labor related fringe benefits)					
General and Administrative Services					
SBIR and STTR in accordance with Government guidelines					
IR&D (Internal Research and Development)					
M&PE (Manufacturing and Production Engineering)					
Estimated Implementation Costs for activities specifically included in participant proposals					
In-Kind Resources					
Use of existing equipment, including software (estimated fair market value)					
Intellectual property (market value)					
Space (land or buildings)					
Totals	\$ a	\$ b	\$ c	\$a + \$b	

*IR&D matching funds should be identified separately and not included in the Overhead line.

The project participant funds reported are supported by the records of this organization or input provided by other team members and/or subcontractors and are for the purposes of completing NSRP-ASE TIA #_____. The amounts reflected for federal and non-federal sources are *estimated using the NSRP Program methodology specified in the TIA* and summarized as follows:

Type A Matching Funds: Private-sector participant provided funding from federally funded revenue sources and private-sector participant provided funding from federally funded revenue sources that might not meet the definition of Type B Match (e.g., fraction of the project labor charged to overhead that reflects the fraction of company revenue from federal contracts).

Type B Matching Funds: Private-sector participant provided funding from non-federally-reimbursed sources (That portion of project or program costs not borne by the Federal Government. Examples include funding from profit or a fraction of the project labor charged to overhead that reflects the fraction of company revenue from non-federal contracts).

Public-sector participant provided funding (formerly called ‘Donated services’ from naval shipyards & federal labs).

Note: If a project participant considers their ‘gross revenue fraction’ to be proprietary data, report the Total by category to the Prime, and provide a copy of this input to ATI along with the ‘gross revenue fraction’ to permit ATI to use in preparation of the NSRP Program Business Status Report to the Navy.

Discussion

This is the xxxx Business Status Report for the subject Technology Investment Agreement. The variance in expenditures is attributable to _____.

Modifications to Estimated Milestone Payments

(When applicable)

Attachment 1 contains a proposed modification to the Schedule of Payments and Payable Milestones reflecting _____.

Signature _____

Title _____

Date _____

I certify to the best of my belief that this report is correct and complete and that all costs are supported by the records of this organization or input provided by other team members and/or subcontractors and are for the purposes of completing NSRP-ASE TIA #_____.

May 25, 2011

MEMORANDUM

To: NSRP ASE Program Technical Representative

From:

Date:

Reference: (a) Technology Investment Agreement between ATI and _____
 (Agreement number xxxxxxxx, dated _____)

Subject: Payable Milestone/Deliverables Report

Payable Milestone X or Deliverable X for reference (a) has been completed. The following milestone(s) or deliverable(s) is attached:

-

It is requested that verification of these accomplishments be provided to the Program Technical Manager in order to effect payment for Milestone X and/or verify acceptable completion of Deliverable X.

Copy to:
 NSRP Technical Manager for <insert project name>

To: NSRP Technical Manager for <insert project name>

Date: _____

CERTIFICATION BY PROJECT TECHNICAL REPRESENTATIVE:

The contractor has (or has not) made satisfactory progress and provided the required milestone(s) or deliverable(s).

Other comments or concerns regarding this or future milestones or deliverables:

[Note: For any non-satisfactory areas include a discussion of what was not acceptable, references to previous correspondence on the issue, and what corrective actions are needed to effect payment.]

 Program Technical Representative

May 25, 2011

Project Results Template (Attachment to Final Technical Report)

This template is to be used to describe the results of NSRP ASE or other research projects. The purpose of the template is to:

1. Provide a high level overview so that the reader can decide whether to review the project details and deliverables, and to determine potential applicability.
2. Provide an avenue for project managers to post an overview of the results and recommendations of their project to assist in the implementation of the project by others in the industry.
3. Provide a framework and guide for others embarking on a similar project.

It is important that you address all of the areas on the template. If any of the following areas have been adequately covered in the main body of the Final Technical Report, it is acceptable to use the same language when completing the Project Results template.

