



## DoD INSTRUCTION 5000.77

# DoD FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER (FFRDC) PROGRAM

---

<b>Originating Component:</b>	Office of the Under Secretary of Defense for Research and Engineering
<b>Effective:</b>	January 31, 2018
<b>Change 2 Effective</b>	November 6, 2019
<b>Releasability:</b>	Cleared for public release. Available on the Directives Division Website at <a href="https://www.esd.whs.mil/DD/">https://www.esd.whs.mil/DD/</a> .
<b>Approved by:</b>	Ellen M. Lord, Under Secretary of Defense for Acquisition, Technology, and Logistics
<b>Change 2 Approved by:</b>	Michael D. Griffin, Under Secretary of Defense for Research and Engineering

---

**Purpose:** In accordance with the authority in DoD Directive (DoDD) 5134.01 and the July 13, 2018 Deputy Secretary of Defense Memorandum, this issuance:

- Establishes the DoD FFRDC Program.
- Establishes policy, assigns responsibilities, and prescribes procedures for establishing, terminating, managing the use of, and overseeing DoD-sponsored FFRDCs pursuant to Section 2367 of Title 10, United States Code (U.S.C.); Section 8025 of Public Law (PL) 115-31 (also known as the “Consolidated Appropriations Act, 2017”), or a similar annually recurring provision if enacted in subsequent years; Part 35.017 of the Federal Acquisition Regulation (FAR); and Part 235.017 of the Defense Federal Acquisition Regulation Supplement (DFARS).
- Establishes management structure and policy for the acquisition of DoD FFRDC services to meet the requirements of Section 2330 of Title 10, U.S.C. and exempts FFRDC services acquisition from DoD Instruction (DoDI) 5000.74.
- Supersedes the FFRDC Management Plan portion of the May 2, 2011, Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) Memorandum.

## TABLE OF CONTENTS

SECTION 1: GENERAL ISSUANCE INFORMATION .....	4
1.1. Applicability .....	4
1.2. Policy .....	4
1.3. Information Collections .....	4
1.4. Summary of Change .....	5
SECTION 2: RESPONSIBILITIES .....	6
2.1. USD(R&E)) .....	6
2.2. Deputy Director, Research, Technology, and Laboratories (RTL) .....	6
2.3. Under Secretary of Defense for Intelligence (USD(I)) .....	7
2.4. DoD Component Heads .....	7
SECTION 3: FFRDC OVERSIGHT .....	8
3.1. General .....	8
3.2. Oversight Process .....	8
SECTION 4: PRIMARY SPONSOR .....	15
4.1. Authority .....	15
4.2. Responsibilities .....	15
SECTION 5: SPONSORING AGREEMENTS .....	18
5.1. Authority .....	18
5.2. General .....	18
5.3. Content .....	18
SECTION 6: WORK SPONSORS .....	21
6.1. General .....	21
6.2. Responsibilities .....	21
SECTION 7: PREVENTING CONFLICTS OF INTEREST .....	23
7.1. Authority .....	23
7.2. General .....	23
SECTION 8: STE .....	24
8.1. Authority .....	24
8.2. General .....	24
8.3. Procedures .....	24
SECTION 9: FFRDC FEE DETERMINATION POLICIES AND PROCEDURES .....	26
9.1. Authority .....	26
9.2. General .....	26
SECTION 10: COMPREHENSIVE REVIEW GUIDELINES .....	28
10.1. Authority .....	28
10.2. General .....	28
GLOSSARY .....	30
G.1. Acronyms .....	30
G.2. Definitions .....	30
REFERENCES .....	34

TABLES

Table 1. DoD FFRDCs, Parent Organizations, and Primary Sponsors ..... 13  
Table 2. Documentation and Reporting Requirements for FFRDC Management..... 14

## **SECTION 1: GENERAL ISSUANCE INFORMATION**

**1.1. APPLICABILITY.** This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

**1.2. POLICY.** It is DoD policy to:

a. Establish and maintain DoD-sponsored FFRDCs (referred to in this issuance as “FFRDCs”) that:

(1) Operate in the public interest with objectivity and independence befitting their special relationship with the U.S. Government; be free from organizational and personal conflicts of interest (COIs); provide full disclosure of their affairs to the appropriate DoD sponsoring agency; and contribute to the body of knowledge and practice within their domains of expertise.

(2) Maintain long-term competencies and capabilities to meet DoD needs, including engineering, research, development, and analysis, that cannot be met by governmental or other private sector resources as effectively.

