

## **OKLAHOMA APPLIED RESEARCH SUPPORT (OARS) PROGRAM SPECIFICATIONS**

### **BACKGROUND**

Citing Oklahoma's "need [for] institutions that combine the resources of public and private sectors to encourage the development of new products, new processes and whole new industries" (74 O.S., Section 5060.2), the Economic Development Act of 1987 (H.B. 1444) authorized the creation of the Oklahoma Center for the Advancement of Science and Technology (OCAST) with the purpose of being Oklahoma's technology-based economic development agency and to oversee the programs necessary for the development, transfer and commercialization of technology (74 O.S., Section 5060.2). It is the mission of OCAST to "foster innovation in existing and developing businesses by supporting basic and applied research, by facilitating technology transfer between research laboratories and firms and farms, and by providing seed-capital for new innovative firms and their products . . . [and] to foster enhanced competitiveness in the national and international markets by small and medium-sized manufacturing firms located in Oklahoma by stimulating productivity and modernization of such firms" (74 O.S., Section 5060.3).

The Economic Development Act created a variety of mechanisms to promote productive higher education/industry partnerships which could increase the rate of technological innovation and knowledge transfer and thereby improve economic competitiveness and spur economic growth. The Oklahoma Applied Research Support (OARS) program administered by OCAST is one of these mechanisms. Research funded under this program must "lead to innovation, new knowledge or technology" (74 O.S., Section 5060.19) and must have potential commercial application (74 O.S., Section 5060.4).

### **PROGRAM PURPOSE**

The purpose of the OARS program shall be two-fold. First, it shall assist in the accelerated development of technology in the state by supporting applied research activities in existing and emerging technical areas in which the results have (1) a high probability of leading to commercially successful products, processes or services within a reasonable period of time and (2) a significant potential for stimulating economic growth within the state of Oklahoma. Secondly, the program shall encourage and sustain partnerships among institutions of higher education, non-profit research organizations and private enterprises by encouraging collaborative projects which are designed to promote increased knowledge and technology transfer.

### **PROGRAM ADMINISTRATION**

OCAST administers the OARS program under the governance of the statutorily created Oklahoma Science and Technology Research and Development (OSTRaD) Board (74 O.S., Section 5060.6). As the administrative agency, OCAST shall be responsible for the development of program specifications, production and distribution of proposal solicitations, organization and implementation of peer reviews, award of contracts and monitoring of contract performance.

The board-appointed Applied Research Committee (ARC) shall act in an advisory capacity to the OSTRaD Board and OCAST staff. The ARC shall develop recommendations for program policies and procedures and shall advise and assist in the organization and implementation of the peer review of OARS proposals and in the performance evaluation of OARS contracts.

### **PROGRAM DESCRIPTION**

The OARS program shall provide a maximum of one state dollar of funding for each non-state dollar of matching funding (74 O.S., Section 5060.19) for research projects that are (1) technically sound, (2) have a high probability of leading to commercially successful products, processes or services within a reasonable period of time and (3) have a significant potential for stimulating economic growth in Oklahoma. The following shall not be eligible for funding: (1) market surveys, (2) projects which focus upon training or technical assistance for business firms (74 O.S., Section 5060.19) and (3) research or research activities that create fundamental or basic information without the promise of reasonably short-term

commercialization. Preference will be given to proposals in which all or some of the matching monies--industrial, private or federal--are provided under terms which explicitly encourage future commercialization.

In general funds shall be awarded to new and ongoing research projects which require a minimum of \$10,000 state funds per year for one to three years. The maximum request for state funds is \$300, 000 per project. Funds shall be awarded through external, peer-reviewed funding competitions (74 O.S., Section 5060.19), in the broad areas of nanotechnology, biotechnology, natural sciences, materials science, computer science, telecommunications, information technology, biomass, energy and engineering and/or any other technology that benefits the state of Oklahoma.

Collaborative research, which brings together personnel from multiple organizations, from multiple disciplines and with varied experiences and perspectives, frequently enhances the prospects for commercialization which is a major intent of the OARS program. Collaborative projects among institutions of higher education, non-profit research organizations and private enterprises are encouraged, and proposals involving co- investigators from more than one organization are strongly encouraged.