Template Table of Contents

Title
Executive Overview
Contact Information
Collaborators
Description of Methodology
Resources Needed
Evaluation and Analysis Methods
Time Estimate
Limitations or Constraints
Major Impacts on Shipyard
Cost Benefit Analysis/ROI
Lessons Learned
Technology Transfer

Title

Provide a short, descriptive title of project including program project number if applicable.

Executive Overview (200 words or less)

Describe the project from a macro level, outlining the purpose and goals of the project, results, and accomplishments, and to any degree possible, the significance or impact of the results to industry. This section should be written in a narrative form, understandable to a

reader not technically familiar with the project. This summary should avoid programmatic insider jargon.

Contact Information (50 words or less)

Identify the Point of Contact for the project. How can this person be contacted (email, web, phone, fax, snail mail)?

Collaborators (100 words or less)

List any collaborators on the project. What was their involvement (e.g., percentage of participation and activity description)?

Description of Methodology (500 words or less)

At a high level, describe how you developed and implemented the project at your site.

Resources Needed (250 words or less)

Describe the resources needed to implement this project. For example, what materials, equipment, or software applications would be needed? How many people would be needed to implement this project? Are there certain levels of expertise needed? Is specific training needed to implement this project?

Evaluation and Analysis Methods (250 words or less)

How did you analyze results or output to ensure that the project was meeting anticipated goals? Did you use any formal assessment instruments? If so, what were they? At the conclusion of the project, what evaluation and analysis was done to measure the success of the project? Do you have plans to re-evaluate the project in the future? In what time period?

Time Estimate (200 words or less)

Identify the length of time for your effort. How much time do you estimate would be needed for this to be set up and implemented in another shipyard? Do you feel that this can be implemented as delivered or will there be additional time required for customization?

Limitations or Constraints (250 words or less)

What could limit the implementation of this project? What were the necessary conditions to implement in your organization? Do you think these are necessary conditions for all shipyards? Under what constraints will the project need to operate? What type of shipyards could apply this project (large, small, new construction, repair, etc.)?

Major Impacts on Shipyard (250 words or less)

Did the implementation of this project have a major impact on any existing systems or processes? Describe both positive and/or negative major impacts to your systems and/or processes. How did you overcome the negative impacts?

Cost Benefit Analysis/ROI (150 words or less)

Describe the benefits that you gained from implementation of this project. You are not required to disclose specific cost data, rather indicate estimated cost benefits/ROI such as estimated return on investment percentage or estimated cost savings, etc.

Lessons Learned (250 words or less)

Describe the significant lessons learned as a result of working on this project. What went well, and why? What could you have improved? Looking back, what advice would you give to a shipyard planning to implement this project?

Technology Transfer (150 words or less)

What methods are you using for follow-up to ensure the project is working in your shipyard? How are you sharing this information with others in the industry?

ATTACHMENT 3
SCHEDULE OF PAYMENTS / PAYABLE MILESTONES
SAMPLE

PHASE	MILESTONE NUMBER	DATE	PAYABLE MILESTONES and ASSOCIATED DELIVERABLES	NSRP ASE COST	RECIPIENT (Cost Share)
1	1	9/1/04	Project Management Plan and Technology Transfer Plan	\$20,000	\$25,000
1	2	9/20/04	Quarterly Report and Quarterly Review/Minutes	\$15,000	\$10,000
1	3	10/15/04	Complete the requirements definition and deliver Requirements Document	\$100,125	\$125,000
1	4	11/25/04	Develop software code and deliver draft Users Manual	\$199,875	\$250,000
1	5	12/20/04	Quarterly Report and Quarterly Review/Minutes	\$10,000	\$15,000
1	6	2/15/05	Complete software testing and deliver Test Results Document	\$100,200	\$50,000
1	7	3/20/05	Quarterly Report and Quarterly Review/Minutes	\$15,000	\$20,000
1	8	5/31/05	Final Demonstration and deliver Final Users Manual, Compiled Programs, and Final Technical Report including Project Results Attachment	\$249,800	\$300,000
			TOTAL	\$710,000	\$795,000