(3) Facilitate the transition of new ideas and technology to the DoD’s programs and operations.

b. Use FFRDCs to complement government expertise in addressing challenges that are integral to the DoD’s mission and operation.

c. Not use FFRDC personnel in lieu of government personnel or support contractors or to perform inherently governmental functions.

d. Establish and maintain criteria for the management and oversight of FFRDC use.

e. Establish and maintain strategic long-term relationships with sponsored FFRDCs.

f. Manage FFRDC work by staff years of technical effort (STE) within constraints set by Congress and consistent with DoD requirements, priorities, and strategy.

g. Provide FFRDCs with access, to the maximum extent practicable and as permitted by law, beyond that which is common to the normal contractual relationship. This includes access to government and supplier data (including sensitive and proprietary data), employees, installations, equipment, and real property.

**1.3 INFORMATION COLLECTIONS.** The FFRDC contract data collection, referred to in Paragraph 4.2.t. of this issuance, does not require licensing with a report control symbol in accordance with Enclosure 3, Paragraphs 7 and 10 of Volume 1 of DoD Manual 8910.01.

**1.4. SUMMARY OF CHANGE 2**—The changes to this issuance are administrative in nature; the change updates organizational symbols, and references for accuracy.

## **SECTION 2: RESPONSIBILITIES**

### **2.1. USD(R&E)).** The USD(R&E):

- a. Establishes and maintains the DoD FFRDC Program.
- b. Establishes policies and prescribes procedures for FFRDC oversight.
- c. Establishes and, based on results of comprehensive reviews, continues or terminates FFRDCs.
- d. Establishes and maintains strategic long-term relationships between the DoD and FFRDCs.
- e. Maintains cognizance of the operation of DoD FFRDCs.
- f. Assigns a DoD primary sponsor (referred to in this issuance as a “primary sponsor”) for each FFRDC.
- g. Approves sponsoring agreements between primary sponsors and FFRDC parent organizations. See Section 5 for further details.
- h. Upon the primary sponsor’s notification of intent to initiate a comprehensive review, provides the primary sponsor with any special review requirements beyond those required by the FAR.
- i. Reviews and approves all FFRDC comprehensive review results.
- j. Ensures compliance with the Defense STE limitation established in the annual Department of Defense Appropriations Act (excluding STE funded in the National Intelligence Program (NIP) and Military Intelligence Program (MIP) appropriations).
- k. Provides annual reports to Congress on:
  - (1) The amount of Defense STE to be allocated to each FFRDC and associated budget estimates for the upcoming budget year.
  - (2) The amount of Defense STE funded and associated obligations incurred for each FFRDC as of the end of the Fiscal Year (FY).
- l. Chairs an annual meeting with primary sponsors and FFRDC directors to provide a DoD strategic update and review DoD priorities.

### **2.2. DEPUTY DIRECTOR, RESEARCH, TECHNOLOGY, AND LABORATORIES (RTL).** Under the authority, direction, and control of the USD(R&E), the Deputy Director, RTL:

- a. Develops and implements FFRDC policies and procedures to effectively operate and manage the DoD FFRDC Program.
- b. Supports strategic long-term relationships between the DoD and its FFRDCs.
- c. Assesses requests for establishing or terminating an FFRDC and prepares a recommendation for USD(R&E) decision and any required justification.
- d. Assesses requests for assignment or reassignment of primary sponsors and prepares recommendations for USD(R&E) decision.
- e. Reviews sponsoring agreements and provides recommendations for USD(R&E) decision.
- f. Assesses each primary sponsor's comprehensive review report and provides recommendations for USD(R&E) approval or corrective action.
- g. Allocates the total amount of Defense STE allowed annually by the congressional limitation among the primary sponsors and establishes a funding limitation associated with each allocation.
- h. Develops annual congressional reports addressing Defense STE allocation plans and Defense STE funded with associated obligations incurred as of the end of each FY.

**2.3. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE (USD(I)).** In accordance with DoDD, 5143.01, the USD(I) oversees the MIP STE allocation and associated funding limit, consistent with military intelligence requirements, priorities, and strategy.