### **APPLICANT ELIGIBILITY**

An eligible applicant shall be (1) a public or private college or university in Oklahoma, (2) a non-profit research foundation or (3) "an enterprise of special importance to the Oklahoma economy" (74 O.S., Section 5060.19). An enterprise is defined as a firm with its principal place of business in Oklahoma (74 O.S., Section 5060.4).

Investigators preparing proposals shall be researchers who are employed by, or affiliated with, an eligible applicant organization. An investigator is defined as "a person who proposes research projects and is primarily responsible for the execution of the proposed projects" (74 O.S., Section 5060.4). If, after submission and prior to award of the proposal, the principal investigator of a proposed project becomes unable to perform the research, OCAST will not allow a change in principal investigator. When a principal investigator becomes unable to perform as proposed, the applicant organization(s) must inform OCAST within ten (10) calendar days. Any awarded monies will revert to the Applied Research Fund.

Any applicant organization or investigator who, in OCAST's judgment, has failed to correct a material breach of a contract previously awarded under any of the OCAST programs will not be eligible to be awarded a new funding project. Any investigator or co-investigator with a delinquent progress report at the time of proposal submission will not be eligible to submit the proposal. Any investigator or co-investigator with a delinquent progress report at the time of peer review will not be eligible for review. Any investigator or co-investigator with a delinquent progress report at the time of award will not receive a contract until the progress report has been submitted and received a satisfactory evaluation from an external reviewer. If the delinquent report has not been submitted within sixty (60) days of the award date, the award will be nullified and the monies returned to the Applied Research Fund.

Neither members of the OSTRaD Board nor the ARC shall be precluded from participating directly in an OARS program proposal. However, any director, officer, agent or employee of OCAST, including any member of an advisory committee or review panel, shall comply with the provisions of the conflict of interest provision from the OSTRaD Act. The statute reads as follows:

If a member of the board of directors, officer, agent or employee of the Oklahoma Center for the Advancement of Science and Technology [Center] has any direct or indirect interest in any approval, contract or agreement upon which the member, officer, agent or employee may be called upon to act or vote, the board member, officer, agent or employee shall disclose the same to the secretary of the Center prior to the taking of final action by the Center concerning such contract or agreement and shall so disclose the nature and extent of such interest and his or her acquisition thereof, which disclosure shall be publicly acknowledged by the Center and entered upon the minutes of the Center. If a board member, officer, agent or employee holds such an interest, he or she shall refrain from any further official involvement in regard to such contract or agreement, from voting on any matter pertaining to such contract or agreement, and from communicating with other board members, officers, agents or employees concerning said contract or agreement. . . .

Indirect interest shall include pecuniary or competitive advantage which exists or could foreseeably accrue as a result of the act or forbearance of the Center (74 O.S., Section 5060.7).

## **FUNDING TERMS**

**Level of Funding.** OARS awards will be funded at a minimum amount of \$10,000 in OCAST funds per year. The maximum request for state funds for an OARS award is \$300,000 per project.

**Length of Funding.** OARS awards will be approved for one to three years depending on the competition solicitation requirements. Funding will be contingent upon satisfactory annual performance evaluations (see PERFORMANCE EVALUATION) and the availability of funds.

**Matching Requirements.** In order to qualify for funding in the OARS program, the applicant must verify, "that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Center [OCAST] and other than state-appropriated money" (74 O.S., Section 5060.19.B). Funds received from federal or private grants or contracts, to be used as matching funds on the OARS contract, shall be allowed throughout the life of the contract. Matching funds shall be monies provided specifically for the proposed OCAST OARS project.

### *Institutions of Higher Education or Nonprofit Research Foundations*

If the proposal is from an institution of higher education or nonprofit research foundation, machinery or equipment used for the project may be considered as part of the matching funds (74 O.S., Section 5060.19.B) provided the required documentation has been submitted (see AWARD PROVISIONS). Whether the full value of the equipment or a lesser amount is taken into account for purposes of the match will depend upon (1) the useful life of the equipment relative to the term of the project, (2) the relevance and intensity of the proposed use of the equipment in the project and (3) the predicted residual value of the equipment at the end of the project.