The milestones and associated deliverables indicated in this table should, in general:

- be commensurate in number to the size and duration of the project (i.e., a \$5M multi-year project may have 20 where a \$700K shorter term project may have only 6)
- not be structured such that multiple deliverables that might be submitted separately are included under a single milestone
- be of sufficient monetary value to warrant generation of a deliverable and any associated invoices
- include Quarterly Technical and Business Status Reports (due the 20th of Mar, Jun, Sep, Dec) and Quarterly Reviews/Minutes include Project Management, Technology Transfer, and (if applicable) Software Development Plans (usually as the first milestone)

ATTACHMENT 4
PROPRIETARY INFORMATION EXCHANGE
AND NONDISCLOSURE AGREEMENT

This Agreement is entered into by _____(hereinafter referred to as “Recipient.”) and the Advanced Technology International, (hereinafter referred to as “ATI”).

WHEREAS, ATI has contracted with Recipient to provide certain services in connection with the _____ Project under the NSRP ASE Program; and

WHEREAS, ATI and the Recipient may from time to time provide proprietary data to each other during the course of said project;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein between ATI and Recipient, to which this Agreement is attached, Recipient agrees as follows:

1. Proprietary Information includes, but is not limited to, performance, sales, financial, contractual, and special marketing information (including descriptions, drawings, sample compositions, visual demonstrations, oral discussions and computer software), ideas, technical data, and concepts originated by either party, not previously disclosed to the general public, not previously available to the other party or others without restriction, which each party desires to protect against unrestricted disclosure or competitive use by third parties, and which is furnished pursuant to this Agreement.
2. To the extent that information related to the _____ Project is transmitted by either party to the other during the term of this Agreement, it is agreed that, if the disclosing party deems it proprietary, the disclosing party shall set forth such information in writing and identify it as such by marking the information with an appropriate legend, marking, stamp, or positive written identification on the face thereof as proprietary to the disclosing party.
3. When disclosed orally, Proprietary Information shall be identified as Proprietary Information at the time of the disclosure. Within thirty (30) days of disclosure, the disclosing party must confirm the disclosure in writing to the other party referencing the date of disclosure and specifically identifying the Proprietary Information disclosed. A disclosing party shall clearly and conspicuously mark as proprietary all Proprietary Information reduced to writing as a result of such oral disclosures.
4. When disclosed in the form of magnetic recording or in some other machine-readable form, Proprietary Information will be identified as Proprietary Information when transmitted. If possible, the container or form transmitting the information will be clearly and conspicuously marked by the disclosing party as proprietary. Within thirty (30) days after disclosure, the disclosing party will confirm the disclosure in writing, referencing the date of disclosure and specifically identifying the Proprietary Information disclosed. Any physical embodiment of such information will be clearly and conspicuously marked as Proprietary Information to the disclosing party.

5. Each party agrees to preserve and protect all Proprietary Information from disclosures to others by the exercise of at least the same level of care which it uses to preserve and protect its own Proprietary Information. Proprietary Information shall not be used, copied, or reproduced by either party without the express written consent of the disclosing party.
6. Neither party shall be liable for disclosure or use of any such Proprietary Information if the same:
 - a.) is in the public domain, or
 - b.) was known to the other party at the time of disclosure, or
 - c.) is disclosed inadvertently despite the exercise of the same degree of care as each party takes to preserve and safeguard its own Proprietary Information, or
 - d.) is disclosed to a third party with the prior written approval of the party to this Agreement who initially disclosed the Proprietary Information, or
 - e.) was independently developed by each party, or
 - f.) is disclosed to the other party by a third party without breaching this Agreement, or
 - g.) is disclosed or used, in any event, after the expiration of five (5) years from the effective date of the agreement to which this Agreement is appended.
7. All documents or other materials delivered hereunder which are marked as Proprietary, and any copies thereof are, and shall remain, the property of the disclosing party and shall be promptly returned or destroyed, at the disclosing party's option, upon expiration of this Agreement or upon the disclosing party's written request. If the disclosing party requests, the other party shall issue a certificate of destruction.
8. This Agreement shall be effective from the date of execution by the second party to sign and shall continue in effect for a period of five (5) years thereafter.
9. Neither the execution and delivery of this Agreement nor the delivery of any Proprietary Information hereunder shall be construed as granting either expressly or by implication, estoppel or otherwise, any right in or license to use any present or future data, drawings, plans, ideas or methods disclosed under this Agreement, or any invention or patent now or hereafter owned or controlled by the disclosing party furnishing the Proprietary Information.
10. The exclusive points of contact with respect to the transmission and control of Proprietary Information exchanged between the parties are as follows: _____, Recipient, and _____, ATI. Either party may change its point of contact upon the giving of a written notice to the other party.
11. To the extent that the obligations of the Recipient hereunder involve access to information classified "Top Secret," "Secret," or "Confidential," the provisions of FAR 52.204-2 Alt. 1, or corresponding regulations of the appropriate Government agency, as applicable, shall also apply.

