

3/20/01

Executive Summary

Technical Assistance Program

Purpose:

The Technical Assistance Program (TAP) is a university-sponsored consulting that enables a faculty member to respond quickly to an identified market need requiring technical . TAP's are intended to strengthen university and individual faculty relationships with external organizations, especially businesses, and result in increased sponsored projects.

Scope of Work:

Faculty, staff, and students are applying knowledge to a specific process- or technical situation and NOT generating new knowledge or intellectual property. These activities are typically short in duration and do not exceed \$25,000.

Typical Case:

- (1) A lead identifying a need by an external organization comes into the university through Economic Development, Continuing Education, Industry Program Development, direct contact with a dean's office, department, or faculty member, or some other avenue.
- (2) The lead finds its way to an appropriate associate dean or department head.
- (3) The associate dean contacts the relevant department heads.
- (4) The department head examines the need and, if interested, contacts possible interested faculty.
- (5) A faculty member develops a proposal with specific deliverables and due dates, and works with Continuing Education to develop the budget.
- (6) When the external organization accepts the proposal, the faculty member completes the work.
- (7) Continuing Education invoices the organization, collects the revenue, processes all financial transactions, including direct pay to the faculty member and surplus distribution, and closes the program.

Operating Principles:

- (1) Most companies do not view Virginia Tech as a possible "quick turnaround" solution provider for their business problems. The TAP is one tool to address this market need.
- (2) Continuing Education is regularly in the marketplace and will serve as the administrative entity with responsibility for the Technical Assistance Program.
- (3) In part because the TAP enables faculty to receive direct pay for their consulting work, TAP will encourage some faculty to bring their consulting business through the university.
- (4) TAP's carry the same overhead rate as sponsored research projects handled by the Office of Sponsored Programs (currently 45.5%).
- (5) As in sponsored projects, the state will receive the same 30% of the overhead under TAP projects.

Review Procedures:

- (1) Designate one person from Continuing Education and another from the Office of Sponsored Programs as the primary points of contact for the TAP. The point of contact from Continuing Education will serve as the overall program manager for TAP. Together, these two individuals will resolve issues relating to a TAP, e.g., appropriateness of a project as a TAP through Continuing Education versus a sponsored project through the Office of Sponsored Programs.
- (2) After three years, examine the program to measure its overall effectiveness, including identifying any projects that involved the generation of new knowledge or intellectual property and the scale of TAP's that morphed into sponsored research activities or presented other multipliers from more relationships with external entities (e.g., student internships, student research sites, student placement).

Next Steps:

- (1) Seek approval by University Council of the resolution supporting the Technical Assistance Program.
- (2) Seek approval from the BOV.
- (3) Develop one set of promotional materials for the external marketplace and another set for faculty.

Frequently Asked Questions:

Q: Why does Virginia Tech need a Technical Assistance Program?

A: (1) At present, most Virginia employers are not aware of Virginia Tech's interest in helping them address their business problems. In short, this is a well-kept secret. (2) If an external organization makes a request for technical assistance of Virginia Tech, the university encourages the faculty member to create a sponsored project (through the Office of Sponsored Programs) or to handle the request through his/her own consulting business. In the latter case, which probably happens quite frequently, the university is not involved in the financial transaction and gets no credit for the intellectual resource being used. And, the faculty member cannot count this consulting activity on his/her annual faculty activity report, as it is not university-sponsored.

Q: Why should faculty participate? What's in it for them?

A: (1) The TAP program provides another vehicle for faculty to develop relationships with external organizations. (2) The TAP program is a university-sponsored activity. As such, the faculty member will have access to university resources (e.g., computer, phone, labs) and will have university legal protection for liability purposes. (3) The TAP provides for third-party management of financial transactions and eliminates the need for faculty to handle these activities. (4) Faculty can receive direct pay for this consulting work, as long as they remain within the time and pay limits of the overall university consulting policy. (5) As a university-sponsored activity, TAP efforts would become a legitimate part of the annual faculty review under the recently-recognized outreach section. (6) If TAP is successful, some of these small consulting projects will lead to sponsored research activities.

Q: How does a faculty member determine if a consulting project should go through the Office of Sponsored Programs or through Continuing Education with the TAP?