If the proposal is from a public institution of higher education, matching funds may cover salary expenses for the investigator, co-investigators, research professionals including technicians, postdoctoral associates, students or other staff important to the success of the research effort, in accordance with 74 O.S. Section 5060.19.B. In-kind goods or services provided by a non-state appropriated third party may be considered as part of the matching funds. An in-kind service is defined as payment or contribution made in the form of a good or service in lieu of cash.

If the proposal is from a private institution of higher education, matching funds may cover related salary expenses for the investigator, co-investigators, research professionals including technicians, postdoctoral associates, students, or other staff important to the success of the research effort. In-kind goods or services may be used to meet the matching requirement.

### *Private Institutions of Higher Education and Nonprofit Research Foundations*

Private institutions of higher education and nonprofit research foundations, in addition to the matching provisions listed above, may also use indirect costs to satisfy their matching requirement since state monies are not considered to be a source of funding for indirect expenditures at these institutions. Indirect costs are defined as expenses that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of an organization and the conduct of the activities it performs. Indirect costs include, but are not limited to, those expenditures made to maintain facilities, provide utilities, acquire insurance coverage, provide computer and communications services, provide security services, etc., and may be either fixed or variable. The amount of indirects allowed as match shall be limited to no more than 50% of the total match required.

### *Private Enterprises*

If the proposal is from a private enterprise, no portion of the fifty percent (50%) of the total direct cost of the proposed project may be provided by in-kind services performed by the enterprise (74 O.S. Section 5060.19.B). In-kind services provided by a third party may be considered as part of the matching funds. Salary expenses for

the investigator, co-investigators, research professionals including technicians, postdoctoral associates or other staff important to the success of the research effort may be considered as part of the matching funds.

Private enterprises, in addition to the matching provisions listed above, may also use indirect costs to satisfy their matching requirement since state monies are not considered to be a source of funding for indirect expenditures at these organizations. Indirect costs are defined as expenses that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of an organization and the conduct of the activities it performs. Indirect costs include, but are not limited to, those expenditures made to maintain facilities, provide utilities, acquire insurance coverage, provide computer and communications services, provide security services, etc., and may be either fixed or variable. The amount of indirects allowed as match shall be limited to no more than 50% of the total match required.

When a proposal is approved for funding, the awardee may have sixty (60) days from the date on the OCAST award document to certify that matching funds will be made available during the project or provide a fully-executed agreement representing a federal or private grant or contract for at least the first year of the award period. If an existing grant(s) or contract(s) is to be considered for match, the notification(s) of award must be included if the proposal is to be reviewed. The start date of the initial contract shall be no later than the first (1st) day of the month which immediately follows the sixty (60) day match verification period. OCAST may grant an extension of an additional sixty (60) days if the OSTRaD Board ascertains sufficient effort in securing the matching funds has been made by the applicant during the first sixty-day period. If an extension is approved, the start date of the initial contract shall be no later than the first (1st) day of the month which immediately follows the second sixty-day period.

If an awardee has submitted certification of the availability of matching funds or a fully-executed agreement representing a federal or private grant or contract for the first year of the award period in the application, the initial start date of the contract shall be no later than the first (1st) day of the month which immediately follows the thirty (30) day verification of eligibility period which begins on the date on the OCAST award notification.

**Budget Requirements.** Applicants shall submit a total project budget for each requested year of funding. The total project budget includes funds awarded from the Applied Research fund and the matching requirements. Indirect costs are not an allowable expense.

When an investigator is employed by or affiliated with an institution of higher education, funds awarded from the Applied Research fund may cover either summer salary or release time during the academic year. Salaries or stipends for research professionals including technicians, postdoctoral associates, students or other staff important to the success of the research effort are allowable personnel costs. Expenses associated with ancillary personnel, such as marketing, sales, accounting, clerical and custodial staffs, are neither directly related to research performance nor allowable budget items.

The costs associated with building construction are not allowable expenses. If reimbursement of the costs of alterations of facilities essential to the proposed project (i.e. repairs, painting, removal or installation of partitions, shielding or air conditioning) are requested they shall be itemized by category and fully justified. When applicable, the applicant should indicate the square footage involved, provide the basis for the cost- such as an architect's or contractor's detailed estimate- and submit a line drawing of the proposed alterations.

