



# Managing Potentially Conflicted Interests in the M&O Context

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# Context

- M&O operators of DOE/NNSA national laboratories and clean up sites at a crossroads
  - FFRDC and contract obligations to manage conflicted interests consistent with mission
  - Increasingly varied interaction with commercial marketplace
  - Increased focus on unallowable costs and CPOF adjustments

# Context

- Where are the potential friction points from a conflict of interest perspective?
  - Technology transfer
  - Outside Business
  - Contract competitions

# Technology Transfer

- DEAR 970.5227-3, Technology Transfer Mission
  - Subparagraph (d) -- Contractors to have procedures
    - Requiring conformance to standards of conduct and integrity
    - Avoid conflicts with DOE, user facility or SPP mission
    - Notice to CO for Contractor's licensing of IP to affiliate or former employee

# Technology Transfer

- DEAR 970.5227-3, Technology Transfer Mission
  - Subparagraph (n)(5)
    - Bar on employees being substantially involved in a CRADA (preparation, negotiation or approval) if the employee or his/her family has
      - Financial interest in an entity that has a substantial interest in the CRADA
      - Received a gift or gratuity from entity that has interest in CRADA
    - Certification by employees absent CO approval

# Technology Transfer

- Clearly identifying the *technology*
  - Questionnaire
- Process to think about implications
- Clear lines for review and approval
  - Reliance on subject matter experts
  - Following contract requirements

# Technology Transfer

- Sandia's Entrepreneurial Separation to Transfer Technology Program
  - Employees terminate Sandia employment to start company or join existing small business receiving license of patents or copyrights
  - Assessed for impact to operations from both separation and potential re-hiring of employee
  - Separated employee barred from access to Sandia employees and facilities

# Outside Business Interests

- Identifying the nature of the outside interest
  - Scientific or technical consulting
  - Teaching
  - Board member
  - Other personal ventures
- Mitigation plans
  - Non interference, NDA, non-use of government property, time recording, non-endorsement



# Contract Competition

- Key considerations
  - Preserving mission capability and FFRDC principles
  - Controls on personnel and time
  - Segregation of unallowable B&P costs under DEAR 970.3102-5-18
    - Time
    - Avoiding use of property, facilities or equipment paid for with federal funds
  - Controls on dissemination of M&O records

# Questions?

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