

Memorandum of Understanding For the e-INNOVATE Initiative

Between the
U.S. Departments of USDX, Y, and Z

Sample Agreement
(Hypothetical)

Adapted from a MOU Agreement Drafted by Jim Kendrick, CMC
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I. Background

This section provides context about the need for the Memorandum of Understanding (MOU), and it may cite pertinent Federal laws, priorities, and guidance by oversight agencies that establish the importance of the initiative.

In response to these requirements and other guidance, the U.S. Department of Example (USDX) has developed a pilot Web-based system known as e-INNOVATE to track and analyze promising practices for Management Reform (MR) in Federal agencies. E-INNOVATE is a knowledge management system with analytic tools. It identifies and organizes information about management initiatives underway, encourages collaboration between senior managers, and uses performance measures to report updated results on a quarterly basis. In addition, the e-INNOVATE system maps initiatives to the Federal Enterprise Architecture components, as well as to the President's Management Agenda. Participating agencies can also customize e-INNOVATE so that it maps management reforms to each agency's annual performance plan.

E-INNOVATE is a tool that is potentially applicable to many federal organizations, particularly if support is provided for the tool's further development and enhancement. "Early adopter" agencies have currently installed E-INNOVATE and are using it as a repository for their management reforms that seek to strengthen mission and program results. These agencies, which include the parties initiating this Memorandum of Understanding, have also separately identified modifications and enhancements to E-INNOVATE needed to make it a viable tool for their MR efforts.

II. Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish the Interagency E-INNOVATE Group that shall further develop, enhance and maintain E-INNOVATE as an effective and cost-efficient automated tool that meets the Management Reform (MR) needs of many agencies within the federal Executive Branch. The agencies further seek to minimize duplication of costs, share best practices in the use of E-INNOVATE, and sponsor an Open Software approach to system enhancement.

III. Responsibilities

A. Governing Board

The affairs of the Interagency E-INNOVATE Group shall be under the direction of the E-INNOVATE Governing Board (Board), which will consist of three to seven Board members. The Managing Agency, as defined in III.F., shall appoint a representative to chair the Board. The initial number of Board members shall be three, with one representative each from USDX, the U.S. Department of Y, and the U.S. Department of Z.

Responsibilities of the Board shall encompass:

- a. Approving the E-INNOVATE budget and all expenditures including acquisitions
- b. Making funding requests to Federal agencies who participate in the E-INNOVATE Group
- c. Approving and evaluating contractor support including an E-INNOVATE Manager or other personnel funded through the E-INNOVATE Group
- d. Amending this agreement to include additional Federal agencies
- e. Accepting or refusing applications for E-INNOVATE Contributor status
- f. Issuing an annual report that summarizes the status of the Interagency E-INNOVATE Group
- g. Updating the Addenda to this MOU which shall encompass:
 - Addendum A, Funding
 - Addendum B, Acquisition
 - Addendum C, Guidelines for Subscribing Agencies
 - Addendum D, Authority and Accountability of the Managing Agency and its Chair
 - Addendum E, E-INNOVATE Policies for Open Source Software
 - Addendum F, Guidelines for Contributors
 - Addendum G, Operating Procedures of the Interagency E-INNOVATE Group (Bylaws)

B. Subscribing Agencies

The initial Subscribing Agencies are USDX, the U.S. Department of Y, and the U.S. Department of Z. Additional organizations within the United States Government may become Subscribing Agencies by executing this MOU and adhering to the terms of participation including Addendum C, Guidelines for Subscribing Agencies.

C. Meetings and the Appointment of Representatives to the Governing Board

The Interagency E-INNOVATE Group expects Subscribing Agencies to participate actively in ongoing meetings conducted throughout the year. In addition, agency representatives will participate in Annual Meetings to be conducted in February of each year. The agenda of the Annual Meetings will include: an election of representatives to the Board, an annual progress report, plans and priorities for the future, a financial report for the previous Fiscal Year, and a discussion of current and future budget requirements.

The three initial agencies shall continue to provide representatives to the Board throughout the period of agreement. Beginning in February 2003, other Subscribing Agencies may appoint up to four additional members to the Governing Board, who shall each serve a one-year term. No more than one representative per agency shall be appointed to the Board. The representative of the Managing Agency will continue to chair the Governing Board.

D. Users

The E-INNOVATE Open Software and code are available for use without cost by anyone in the public or private sector, subject to the terms and conditions of the Licensing Agreement, as developed and approved by the Governing Board.

E. Contributors

Contributors shall be officially recognized individuals or organizations who assist the E-INNOVATE initiative and the Open Source software process, as provided by the Addendum F.

F. Managing Agency

The Managing Agent shall serve as the business agent for the Interagency E-INNOVATE Group, subject to the provisions of Addendum D. The U.S. Department of Example (USDX) is designated as the Managing Agency.

IV. Limitations

Business activities such as financial management and procurement shall be subject to the policies, procedures, and underlying laws applicable to the Managing Agency. In addition:

- a. E-INNOVATE software, code, and related information shall remain the property of the United States Government and copyrighted by the United States Government.
- b. All software and code shall be Open Source, available to all users without royalties or fees, except for incidental expenses that the Governing Board may approve.