## **PROPOSAL SOLICITATION**

OCAST will prepare an OARS Proposal Solicitation which will include (1) information concerning the specifications of the program, (2) requirements regarding the proposal contents and format, (3) copies of the required application forms and (4) instructions for completing the required forms. Eligible applications shall include all required completed forms and proposal contents and shall utilize the required proposal format as specified in the solicitation. Page limitations will be established by the ARC and specified in the solicitation. No application fee shall be required.

**Application requirements.** In general, applications will be required to contain the material specified below:

1. **Abstract:** Applicants will submit a summary, layman terms, which includes (1) a description of the proposed research project including a statement of the specific objectives and the methods to be employed and (2) a description of the potential commercial application and an analysis of its commercial potential including the possible significance to Oklahoma business or industry.
2. **Commitment of Support:** In general, applicants shall be required to (1) detail all sources and amounts of matching funds and/or equipment on the designated form, (2) assess the potential for attracting future federal or private funds and (3) submit the statutorily required letter of recommendation from the applicant organization (74 O.S., Section 5060.19). This letter shall include a statement of organizational commitment to the proposed project beyond the required matching monies and/or equipment. Such commitment could include such items as equipment, computer services, facilities, release time for key personnel and secretarial and technical support which the organizations will provide for the project.
3. **Potential Economic Impact Statement:** In general, applicants shall be required to (1) assess the proposed project's potential for leading to a commercially successful product, process and/or service and (2) analyze the project's potential for contributing to the state's economic development over the next two years and five years taking into consideration the growth potential of this area of research nationally and internationally, and assess the potential to enhance employment opportunities in Oklahoma.
4. **Research Plan:** Applicants will prepare a detailed statement of the work to be undertaken. In general, the following format will be required:
  - A) **Objectives for the period of the proposed work:** State concisely what the research described in the application is intended to accomplish or what hypothesis is to be tested.
  - B) **The significance of the research:** Briefly sketch the background of the present proposal, evaluate existing knowledge in this area and identify the gaps which this project intends to fill. State the importance of this research by relating its aims to longer term objectives.
  - C) **Preliminary and related studies:** Describe prior research by the investigator that led to formulating the proposal, as well as any other information that will assist reviewers in assessing the competence of the investigator who is to perform and complete the proposed project.
  - D) **Research methodology and time table:** Discuss in detail the experimental design and the procedures to accomplish the objectives of this project. Describe the tentative sequence of the investigation within a calendar framework. Include the means by which the data will be analyzed and interpreted. Discuss the methodologies and any potential limitations of the proposed procedures and alternative approaches that may be used to reach the objectives of this proposal. Note any procedures that may be dangerous to personnel and the precautions that will be used in these situations. Complete required forms regarding human subjects, vertebrate animals, recombinant DNA, radioactive substances, narcotics and dangerous drugs and biological hazards and submit accompanying institutional reviews where applicable (see Special Precautionary Measures).
  - E) **Collaborative relations:** Include the work statements or research obligations of each investigator. In addition, any substantial collaboration with individuals not referred to in the budget should be described and documented with a letter from each collaborator.
  - F) **Facilities and instrumentation:** Describe the available facilities and instrumentation that will be utilized in this project.
  - G) **Bibliography:** Include a bibliography of the pertinent literature referenced in the proposal.

5. **Biographical Information:** Applicants shall (1) provide a short biographical sketch or resume for each of the key personnel, (2) list separately the ten most recent and/or significant publications and/or patents for each of the above and (3) provide a table summarizing the major participants' current and pending research support from all sources—research grants and contracts including current year's amount, future commitments, source of funding and title of project; pending proposals should also be listed. (Use forms provided.)
6. **Budget:** Applicants shall (1) complete required budget forms and (2) submit an accompanying explanation of the budget.
7. **Appendices:** In general, applicants shall be required to (1) submit required documentation listed under Award Provisions in the solicitation as Appendix I, (2) in additional appendices, limit materials to those relevant and essential to the review of the proposal and (3) not include detailed vitae or resumes in the appendices; applicants should provide only those biographical materials requested in Item 7 above.

**Special Precautionary Measures.** Work with human subjects, vertebrate animals, recombinant DNA, radioactive substances, narcotics and dangerous drugs and biological hazards require special approval or license and, in some cases, specialized training in order to engage in certain research. In addition, many chemicals require special handling or equipment. It is the responsibility of the investigator and the applicant organization to ascertain that state, as well as applicable federal requirements, are met. The investigator and applicant organization shall supply evidence of compliance, qualification or license as specified on the required forms.

