

## **15.99.99.E0.04      TEES Consortia Procedure**

Approved April 23, 2018

Next Scheduled Review: April 23, 2023

### **Standard Administrative Procedure Statement**

This Standard Administrative Procedure (SAP) defines the purpose, initiation, governance, and reporting of Consortia operated and administered by the Texas A&M Engineering Experiment Station (TEES).

### **Reason for Standard Administrative Procedure**

TEES requires that consortia procedures be defined to ensure proper execution.

#### **1.      DEFINITION**

A TEES research consortium is defined as a collaboration of multiple companies, trade associations, universities or government agencies to conduct research with the objective of developing solutions to problems or challenges common to everyone by pooling their resources for achieving a common goal, with TEES serving as the agency for the execution of collaborative projects by the entities mentioned above.

#### **2.      ADMINISTRATIVE FEE**

2.1      A TEES research entity that meets the definitions and requirements of consortia as described in this procedure, designed specifically to keep administrative costs low, can be operated with an administrative fee of 10%. This administrative fee of 10% will be assessed on all consortia revenue in accordance with the attached memo dated August 25, 2016 from M. Katherine Banks, Director, Texas A&M Engineering Experiment Station.

2.2      Any TEES research entity that does not meet the definitions and requirements of consortia as described in this procedure will be considered a Joint Industry Project, Center, Institute, or Division, and will be operated with the negotiated indirect cost rate for TEES.

2.3      No line item budgeting will be applied due to the low administrative rate.

2.4      As a result of their support of a consortium, some sponsors may wish to support a related research program of specific interest to them. Such supplemental grants and contracts with consortium members are encouraged. However, the negotiated indirect cost rate for TEES will be charged to these separate grants and contracts. All "project specific"

research with directed deliverables (including intellectual property), even if performed through the consortium, is subject to full indirect cost.

### 3. REQUIREMENTS

#### 3.1 Self-Governance

TEES consortia are to be self-governed and self-administered by a set of by-laws voted on by all members of the consortium, with no terms or conditions obligated to TEES. TEES will not sign or administer a “membership agreement” or any other form of contract.

#### 3.2 Membership

3.2.1 Membership must include at least three (3) entities external to TEES (4 total) which provide, on an annual basis, at least \$50,000 cumulative support toward the consortium. These foundational members of a consortium must be full participating members and must contribute the amount each year that has been set for that particular consortium. In addition to the minimum of three (3) full members, a consortium may include associate members who contribute a reduced amount and receive reduced services.

3.2.2 In initiating a consortium, the consortium may solicit funds from potential members, but expenditures will not be allowed on these prepayments until the minimum consortium membership requirements have been achieved as defined in 3.2.1.

3.2.3 The consortium should be open to all companies, subject to Federal and State regulations and reviewed as noted in section 4.

3.2.4 A consortium may be dissolved if the minimum qualifications are not maintained over a period of three (3) consecutive years.

3.2.5 Membership may include foreign entities, but due to export control and compliance regulations they must be screened by the TEES Office of Risk and Compliance prior to acceptance into the consortium.

#### 3.3 Research

Research must be pre-competitive, non-proprietary, research that benefits all members and the industry as a whole. Research direction and project selection must be directed and voted upon by the consortium as a whole. There must be no exclusivity of research performed.

### 3.4 Deliverables

Deliverables shall be limited to technical reports and data made available to all members. There should be no restrictions on publication of research results. There will be no pre-specified, obligatory deliverables or deliverable agreements among members of the consortium.

### 3.5 Intellectual Property

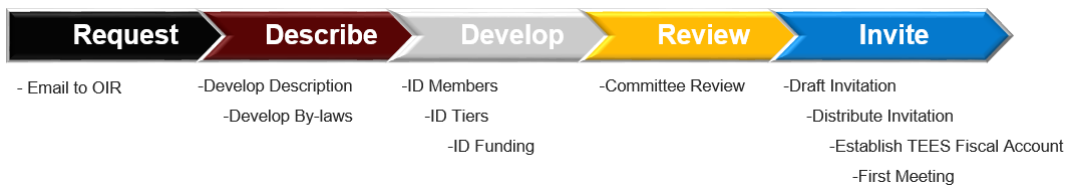
There should be no expectation of intellectual property resulting from consortium activities. Any patentable intellectual property created as a result of consortium activities shall be owned by TEES with no obligation for accounting for its use.

### 3.6 Non-Disclosure Agreements

TEES will not administer non-disclosure agreements relating to consortia. There must be no confidential information shared among consortium members while conducting consortium activities. Only general findings and best practices will be shared among consortium members.

## 4. INIATING A CONSORTIUM

Approval by TEES to establish a consortium may be obtained by following the process steps as shown in Figure 1 and further described in subparagraphs 4.1 through 4.6.