A: (1) TAP projects do not involve the generation of new knowledge, intellectual property, or product development. A project with the potential for any of these characteristics will be handled by the Office of Sponsored Programs. Expert witness testimony is not handled by either of these organizations; faculty members handle these activities as independent contractors. (2) The TAP enables faculty to receive direct pay but not have their time bought out; faculty can have their time bought out through OSP but cannot receive extra pay. (3) The TAP through Continuing Education is designed for consulting projects that are generally under \$25,000 and for which faculty receive direct pay for their efforts. The Office of Sponsored Programs will handle larger projects, especially those involving the buyout of faculty time. (4) Students can receive direct pay under the TAP, as long as they remain within the guidelines for any assistantships.

Q: Why is TAP being administered by Continuing Education?

A: (1) The outreach (and now engagement) agenda has become a priority at institutions across the country. While initially in land grant institutions, outreach is being embraced by all kinds of institutions--public and private, large and small, urban and rural. Continuing education is typically the largest entity within outreach, with the exception of Cooperative Extension in land grant institutions. As such, continuing education is actively engaged on a regular basis with the external marketplace. And, asking the question "what are your business problems" instead of "what are your training needs" opens the door for the university to provide a much broader array of products and services to these external clients. (2) The roots of the TAP were founded in a request of the university by a Blacksburg company and by needs uncovered during a CE-sponsored market research project that involved customer visits to several company sites in southwest Virginia. (3) The Office of Sponsored Programs is designed to handle large projects. Education can more easily process small, short term projects that require a quick response time to a market request. (4) Continuing Education has a ready (and the only) mechanism for faculty to receive extra pay for additional work.

Q: Why would a company use the TAP instead of contracting directly with a faculty member?

A: Companies can continue to contract directly with a faculty member for consulting services. The TAP enables the company to contract with the university rather than with an individual, gain access to university resources (e.g., labs), and develop a broader, more comprehensive relationship with the university, e.g., students.

TECHNICAL ASSISTANCE PROGRAM

AGREEMENT

This Agreement dated this ____ day of _____, by and between Virginia Polytechnic Institute and State University (hereinafter Virginia Tech) and _____ (hereinafter Company) pursuant to which the parties agree as follows:

1. Faculty of the _____ Department at Virginia Tech will provide technical services to the Company. The technical services and deliverables to be provided, and the faculty, staff, and students who may be selected for their provision, are listed in Attachment A, which is incorporated herein by reference.
2. This Agreement shall last for a period of _____, with all services to be completed by _____.
3. The Company agrees to pay, in advance, the retainer sum of \$_____ which reflects twenty percent (20%) of the estimated cost to complete the requested service. If the required work exceeds the estimated number of hours by twenty percent (20%) or less, Company agrees to pay for the work in accordance with the schedule in Attachment B and comprehensive budget in Attachment C. If the required work exceeds the estimated hours by more than _____ percent (20%), a separate Technical Assistance Agreement will be constructed before further work is done. Payment shall be in the form of a Company check made payable to Treasurer, Virginia Tech CE, and delivered to:

Virginia Tech
Division of Continuing Education
810 University City Blvd.
Blacksburg, VA 24061
4. After this Agreement is executed, if Virginia Tech is unable to provide the technical expertise required for services listed in Attachment A, except for a breach of this Agreement by Company, the balance of the retainer fee will be refunded to Company.
5. Scheduling of all services shall be at the mutual convenience of the Company and Virginia Tech faculty, staff, and students. Faculty are expected to perform the services outside of their teaching commitments at the University, and all faculty services are to comply with the applicable Virginia Tech Consulting Policy for faculty. Extension faculty members are to comply with Virginia Cooperative Extension consulting policies. Involvement of classified staff must be in accordance with university policy 4070.
6. The parties agree that the faculty member shall not be requested to develop any intellectual property under this Agreement. In the event such intellectual property is , it shall belong exclusively to Virginia Tech. If it becomes apparent that the work is leading to an intellectual property, the Company and the faculty member shall disclose this to Virginia Tech for review and consideration.

7. The Company agrees not to disclose any Company-owned confidential information, except as disclosed in this Agreement. If it becomes necessary to disclose such information to the faculty member, the Company agrees to notify Virginia Tech and the faculty member in advance of the disclosure, and the faculty member must obtain Virginia Tech approved signature on any confidentiality agreements. All Company confidential material shall be labeled confidential.