**Intellectual Property.** Each application must include a description of how intellectual property rights between the investigator, co-investigators, applicant organizations, and sponsoring entities will be defined. The certification, referenced above, demonstrating that all necessary steps have been taken to ensure appropriate protection of intellectual property must be submitted prior to award of contract. The purpose is to assure OCAST that the collaborating parties have adequately addressed the ownership and disposition of patents, licensing, royalties, copyrights, trademarks, and all other intellectual property rights related to the proposed research project.

**Submission Requirements.** OCAST shall require all eligible proposals to adhere to the following guidelines:

Eligible applicants may be requested or required to provide a statement of intent prior to application submission. Documents attached to the application must be typed in black on 8 1/2 x 11 white paper. Any type size between 10 and 13 characters per inch may be used. The proposal may not exceed the number of pages specified in the solicitation.

The OSTRaD Board has authorized the ARC to establish the deadline for proposal submission for each Applied Research funding competition. This date shall be published in the OARS Proposal Solicitation. All materials pertaining to the application must be received by 5:00 p.m. on the designated date except evidence of institutional approval of research projects using human subjects, vertebrate animals or recombinant DNA. Applications or supplemental materials will not be accepted after the designated date and time except at the request of OCAST. Incomplete or inappropriately completed applications may be returned without review.

Applications shall be initiated, completed and submitted via OKGrants at <https://grants.ok.gov>.

**Solicitation Distribution.** Annually OCAST may request that the president of each institution listed in the Oklahoma Higher Education Directory designate a person to be responsible for distributing copies of the OARS Proposal Solicitation within the institution. OCAST will provide copies of the solicitation to those so designated.

Notification of the open solicitation may be sent to the nonprofit research foundations who, in an annual inquiry of all nonprofit research foundations listed in the Directory of Oklahoma Foundations, indicate that they wish to receive OCAST proposal solicitations. Notifications shall also be sent to relevant Oklahoma-based businesses.

Copies of the solicitation may be direct-mailed in response to all mail and phone requests. Solicitations will also be available at the OCAST office and on the OCAST website at [www.ok.gov/ocast](http://www.ok.gov/ocast) for all interested persons.

Announcements of funding competitions may be published in newspapers as determined by the OSTRaD Board. Public announcements of funding competitions shall be posted at the OCAST office and the Oklahoma Department of Commerce at least thirty (30) days prior to the application submission deadline. Posting the solicitation on the OCAST web site will be sufficient public notification.

## PROPOSAL SELECTION

**Legislative Directives.** The authorizing statute for this program (74 O.S., Section 5060.19), which establishes terms under which the OSTRaD Board shall award funding or professional service contracts, reads as follows:

- A. The Board shall award funding or professional service contracts only after:
1. Developing, adopting and publishing the criteria it shall use when evaluating research proposals; and
  2. Reviewing applied research proposals which present:
    - a. documentation, if the proposal is from an institution of higher education or nonprofit research institutions, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Center and other than state-appropriated money; machinery or equipment may be considered as part of the matching funds for the research, but must be accompanied by a statement:
      - (1) that the institution of higher education or nonprofit research institution has received the machinery or equipment and that it is appropriate and useful to the program under review; and either
      - (2) verifying that the equipment or machinery is donated and has only been used in testing to ensure quality control, or used by a wholesaler or retailer for demonstration purposes only and verifying the fair market value of the machinery or equipment on the date of the gift; or
      - (3) detailing the price paid by the institution of higher education or nonprofit research institution, with an invoice showing the amount paid for the machinery or equipment;
    - b. documentation, if the proposal is from a private enterprise, that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than the Center and other than state-appropriated money. No portion of the fifty percent (50%) may be provided by in-kind services performed by the enterprise;
    - c. a description of the potential commercial application of and the industrial sectors that will likely benefit from the applied research project and the potential to enhance employment opportunities in Oklahoma;
    - d. an itemized research budget, time line and research methodology;

- e. a recommendation from the sponsoring institution of higher education, nonprofit research institution or business enterprise; and
  - f. other information that may be required by the board.
- B. The board may approve such applied research proposals after the board finds, based upon the proposal submitted, external peer review and such additional investigation as the staff of the Center shall make and incorporate in its minutes, that:
- 1. The proposed project is research that leads to innovation, new knowledge or technology and is not training or technical assistance for business firms;
  - 2. The project has a reasonable probability to enhance employment opportunities within Oklahoma; and
  - 3. The project is technically sound and will produce a measurable result (74 O.S., Section 5060.19).