V. Period of Agreement

This agreement becomes effective on the date of the last signature and continues for five years. It may be modified by mutual written consent of the three parties. This agreement may include other federal organizations as stipulated in Article III.B. Any party upon a 60-day advance written notice to the other parties may terminate their participation in this agreement. The Subscriber Agencies and the Governing Board may consider the development of a new agreement upon expiration of this MOU.

VI. Acceptance and Approval of Authorizing Officials:

For the U.S. Department of Example (USDX):

Signed _____
Jane R. Sanchez
Assistant Secretary for Management
U.S. Department of Example
Date:

For the U.S. Department of Y:

Signed _____
Jeremy Golden
Deputy Secretary
U.S. Department of Y
Date:

For the U.S. Department of Z:

Signed _____
Albert W. Smith
Assistant Secretary
U.S. Department of Z
Date:

Addendum A, Funding

The initial Subscribing Agencies intend to commit at least \$100,000 each to this initiative, and such funding will be transferred to the Managing Agency (USDx) according to the provisions of Addendum D. Additional agencies who subscribe will be expected to commit funding in an amount commensurate with their size. Funding for future years is subject to the availability of appropriated funds.

The Board will prepare a multi-year budget plan for an E-INNOVATE 5-year lifecycle, which may be amended with the concurrence of Subscribing Agencies, either at the Annual Meeting or a specially called meeting. The Board will also prepare funding requests for support at various times. Funding requests will be formulated after conferring with all Subscribing Agencies.

Addendum B, Expenditures and Acquisitions

The Board shall approve all expenditures including acquisitions (contracting and purchasing). This includes development of orders, Statements of Work, and task descriptions. In addition, the Board shall:

- a. Approve contractor support including the appointment of an E-INNOVATE Manager
- b. Appoint review committees for competitive acquisitions
- c. Review contractor performance and recommend renewal or non-renewal of contracts
- d. Provide comments and feedback about COTS products and other commercial items.

All participation by the Board shall conform to the applicable policies and procedures of the Managing Agency.

Addendum C, Guidelines for Subscribing Agencies

This addendum will define the responsibilities of Subscribing Agencies. An obligation of agency participation is active involvement including:

- a. Regular attendance at meetings
- b. Financial support and in-kind resources, based upon annual budget plans
- c. Use, evaluation, and improvement of source code and related materials
- d. Active assistance by agency staff as Contributors
- e. Addition to the knowledge base about E-INNOVATE and best practices in its use.

Each agency's representative to the Governing Board must be an active participant.

Addendum D, Authority and Accountability of the Managing Agency and Its Chair

The U.S. Department of Example (USDX) shall be the Managing Agency, serving as the business agent of the Interagency E-INNOVATE Group. This includes financial management, accounting, financial reporting, logistics, and procurement support. The Managing Agency will:

- a. Designate a representative who shall serve as Chair of the Interagency E-INNOVATE Group.
- b. Advise the Governing Board about agency financial management, acquisition, and other business management policies and procedures.
- c. Designate a funding account to which Subscribing Agencies will transfer money.
- d. Provide quarterly statements that are accessible to the Department of the Treasury and the Subscriber Agencies.
- e. Return any unobligated funds upon completion of this agreement or upon termination of this initiative.
- f. Make purchases and obtain contractor support, based on the requirements defined by the Governing Board—and implemented in accord with the Managing Agency's acquisition policies and procedures.
- g. File for and obtain copyrights for E-INNOVATE intellectual property, including code, through the Head of the Managing Agency and on behalf of the United States Government.
- h. Provide a Contracting Officer.
- i. Provide a qualified Project Officer (Contracting Officer's Technical Representative), to be designated by the USDX Governing Board Chair and approved by the Board.

The representative of the Managing Agency shall serve as Chair of the Governing Board.

Addendum E, E-INNOVATE Policies for Open Source Software

Under this addendum, the Governing Board will state policies for establishing E-INNOVATE as Open Source Software that is owned by the United States Government. This statement will define how the Interagency E-INNOVATE Group defines and will implement an Open Source approach. It may also define policies for copyright, software licensing, revisions, quality control, SDLC management, security, documentation, and other matters.

Addendum F, Guidelines for Contributors

This addendum will provide guidelines for participating as a recognized E-INNOVATE Contributor. Such Contributors may be from the public or private sectors, or unaffiliated, but must:

- a. Apply to and receive the concurrence of the Board for recognition as a Contributor
- b. Agree to the policies and procedures established by the Governing Board including all applicable addenda
- c. Accept the Open Source approach including any applicable copyright and licensing restrictions
- d. Agree to make every contribution available to all users without cost and without proprietary restrictions.

The Board has the authority to terminate Contributor status at any time if it deems that such a termination is appropriate for maintaining the spirit and intent of this Memorandum of Understanding.

Addendum G, Operating Procedures for the Interagency E-INNOVATE Group (Bylaws)

Through this addendum, the Board will establish operating procedures for carrying out the work of the Interagency E-INNOVATE Group.

Addendum H, Governing Board

This addendum identifies the members of the Governing Board. The Board shall update this roster as members are added or replaced. The initial members of the Board are:

For the U.S. Department of Example (chairing the Board):

Name
Title
Mailing Address
Phone
E-mail
Fax

For the U.S. Department of Y:

Name
Title
Mailing Address
Phone
E-mail
Fax

For the U.S. Department of Z:

Name
Title
Mailing Address
Phone
E-mail
Fax