**Figure 1: Consortium Initiation Process**

- 4.1 Submit a request to the Office of Industry Relations (OIR). This can be in the form of an e-mail and should include concurrence of the associated Division Head (Center Director or Department Head).
- 4.2 Provide OIR a draft of the consortium by-laws and/or a description of the consortium. The by-laws and/or consortium description must not include any legal or contractual language, terms and conditions, or obligations to TEES.
- 4.3 Provide OIR a description of membership tiers, if applicable.

- 4.4 Provide OIR a list of potential members and the anticipated amount of funding provided by each.  
Note: At any time in the existence of a consortium, new members representing foreign entities must be screened by TEES Office of Risk and Compliance prior to acceptance into the consortium.
- 4.5 The request and submitted information will be vetted for approval by TEES leadership.
- 4.6 When the request to establish a consortium has been approved, the submitter can work with OIR to draft a Letter of Invitation for distribution to potential founding members, and to set up an account through the TEES Fiscal Office, to place and/or hold the funds per Section 3.2 of this policy.

## 5. REPORTING

- 5.1 Active consortia must submit an annual activity report to the Office of Industry Relations (OIR) prior to August 31<sup>st</sup> of each year.
- 5.2 The report can be the same as one produced for consortium members. At a minimum, the report should contain:
- A list of active members
  - Consortium highlights
  - Publications (if any)
  - Intellectual Property created/disclosed (if any)
  - Meetings held and meetings attended

A report template is provided in the Appendix.

## 6. COMPARISON TO JOINT INDUSTRY PROJECTS

A consortium and a Joint Industry Project (JIP) are similar in some ways, but also quite distinct in other ways, so it is important to draw distinction between the two.

A JIP is a cooperative industry-university research project organized to address specific basic or applied research needs exclusive to particular industry partners. JIPs consist of at least two (2) partnering institutions (private, non-profit, or governmental) external to TEES (3 total). JIPs may even be initiated from a consortium, where there is interest among certain consortium members to further examine a specific line of inquiry or problem statement under a separate agreement.

The table below compares a consortium to a JIP.

## Consortium vs Joint Industry Project

	<b>Consortium</b>	<b>JIP</b>
Minimum Number External Participants	3	2
Contractual Agreement	No	Yes
Full Indirect Cost	No	Yes
Project Statement of Work	No	Yes
Project Line Item Budget	No	Yes
Pre-Competitive Research Benefits Consortia and Industry	Yes	No
Research Benefits Specific Company(s)	No	Yes
Obligatory Deliverables	No	Yes
Intellectual Property Protection	No	Yes
Publications	Yes	Yes

### **Related Statutes, Policies, or Requirements**

[Facilities & Administrative \(F&A\) Cost Rates](#)

[Regulation 15.01.01, Sponsored Agreements – Research and Other](#)

### **Contact Office**

Office of Industry Relations

(979) 845-1322

August 25, 2016

**MEMORANDUM**

**TO:** Texas A&M Engineering Experiment Station Division Heads  
and Center Directors

**SUBJECT:** Support Services Administrative Fee

As the Texas A&M Engineering Experiment Station (TEES) advances its mission to be a world class research agency, it is necessary to continue providing the best services, technology and infrastructure to support these efforts. Many of these services include workforce development, corporate relations, agreement negotiations, commercialization, risk and compliance monitoring, financial services, marketing, communications and IT support, including the recent procurement of software to enhance the continuing education and conference registration activities to replace functions previously supported by EPIK.

As a result of the increasing demand for and accompanying costs of these resources, we have reviewed certain types of activities at TEES where administrative services are provided for which no reimbursement is realized. Consequently, effective September 1, 2016, TEES will begin assessing a 10% administrative fee on gross revenues earned for all continuing education, professional development, conferences, workshops, short courses and industry consortia that TEES is administering. The fee will be charged monthly based on income realized in each division/center account associated with these programs. Additionally, this fee will be assessed to any state exceptional item appropriations administered by TEES.

All TEES divisions and centers with these types of accounts are encouraged to consider and plan accordingly for the impact of this fee as programs and events are newly established or renewed after 9/1/2016. To help with transparency, these activities will be captured in a new, unique account grouping in FAMIS. As a reminder, all accounts associated with these activities must be handled by TEES if they are under the purview of a College of Engineering or TEES center researcher.

All fees collected will be reinvested back into support services for these programs to ensure we are producing the highest quality and most efficient services to our researchers, divisions and centers. Thank you for your understanding and support of this endeavor. If you have any questions, please contact John Crawford at (979) 845-5831.



M. Katherine Banks, Ph.D., P.E.  
Vice Chancellor and Dean of Engineering  
Director, Texas A&M Engineering Experiment Station  
Harold J. Haynes Dean's Chair Professor

cc: Dimitris Lagoudas  
Andy Hinton  
TEES Leadership Team