**Evaluation Criteria.** Proposals submitted for the OARS funding competitions shall be reviewed for technical merit, for the ability to perform the research and for the potential economic impact using the following set of criteria:

- 1. Technical merit of the research. In general, this criterion will evaluate
  - the creativity and inventiveness of the proposed research;
  - significance of the research to generate intellectual property to meet Oklahoma's technology goals.
- 2. Ability to perform the research. In general, this criterion will measure
  - the quality and probability of success of the research plan;
  - the degree to which state-of-the-art techniques and processes are to be used;
  - the competence of the research personnel;
  - the adequacy of the existing or proposed resources including facilities;
  - the commitment of the applicant organization;
  - the adequacy of matching funding or other project support.
- 3. Potential for economic impact. In general, this criterion will assess
  - the proposed project's potential for leading to a commercially successful product, process and/or service;
  - the degree of interest shown by industry;
  - the national and international growth potential in the proposed area
  - the potential of short- and medium-term impact on the Oklahoma economy including the potential for enhancing employment opportunities in Oklahoma.



**Peer Review Process.** All proposals will receive a primary and secondary review by scientists, a majority of whom reside outside the state of Oklahoma, who are nominated and approved by the ARC. All proposals will then be reviewed and ranked for funding by a panel of scientists, a majority of whom reside outside the state of Oklahoma whose expertise shall include significant research and development experience in an industrial or academic setting. More than one panel shall be organized if required by the number of submitted proposals and/or the range of scientific expertise necessary for their adequate review.

## **RELEASE OF INFORMATION**

The meetings of the OSTRaD Board, the governing board of the Oklahoma Center for the Advancement of Science and Technology shall be subject to the Open Meeting Act and the Open Records Act. However, Oklahoma Statute exempts the following:

Any information submitted to or compiled by the Oklahoma Center for the Advancement of Science and Technology with respect to marketing plans, financial statements, trade secrets, research concepts, methods or products, or any other proprietary information of persons, firms, associations, partnerships, agencies, corporations, institutions of higher education, nonprofit research institutions or other entities shall be confidential, except to the extent that the person or entity which provided such information or which is the subject of such information consents to the disclosure. Executive sessions may be held to discuss such materials if deemed necessary by the board of directors (74 O.S., Section 5060.7).

OCAST may use the contents from statements of intent and abstracts from the proposal and executive summaries from subsequent annual progress reports for the required OCAST Annual Report or other publications without obtaining permission from the applicant or applicant organization. OCAST does not guarantee that the contents of any application will remain confidential.

## **AWARD PROVISIONS**

Award of contract shall be contingent upon the following [documentation] having been submitted as specified in the application:

1. Documentation demonstrating that not less than fifty percent (50%) of the total direct cost of the proposed project will be provided by sources other than OCAST and other than state-appropriated money (74 O.S., Section 5060.19).
2. Documentation as specified in items a-c below if (1) the proposal is from an institution of higher education or nonprofit research institution and (2) machinery or equipment is to be considered as part of the matching funds for the research.
  - a. Verification that the applicant organization(s) has received the machinery or equipment and that it is appropriate and useful to the research project;
  - b. Verification that it has been used for nothing more than testing to ensure quality control or for demonstration purposes by a wholesaler or retailer prior to its being received by the applicant(s);
  - c. Verification of (1) the fair market value if the machinery or equipment is a gift, or (2) the amount paid for the machinery or equipment by the applicant organization(s), as verified by invoice (74 O.S., Section 5060.19). Machinery or equipment eligible for matching purposes shall not have been purchased with state funds.
3. Certification demonstrating that all necessary steps have been taken to ensure appropriate protection of intellectual property (see PROPOSAL SOLICITATION, Intellectual Property).

