# License Rights (LR)

<This section should be tailored to the specific solicitation. If applicable, consider providing a spreadsheet to offerors for submission of the requested/required information. Consider identifying which data automatically comes with specific rights for the Government. License rights should typically be included in the total evaluated price. Analysis of proposed prices must be addressed in the cost/price evaluation part of in Section M.>

Section L

The offeror shall submit a complete proposal of all data deliverables necessary to support OMIT; modernization; and sustainment; and future full and open competition. including a plan to mitigate hindrances to sustainment, for organic and/or third-party sustainment of <Program Title>

The proposal shall identify and describe the proposed license rights, or a statement that no license rights are proposed, and background patent rights that will be provided to the Government. The proposed license rights shall clearly outline all terms and conditions required to grant license rights with clear definitions as to what conditions are required to activate the granting and maintenance of the license rights. The proposal shall identify how the proposed rights in <technical data deliverables and/or software deliverables> will support sustainment, for organic and/or third-party sustainment, and/or a plan to mitigate hindrances to sustainment, for organic and/or third-party sustainment of <Program Title>.

The proposal must clearly cross reference all costs/prices to the Government listed in the cost/price volume, and include any minimum quantity required to be purchased by the Government, the cost/price to purchase the Technical Data Package (TDP) or rights in offeror's background patents, minimum time in months to acquire license and patent rights, and limitations that may be imposed. .

The license rights may be realized through a royalty, minimum units to be purchased, lump sum license fee, or alternative approach for the license rights. If the offeror elects to submit a lump sum fee for license rights, the offeror shall specify that a portion of the proposed lump sum price that is associated with the cost to the Government to obtain these rights to background IP.

The actual level of license rights, patent rights, and patents and/or patent application(s) covered by the licenses provided by the offeror will be listed or described and incorporated in <Section J> of the resultant contract.

It is important to note that an offeror's proposal will not be considered not to meet the requirements of the solicitation or be determined ineligible for contract award if the offeror does not sell or otherwise relinquish data license rights (related to privately developed items, components, and processes) to the Government (with the exception of the license rights provided under DFARS 252.227-7013, 252.227-7014, and 252.227-7015). However, strengths may be assigned to an offeror's proposal related to the aforementioned evaluation criteria related to the aforementioned competitive procurement goals. Therefore, it would be prudent for offerors to consider this when drafting a proposal. Furthermore, this solicitation and evaluation criteria are not intended to dissuade the use of commercial hardware components or software. Lastly, this solicitation does not require offerors to refrain from offering to use, or from using, items, components, or processes that were developed at private expense [See 10 USC 3771(a)(2)].

Put in the pricing submission section: The pricing shall be provided for each separate instance of

data deliverables for which limited rights or background patent rights are claimed. The offeror shall provide a brief description of the methodology or rationale used in determining the value of license rights for each separate instance of data deliverables claimed. The offeror shall provide an itemized list of these costs/prices in the cost/price section or volume of the offeror's proposal.

If the offeror is proposing trademark license rights, and if additional costs are to be incurred by the Government, then the offeror shall provide an itemized list of these additional costs in the cost/pricing section and/or volume of the offeror's proposal.

Any royalty costs/prices for third-party patents for use in the contract shall be disclosed in accordance with FAR 52.227-6

Section M

The Government will evaluate the proposal to determine the extent to which the proposal identified all data deliverables necessary to support OMIT; modernization; and sustainment; and future full and open competition, and the extent to which the offeror identifies the license rights and background patent rights that will be provided to the Government. The Government will evaluate how the proposed rights in <technical data deliverables and/or software deliverables> will support sustainment, for organic and/or third-party sustainment, and/or the proposed plan to mitigate hindrances to sustainment, for organic and/or third-party sustainment of <Program Title>. The Government will evaluate the proposed license rights, or confirm that a statement that "no license rights are proposed" was included, and what background patent rights will be provided to the Government.

**Parent topic:** CHAPTER 9 Templates – Sections L & M