**2.4. DOD COMPONENT HEADS.** The DoD Component heads:

- a. Will adhere to FFRDC policy and guidance when developing and implementing operational procedures.
- b. In support of DoD requirements, will tailor their contractual, financial, security, and administrative procedures to facilitate the efficient administration and operation of FFRDCs.
- c. For assisted acquisitions between DoD Components for FFRDC work, will use DD Form 448, Military Interdepartmental Purchase Request (MIPR) to document the essential terms and conditions of their agreement in lieu of a separate support agreement, provided that the MIPR can satisfy requirements of Subparts 17.502-1 and 17-502-2 of the FAR. Written agreements for service fees or charges required by the DoD servicing agency are not precluded.

## **SECTION 3: FFRDC OVERSIGHT**

### **3.1. GENERAL.**

a. The DoD FFRDC Program is established to:

- (1) Promulgate and maintain policies and procedures for FFRDC oversight.
- (2) Manage the use of FFRDCs.
- (3) Enable FFRDCs to support DoD.

b. The FFRDCs are grouped into three categories: research and development laboratories, study and analysis centers, and systems engineering and integration centers. The categories are consistent with activity types identified for FFRDCs by the National Science Foundation. Table 1 provides a list of DoD FFRDCs. Table 2 provides a list of documentation and reporting requirements. Paragraph 3.2. describes administrative and operational procedures to support DoD requirements.

c. FFRDCs are created to:

- (1) Provide strategic value to their primary sponsors and DoD through independent, intellectually rigorous, relevant, and timely products and services, consistent with the competencies in their sponsoring agreements.
- (2) Support the Department's goals of long-term improvement in operations and enhanced national security.

### **3.2. OVERSIGHT PROCESS.**

a. Pursuant to Section 2367 of Title 10, U.S.C., DoD will:

(1) Ensure all approved FFRDC work, with exception for applied scientific research work performed under laboratory conditions, is within the purpose, mission, core competencies, capabilities, and general scope of the FFRDC's effort as established in a sponsoring agreement.

(2) Refrain from obligating funds appropriated to DoD for the operation of an FFRDC that did not exist before June 2, 1986, until a report is submitted to Congress describing the purpose, mission, and general scope of the FFRDC and a period of 60 days has elapsed since the report's delivery to Congress.

(3) Provide an annual report to Congress on the amount of Defense STE funded and associated obligations incurred for each FFRDC as of the end of each FY.

b. Pursuant to Section 8025 of PL 115-31, or a similar annually recurring provision if enacted in subsequent years, DoD will:



(1) Oversee and manage the annual Defense STE congressional limitation, as specified each FY in the Department of Defense Appropriations Act, and provide congressional reports as required. Any congressional limitation for STE funded in the NIP and the MIP is specified separately.

(2) Provide a report to Congress, on the amount of Defense STE to be allocated for each FFRDC and associated budget estimates for the upcoming budget year.

c. Access to information will be in accordance with statute, regulation, and policy, including FAR 35.017. Pursuant to Section 235 of the National Defense Authorization Act for FY 2017, Public Law 114-328, DoD may provide access to sensitive information to FFRDCs participating in a pilot program (which will lapse in December 2020), subject to the conditions specified in granting such access.

d. Pursuant to Section 6602(c)(10) of Title 42, U.S.C., and the February 22, 2013, Executive Office of the President's Office of Science and Technology Policy Memorandum, the DoD will make the results of Federally funded scientific research available to the public, industry, and scientific community, as appropriate.

e. Pursuant to Part 35.017 of the FAR, and this issuance:

(1) The strategic long-term relationship between the DoD and its FFRDCs allows the FFRDCs to maintain currency in their fields of expertise, preserve their familiarity with the needs of their primary sponsors, and provide quick response capabilities.

(2) The primary sponsor will prepare a sponsoring agreement when an FFRDC is established or continued in order to facilitate the strategic long-term relationship. Specific requirements for the sponsoring agreement are contained in Section 5.

(3) FFRDCs will operate free of COIs. This includes both organizational COIs and personal COIs of employees.

(4) FFRDCs may conduct independent research in accordance with the contract, sponsoring agreement, or other agreement to sustain competencies and capabilities of interest to the DoD and to facilitate effective responses to future DoD needs.

(5) Work tasked to each FFRDC must be within the FY limitations on STE established annually through the Department of Defense Appropriations Act.

(6) DoD appropriated funds obligated on FFRDC contracts must not exceed established funding limitations for allocated STE.

f. Pursuant to Part 219 of Title 32, Code of Federal Regulations (CFR), Section 980 of Title 10, U.S.C., and DoDI 3216.02, DoD will require:

(1) That all DoD-conducted or DoD-sponsored research involving human subjects incorporates the ethical principles of beneficence and justice with respect for persons.