8. Only Virginia Tech facilities, equipment, or employee time identified in this Agreement shall be used during the performance of this Agreement. If Virginia Tech facilities are to be used, those facilities and their associated costs should be identified in Attachment D. If students are to be involved, compensation for their time must be paid from the retainer fee. In the event of graduate student involvement, the graduate students will be hired as either wage employees or graduate research assistants of Virginia Tech, and the specification of their wage/salary amounts must appear on Attachment A.

9. Technical services contemplated under this Agreement shall not require product development or prototype creation. Services and deliverables will generally be limited to process-related questions or specific technical issues.

10. Technical services shall not be provided for litigation, forensics, or any precursor work leading to legal court proceedings or hearings of any city, county, state, or national board or agency, such as a Board of Supervisors hearing.

11. The Company agrees to hold harmless Virginia Tech, the faculty, staff, and its students from any liabilities associated with the technical assistance.

12. This Agreement incorporates all agreements between the parties. It can only be amended by written agreement signed by both parties.

13. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia.

Director, Continuing Education

Company Representative

Dean
Faculty Member

Department,

Department Head

CE, Faculty Member

Required Attachments:

- A: Participating Faculty, Staff, Students, Required Services, and Deliverables
- B: Payment and Rate Schedule
- C: Comprehensive Budget
- D: Use/Cost of University Facilities

3/20/01

TECHNICAL ASSISTANCE PROGRAM Agreement

Internal Procedures and Guidelines for Implementation

Purpose: The Technical Assistance Program is a university-sponsored consulting activity for a faculty member to respond quickly to an identified market need requiring technical expertise. TAPs are intended to strengthen university and individual faculty relationships with businesses and result in increased sponsored projects from those businesses. This document identifies the basic services of Continuing Education and the associated pricing, faculty services, and overhead distribution in a Technical Assistance Program agreement.

Scope of Work: Faculty, staff, and students are applying knowledge to a specific process-related or technical situation and NOT generating new knowledge or intellectual property. These activities are typically short in duration and do not exceed \$25,000.

CE Services

Contract Development and Management:

- * Contact the Associate Dean for Outreach/Research in the appropriate college(s) to identify the most likely department(s) to respond to an external request for assistance.
- * Assist the faculty member with contract development, including due dates, deliverables, and payment schedules and amounts
- * Secure review and approval of contract by University Counsel
- * Obtain appropriate signatures on the contract and distribute copies to all parties

Program Management:

- * Coordinate with the faculty member regarding the processing of no more than ten transactions associated with direct pay to faculty and payments to students, travel reimbursements, and purchase of supplies/materials to fulfill the contract

Financial Management:

- * Develop a budget, including the number of days of faculty time
- * Invoice the client
- * Collect the revenue
- * Process all disbursements, including direct pay to faculty, travel, equipment, graduate assistantships, and similar expenses; buyout of time for full time graduate students; and direct pay to part time students and classified staff (with appropriate approvals)
- * Distribute surplus and overhead to the appropriate college/department unit
- * Prepare a closing financial statement

Service Fees:

Scenario A: for projects under \$2,500 in direct cost* and a maximum of five financial , the CE service fee would be \$200 plus a 20% share of the overhead**

Scenario B: for projects from \$2,500 - \$25,000 in direct cost* and a maximum of ten financial transactions, the CE service fee would be \$400 plus a 20% share of the overhead**

Scenario C: for projects exceeding \$25,000, the CE service fee will be negotiated separately between Continuing Education, the academic department, and the Office of Sponsored Programs)

* direct cost: faculty pay (direct pay to the faculty member, buyout of graduate student time as part of an assistantship, fringe benefits, supplies, etc.; excluding equipment, travel, etc. [same definition of direct cost as with a sponsored project]); buyout of faculty time and direct pay to graduate students exceeding 20 hours per week are not available under a TAP

** overhead will be charged at the normal rate for sponsored projects

Faculty Services

- * Develop content of proposal to address client's need
- * Work directly with client on the contract
- * Meet interim milestones
- * Provide deliverables to the client at the conclusion of the contract

Overhead Distribution Percentages:

Current model for research contracts by Office of Sponsored Programs:

- 47% - College/Department
- 30% - Commonwealth of Virginia
- 13% - Capital Fund
- 10% - Research and Graduate Studies

Model for Technical Assistance Program:

- 30% - Commonwealth of Virginia
- 50% - College/Department
- 20% - Continuing Education

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