DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
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SECNAVINST 3900.40C
ONR 36
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SECNAV INSTRUCTION 3900.40C

From: Secretary of the Navy

Subj: POLICY AND ASSIGNMENT OF RESPONSIBILITIES FOR THE INDEPENDENT RESEARCH AND DEVELOPMENT (IR&D) PROGRAM

Ref: (a) DoD Directive 3204.1 of 10 May 99 (NOTAL)
(b) Section 2372 of Title 10, United States Code
(c) Federal Acquisition Regulation, Subpart 31.205-18, "Independent Research and Development and Bid and Proposal Costs," 9 Feb 98
(d) Defense FAR Supplement, Subpart 231.205-18, "Independent Research and Development and Bid and Proposal Costs," 23 Feb 99; and Subpart 242.771, "Independent Research and Development/Bid and Proposal," 23 Feb 99
(e) DoD Instruction 3200.14 of 13 May 97 (NOTAL)

1. Purpose. To implement, establish policy, and assign responsibility for the Department of the Navy (DON) Independent Research and Development activities, under references (a) through (e). This is a complete revision and should be read in its entirety.

2. Cancellation. SECNAVINST 3900.40B.

3. Scope. This instruction is applicable to all commands and activities within DON responsible for the management, administration, and execution of DON activities supporting IR&D.

4. Definition. Independent Research and Development. Research and Development (R&D) effort that is neither sponsored by a grant, nor required in performing a contract, and which falls under any of the following four areas; applied research, basic research, development, and systems and other concept formulation studies.

5. Policy. It is DON policy that industrial IR&D activities may further national security in a broad sense, lead to a superior

military capability, or lower the cost and time required for providing that capability, and that there is a need to make DON scientific and technical information available to eligible contractors and potential contractors. These activities shall be carried out per references (a) through (e).

6. Responsibilities

a. The Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN(RD&A)) shall be responsible for all IR&D technical policy and guidance matters within the DON.

b. The Chief of Naval Research (CNR) shall:

(1) Be responsible for science and technology policy as it relates to IR&D within the DON.

(2) Name a senior science and technology manager to represent the DON on the Department of Defense (DoD) Technical Coordination Group.

(3) Name a program manager for DON activities in support of IR&D. This manager shall:

(a) Coordinate, direct, and manage DON activities in support of IR&D per established policies, this directive, and the directions of higher authority.

(b) Encourage communication of IR&D information within the DON.

(c) Ensure communication of DON needs, interests, and priorities to contractors.

(d) Represent the DON with industry.

(e) Chair an IR&D Working Group to coordinate technical aspects of IR&D within DON.

c. The Chief of Naval Operations and the Commandant of the Marine Corps shall provide the Navy Acquisition, Research and Development Center (NARDIC) with available information for industry planning and research in bounds set by security,

intellectual property rights, fairness in competition, and good business practice. Information to be provided includes the Navy and Marine Corps R&D plans, mission needs, and operational requirements.

d. The Heads of DON activities with ongoing naval R&D programs shall ensure that their staffs who plan and introduce new in-house and contract R&D projects search the IR&D database to determine whether the proposed work duplicates substantial contractor IR&D efforts, and designate a focal point for IR&D activities.

e. The Heads of DON acquisition activities shall recognize industry IR&D costs as reimbursable overhead costs necessary in a high technology environment per references (c) and (d); search the IR&D database and make maximum use of industry IR&D programs when planning, programming, and budgeting for DON acquisition; provide the NARDIC with available information for industry planning and research in bounds set by security, intellectual property rights, fairness in competition and good business practice; and designate a representative to the DON IR&D Working Group.

7. Action. Responsible entities shall take the necessary steps to implement DON IR&D as outlined in this instruction.

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