

MEMORANDUM OF UNDERSTANDING
Between RAND and UCLA
September, 2002

INTRODUCTION

The University of California, Los Angeles (UCLA) and RAND have a long and productive history of collaboration and cooperation in the area of health services research and education. This relationship has built and operated one of the country's foremost centers of excellence and innovation and has brought many benefits to both institutions, as well as to the community and nation. Given the benefit that this relationship has accrued to both organizations, UCLA and RAND each wish not only to continue, but also to strengthen, expand and extend these ties. While specifically addressing the UCLA/RAND relationship in the broad area of health services research and education, this Memorandum of Understanding (MOU) is also intended to provide the basis upon which other UCLA/RAND collaborations might develop and flourish. With this understanding, the MOU establishes a formal relationship between UCLA and RAND in the health services area.

The fundamental principle underlying this MOU is that the working relationship between RAND and UCLA should be grounded in and supportive of each institution's mission, policies and procedures. On this basis, RAND and UCLA hereby agree as follows:

I. PROPOSAL SUBMISSION AND AWARD ADMINISTRATION

1. Generally, RAND staff and UCLA faculty are to submit their health services proposals through the institution where the majority of the work is to be conducted. However, the selection of the institution through which proposals will be submitted is to be based on an assessment of how best to maximize the chances for funding success and will take into consideration factors as, for example, available infrastructure support, the extent of institutional investment in the proposal development process, the history of previous support from the funding source, issues related to organizational recognition and the existence of prior successful programs upon which the proposal in question seeks to build and extend.
2. Within the health services area, submission of research or education proposals through either institution shall be seen as benefiting both institutions, in accordance with conditions outlined above. Recognizing this, RAND hereby grants authorization to its researchers to participate in the UCLA Clinical Scholars Program. UCLA hereby grants authorization to those employees who are otherwise eligible to serve as Principal Investigators under UCLA policy either automatically or by exception, to submit health services

proposals or serve as investigators either through UCLA, or under an approval policy established by the cognizant Dean that is consistent with the intent of this MOU, through RAND.

3. RAND and UCLA will provide each other with annual reports, consistent with each institution's information capabilities, describing proposals and awards on which employees of the other institution serve as paid Investigators. The RAND Executive Vice President and the UCLA Vice Chancellor – Research will serve as points-of-contact for this purpose.
4. When a health services proposal is submitted through RAND using employees whose primary employment is by UCLA but who will be paid by RAND as RAND affiliated adjunct staff, RAND will budget for the individual's compensation and proportionate share of benefits provided by UCLA taking into consideration the individual's UCLA salary, the applicable NIH salary cap and other factors. Details regarding the UCLA-provided benefits to be budgeted by RAND will be documented in a subsequent amendment. For all UCLA faculty who are members of a UCLA Health Science Compensation Plan and who are Affiliated Adjunct Staff at RAND, RAND will remit all compensation and reimbursement for the proportionate benefits directly to UCLA. For UCLA faculty who are Adjunct Staff at RAND, RAND will pay the individual directly. For RAND staff employed directly on UCLA projects, UCLA will remit payment to the individual.
5. When work is to be conducted at both institutions, it will be funded by subcontracts using the then-current, auditable salary, benefits, and facilities and administrative (indirect cost) rates of the subcontract recipient. The terms of the subcontract, including intellectual property terms, will govern the legal relationship between the parties. RAND staff and UCLA faculty may serve as PI of the primary project and PI of any resulting subcontracts if they are affiliated with both institutions.
6. RAND and UCLA agree to work toward streamlining the Institutional Review Board (IRB) approval process for health services research including the possibility of establishing a joint IRB or other coordinated review process. Details will be documented in a subsequent amendment.

II. JOINT RECRUITMENT AND APPOINTMENTS

1. Currently, three individuals hold joint appointments at RAND and UCLA. They make significant contributions to the research and education programs of both institutions. To further encourage such mutually beneficial arrangements, RAND and UCLA agree to expand the number of joint appointees.

2. RAND staff selected to teach at UCLA will be proposed for Adjunct Faculty appointments in accordance with established University procedures.
3. Both institutions recognize that the joint appointment of the Vice President and Director of the RAND Health Division at both RAND and UCLA is mutually beneficial to both organizations. Accordingly RAND and UCLA agree to explore the feasibility of jointly recruiting a successor to the current Vice President and Director of the RAND Health Division when the position becomes vacant.

III. INTELLECTUAL PROPERTY

1. RAND and the UCLA are committed to making the results of their research available to the public through publication and other dissemination means.
2. RAND and UCLA both require their employees to assign to their institution all inventions and patents first conceived and/or actually reduced to practice as part of their employee status.
3. Subject Inventions and Copyrights (defined below) made at UCLA solely by employees of UCLA without use of RAND research facilities will belong to UCLA whether or not they are also employed by RAND. Subject Inventions and Copyrights (defined below) made at RAND solely by individuals employed by RAND without use of UCLA research facilities will belong to RAND whether or not they are also UCLA employees. All other Subject inventions and Copyrights will be jointly owned unless they are the result of work conducted under a subcontract in which case the terms of the subcontract will define ownership of Subject Inventions and Copyrights.
4. In the event that acceptance of a health services project award by RAND is conditional upon granting intellectual property rights to the funding source, including ownership in or unrestricted access to research data and to Subject Inventions and Copyrights. UCLA hereby agrees to not assert its rights in said intellectual property, if doing so prevents RAND from meeting its legal obligations to the funding source.
5. As used in this MOU, "Subject Inventions" are defined as patentable inventions conceived and reduced to practice by RAND and/or UCLA employees in performance of health services projects conducted within the scope of this MOU. Inventorship of Subject Inventions will be determined in accordance with U.S. Patent Law. Further, "Subject Copyrights" are defined as copyrightable sponsored works created by RAND or UCLA employees in performance of said projects.