12. Each party, acting as the receiver of information transmitted under this Agreement, acknowledges its obligations to control access to technical data under the U.S. Export Laws and Regulations and agrees to adhere to such Laws and Regulations with regard to any technical data received under this Agreement.
13. This Agreement contains the entire understanding of the parties relative to the disclosure and protection of Proprietary Information. No modification or addition to any provision hereof shall be binding unless it is in writing, and signed by each party. This Agreement shall apply in lieu of and notwithstanding any specific terms contained in any legend or statement associated with any particular Proprietary Information exchanges, and the duties of each party shall be determined exclusively by the terms and conditions set forth herein.

ADVANCED TECHNOLOGY INTERNATIONAL
(ATI)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT 5 COST SHARE DETAIL

In accordance with Recipient's cost proposal, cost share shall be provided for this award in the following amounts from the following sources:

DETAIL THE SOURCES HERE

This cost share will be collected and applied to the Agreement in accordance with the Milestone Payment and Cost Share Schedule agreed to in Attachment 3.

Cost share shall be provided in accordance with the following instructions:

A. Cash or Cash Equivalent Cost Share

The definition of cash cost share is outlays of funds to support the total project through acquiring material, buying equipment, paying labor (including benefits and direct overhead associated with that labor), and other cash outlays required to perform the statement of work. Labor costs and expenses associated with allowable labor cost categories that are not billed directly to the project may also be used as cost share. Independent Research and Development (IR&D) funds may be used as a source of cash when appropriate and relevant to the Statement of Work, even though they remain eligible for reimbursement by the Government. Similarly, Manufacturing and Production Engineering (M&PE) funds may be used if directly in support of the NSRP ASE program. Cash can be derived from any source of funds within the accounting system. Cash contributions may include revenues from any non-federal source, including non-federal contracts or grants, donations from state or local governments, or funds from venture capitalists. Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR), although federally funded, may be used for cost sharing in accordance with regulation and Government approved guidelines. Overhead (excluding labor related fringe benefits) and General and Administrative costs for project participants are also sources of cash cost share. Costs of prior research are not allowable. Only the additional resources that will be provided by the Recipient to carry out this project under this Agreement shall be counted. Profit or Fee is unallowable as a cost or as cost share.

B. In-Kind Cost Share

1. In-kind cost share is defined as the reasonable value of equipment, materials or other property used in the performance of the statement of work. In-kind contributions are sometimes hard to value (such as space or use of equipment and intellectual property.) The in-kind value of equipment (including software) cannot exceed its fair market value and must be prorated according to the share of its total use dedicated to carrying out the project. The in-

kind value of space (including land or buildings) cannot exceed its fair rental value and must be prorated according to the share of its total use dedicated to carrying out the project. Intellectual Property value should be determined in accordance with the fair market value.