## CONTRACT PROVISIONS

The mechanism for funding approved applications shall be a professional services contract between OCAST and the applicant organization(s). The contractor shall be the applicant organization(s) which (1) shall be the employer(s) of, or affiliated with, the principal investigator or co-investigators and (2) shall provide research services or facilities for the funded project and execute the contract. All applicant organizations which shall provide research services or facilities for the funded project shall be signatories to the contract. The contract shall include commitments on the part of the contractor(s) to perform the activities described in the application and funded by OCAST. However, the obligations of each party to an OARS contract shall be limited to that portion of the contract which it has committed to perform. If more than one applicant organization is involved, one of the parties shall be designated as the fiscal agent to receive and account for all funds.

Contractor shall notify OCAST within ten (10) days of the occurrence of any of the following:

- A. The official notification of resignation by the principal investigator or co-investigator as an employee of one of the parties to the contract.
- B. The official decision to terminate the principal investigator or co-investigator as an employee of one of the parties to the contract.
- C. Inability of the principal investigator or co-investigator to perform the research due to disability or other condition(s).
- D. Any occurrence which the contractor or agent determines will affect the successful completion of the research project.
- E. The majority of the research is not performed in Oklahoma.
- F. Receipt of notification of award of concurrent funding by the principal investigator or co-investigator, which is not part of the approved matching monies requirement, to support any portion(s) of the research which is supported by OCAST funds.

Any of the conditions A-E above may result in the termination of the contract at the discretion of OCAST. Receipt of concurrent funding, as described in F above, shall result in the termination of the contract at midnight of the day prior to the beginning date of the concurrent funding.

If the principal investigator or co-investigator is employed by another eligible applicant organization in the state of Oklahoma, and if that organization agrees to support the research project, OCAST may consider issuing a new contract negotiated between OCAST and the new organization to fund the research project initiated under the original contractor. If a principal investigator or co-investigator cannot perform on a contract, the applicant organization may request that OCAST consider continuing the contract with a new investigator.

The contractor or designated fiscal agent shall be responsible for assuring and documenting compliance with state and federal requirements pertaining to human subjects, vertebrate animals, recombinant DNA, radioactive substances and narcotics and dangerous drugs, which require special approval or license, before issuing a subcontract for any portion of the project funded by OCAST.

The contractor or designated fiscal agent shall maintain records and accounts that properly document and account for the source and application of all project funds. All such records and accounts shall be made available on demand by OCAST for inspection and use in carrying out its responsibilities for administration of the funds. The contractor or designated fiscal agent shall comply with the audit policy of OCAST and, as OCAST deems necessary, permit authorized representatives of OCAST and the state of Oklahoma full access and the right to fully examine all project records and accounts. The contractor or designated fiscal agent shall provide OCAST timely copies of reports on any audits that include funds received from OCAST. In the event an audit results in the determination that the contractor or designated fiscal agent has

expended contract funds on unallowable costs, the contractor or designated fiscal agent shall reimburse OCAST in full for all such costs.

## **PERFORMANCE EVALUATION**

Acceptance of a professional service contract obligates the principal investigator or co-investigators to submit an annual progress report sixty (60) days prior to the ending date of each contract period except for the end of the final contract period. The final report shall be submitted thirty (30) days after the end of the final contract period. Annual project performance shall be evaluated by reviewers, the majority of whom reside outside Oklahoma. Continued funding will be contingent upon satisfactory, annual performance evaluations and availability of funds.

A satisfactory report shall verify that the investigator(s) is complying with the terms of the contract and achieving project objectives in a timely manner. Specifically, OARS progress reports shall (1) identify budget expenditures to date, (2) provide a detailed budget for the subsequent contract period, (3) evaluate progress on the project to date and (4) detail plans for the subsequent contract period. Failure to submit an annual progress report, as specified, could result in the termination of funding.

Efforts to evaluate the OARS program require periodic collection of information from investigators and/or contractors. The principal investigator and contractor(s) are required to provide OCAST with the requested information during and after the funding period. This information may include, but is not limited to, impact survey information, site visits and/or reverse site visits where the principal investigator will be required to present his/her research accomplishments to OCAST staff, the OSTRaD Board of Directors, members of the Oklahoma legislature, and other interested parties.