6. For UCLA faculty, including those engaged by RAND as Adjunct Affiliated Staff, ownership of copyright of scholarly works will reside in the originator unless those scholarly works are also sponsored works (i.e., are Subject Copyrights as defined above). In the latter case, ownership will be determined in accordance with the terms and conditions of the sponsored agreement.
7. In the event that any subcontracts are executed under the scope of this MOU, the subrecipient will grant to the prime recipient a non-exclusive, royalty-free, irrevocable worldwide license to that intellectual property for their non-commercial, education and research purposes only.
8. Within a reasonable period of time after the disclosure of Subject Inventions and Copyrights and prior to either party entering into any commercial agreements regarding jointly owned Subject Inventions and Copyrights, the parties will enter into appropriate contractual agreements to manage the intellectual property and share revenues received for such joint intellectual property.

IV. OTHER

1. RAND agrees to continue to use its internal investment resources, as determined by the Vice President and Director of the RAND Health Division, to support RAND-affiliated UCLA faculty who work on developing programs of mutual interest.
2. RAND and UCLA agree to:
 - Coordinate the dissemination of research results and give proper attribution to each other in all publications based on involvement of employees from both institutions.
 - Cooperate on fund raising efforts to support initiatives and activities of mutual interest.
 - Work with the National Institutes of Health to enable NIH-supported grants awarded to RAND where the PI is a UCLA faculty member to be "counted" as an award to UCLA.
3. The individuals responsible for the oversight of this MOU are:

RAND:

Executive Vice President

UCLA:

Vice Chancellor – Research

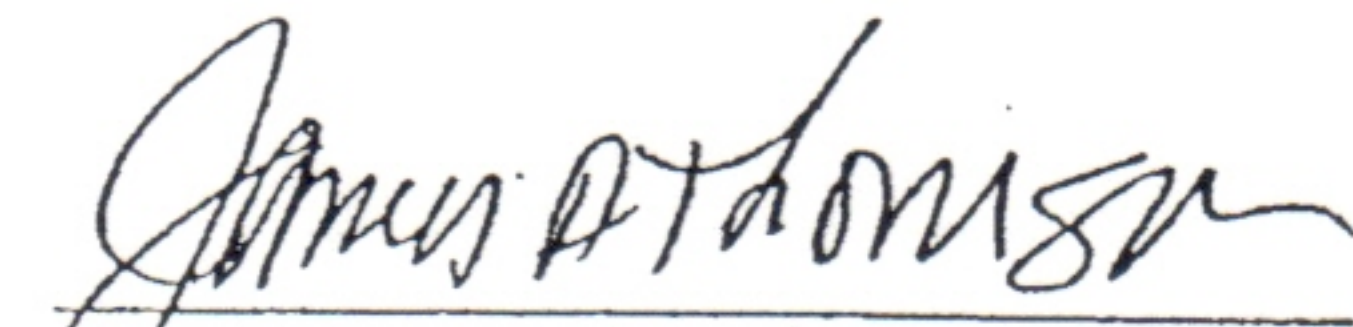
At minimum, this oversight will include a review of the status of this MOU every two years and recommendations for any changes that may be needed to strengthen the ties between UCLA and RAND. Examples of specific areas that may be examined during oversight reviews include the extent to which existing collaborations serve institutions, the academic progress of RAND-affiliated UCLA faculty, and the quantity and quality of research and education projects undertaken. Ad hoc Review Boards consisting of an equal number of UCLA and RAND representatives may be convened to facilitate these reviews.

4. This MOU will become effective upon its full execution. Either party may terminate its participation in this MOU by providing the other party with no less than six (6) months written notification of its intentions to do so.
5. This MOU may only be modified with the written consent of the parties hereto.

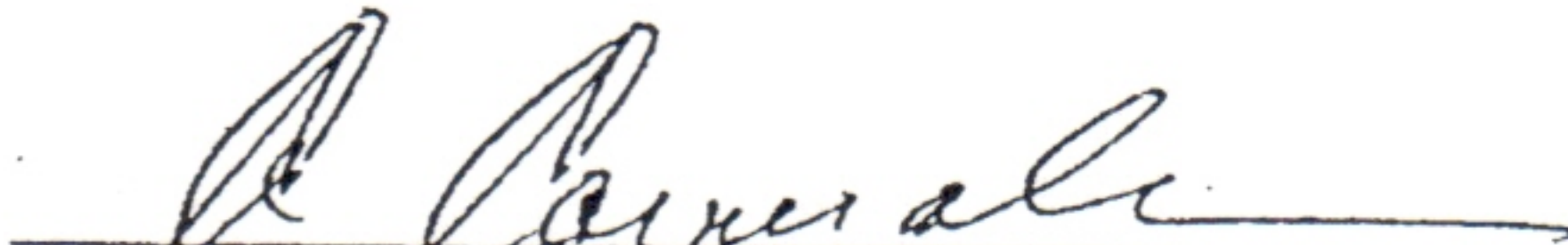
AGREED TO:

On behalf of RAND:

On behalf of UCLA:



James A. Thomson
President and CEO



Albert Carnesale
Chancellor