2. A general test for determining whether a cost qualifies and the amount to be considered for an in-kind transaction follows:

- (a) Is the resource under the control of or used by a Project Participant in conducting project research? If so, does it actually help with the project; is it germane to the overall statement of work?
- (b) Does the contribution represent a real loss of opportunity cost to the Project Participant, either now or in the future?
- (c) What is the fair market value of the resource?

3. Contributions that are not specifically listed above will not be considered as cost share towards this program.

C. Cost-Share Sources

1. The following list provides allowed sources of matching funds in order of preference:

- (a) Cash (including donations from state or local governments)
- (b) Labor costs
- (c) Expenses associated with allowable labor cost categories that are not billed directly to program funds
- (d) IR&D
- (e) SBIR and STTR in accordance with Government guidelines
- (f) Overhead (excluding labor related fringe benefits)
- (g) General and Administrative Services
- (h) M&PE (Manufacturing and Production Engineering)
- (i) Implementation Costs included in participant proposals

Costs above this line are readily accountable

- (j) Use of equipment (including software) - Technology transfer activities
- (k) Intellectual property (market value)
- (l) Space (land or buildings)

Items (i) through (l) are not as readily accountable

2. In addition to the sources described above (1), the following are acceptable cost share: ECB meeting attendance and preparation; Ship Production (SP) Panel meeting attendance and preparation; and Major Initiative Team participation. A three tiered aggregate labor rate system and representative travel rates for expenses as documented in the NSRP Program Management Plan will be used to determine the allowable cost share from these activities. An aggregate rate will be applied for SP Panel participants (Junior Technologist), Major Initiative Team participants (Senior Technologist), and Executive Control Board members (Senior Industry Executives). The cost share from these sources will be reported in the year they are incurred as that part of that year's overall program cost share. Companies that provide this type of cost share will be allowed to credit the value to

their project proposals where cost sharing is a criteria for award. This credit will apply to source selection only.

D. Matching Fund Origins

The allowable matching fund sources defined previously may originate from a mix of federal and non-federal sources. To meet the goal of deriving these funds from non-federal sources to the maximum extent practicable, matching funds must be tracked and reported according to their origins as follows:

1. Type A Matching Funds

Definition: Private-sector funding of NSRP includes labor and other resources for NSRP projects that are billed to indirect pools (overhead) which are funded by revenue from cost-plus type contracts with federal customers.

Allowable match sources under Type A:

- o A 'gross revenue fraction' of resource billing to indirect cost pools calculated as follows: At the start of each NSRP project phase, participants calculate gross revenue percentages for their company (federal vs non-federal revenue at the close of their most recent fiscal year). Throughout the ensuing phase, the participant uses this fraction to estimate allocation of their cost match from indirect cost pools to Federal sources (Type A match) vs non-Federal sources (Type B match) in quarterly project business status reports.
- o SBIR and STTR in accordance with Government guidelines
- o The portion of M&PE (Manufacturing and Production Engineering) funding pools reimbursed from federal sources.
- o Matching funds that might fall into Type B if it were practicable to document non-federal pedigree, but is reported as the more conservative Type A due to complexity or risk of doing so.

2. Type B Matching Funds

To the maximum extent practicable, matching funds should come from these sources.

Definition: Private-sector funding of NSRP activities that include commercial sources and several narrow categories of federally-reimbursed costs that are allowed as cost share as an incentive for industry to invest in these areas that includes accounting lines which would otherwise be profit (including firm fixed price contracts), and the fraction of project resources charged to indirect pools that are reimbursed with revenue from non-federal contracts

Allowable match sources under Type B:

- o Direct billing to any non-federal contract / customer
- o Project resources billed to firm fixed price contracts with any customer (including the federal government)
- o Profit
- o A 'gross revenue fraction' of resource billing to indirect cost pools calculated as described for Type A above
- o IR&D
- o The portion of M&PE (Manufacturing and Production Engineering) funding pools reimbursed from non-federal sources

- o Intellectual property owned by the private sector
- o

In case of a conflict regarding cost share value between the Recipient's proposal and this document, this document will have precedence.