(2) That DoD-appropriated funds are not used to support research involving a human being as an experimental subject without the prior informed consent of the experimental subject.

(3) Compliance with all applicable Federal, state, and international laws and regulations.

g. Pursuant to Parts 730-734 of Title 15, CFR and Parts 120-130 of Title 22, CFR, DoD will comply with Export Administration Regulations and International Traffic in Arms Regulations.

h. Pursuant to Section 1320.5 of Title 32, CFR and DoDI 8910.01, DoD will require information collection in support of FFRDC research and analysis to be limited to that required to execute the requirements of the contract and sustain FFRDC competencies and capabilities in accordance with the sponsoring agreement.

i. Pursuant to Section 552a of Title 5, U.S.C., DoDD 5400.11, and DoD 5400.11-R, and consistent with applicable System of Record Notices, DoD will require protection of personally identifiable information (PII) during transfer, receipt, use, and storage at FFRDCs for the purpose of performing research or analysis in the course of FFRDC work, as authorized by the FFRDC sponsoring agreement and contract.

j. Pursuant to DoDI 6025.18 and DoD 6025.18-R, DoD will require protection and proper handling of DoD protected health information (PHI) during transfer, receipt, and storage for the purpose of performing research or analysis in the course of FFRDC work, as authorized by the FFRDC sponsoring agreement and contract.

k. Pursuant to Chapter 35 of Title 44, U.S.C., also known and referred to in this issuance as the "Paperwork Reduction Act of 1995," as amended, DoDI 1100.13, and Volume 2 of DoD Manual 8910.01, DoD will require that surveys and related data collection instruments are validated and coordinated through the responsible agency.

l. FFRDC contracts may be used to support assisted acquisitions as defined in Part 2.101 of the FAR for FFRDC use by non-DoD agencies (interagency) and by DoD Components (intra-agency). To satisfy written agreement requirements of Subpart 17.502-1(b)(1) of the FAR:

(1) Interagency assisted acquisitions will use the U.S. Treasury Interagency Agreement General Terms and Conditions Form 7600A and Interagency Agreement Order Form 7600B.

(2) Intra-agency (between DoD Components) assisted acquisitions will use the DD Form 448 MIPR.

(3) Separate written agreements should be authorized by the primary sponsor only when the DD Form 448 is insufficient to adequately document the terms and conditions of the intra-agency agreement.

m. DoD will determine appropriate use and disposition for retained earnings (reserves).

n. DoD will determine if fees for an FFRDC are appropriate. See Section 9 for further detail.

o. Each primary sponsor, prior to the award of a new contract or entering into a new sponsoring agreement, will conduct a comprehensive review of the use and need for the FFRDC. The results of the comprehensive review will assist the primary sponsor in determining whether to continue sponsorship. Procedures for conducting a comprehensive review are described in Section 10.

p. Each primary sponsor will annually assess the performance of its assigned FFRDC and, if necessary, identify specific elements requiring improvement.

q. DoD will encourage the FFRDCs to collaborate, as appropriate, with other FFRDCs, University Affiliated Research Centers, and other nonprofit institutions to enhance the relevance and value of FFRDC work.

r. DoD will support engagement of technology transfer activities in accordance with DoDD 5535.3 and DoDI 5535.8. For international transfers, DoD support must be consistent with DoDI 2040.02. The sponsoring agreement will address planning for technology transfer activities.

s. DoD will support a culture of scientific and engineering integrity consistent with DoDI 3200.20 and prevent research misconduct as directed in DoDI 3210.7.

t. The results of all FFRDC work, sponsored in whole or in part by DoD, will be submitted electronically to the Defense Technical Information Center (DTIC) at <http://www.dtic.mil/dtic/submit/submit.html>. In accordance with DTIC guidance, exceptions for this requirement are documents classified as Top Secret, Registered, Cryptographic and Communications Security, or Communications and Electronics Intelligence.

u. DoD may:

(1) Use other than full and open competition procedures to award a contract to a particular source in order to establish or maintain an essential FFRDC engineering, research, or development capability, pursuant to Section 2304 (c)(3)(B) of Title 10, U.S.C., and Subpart 6.302-3(a)(2) (ii) of the FAR.

(2) Use FFRDCs to perform work that is closely associated with the performance of inherently governmental functions or that is critical to maintaining control of a Federal agency's mission and operations, with appropriate oversight by Federal officials and properly executed contracts, pursuant to guidance contained in Subpart 7.5 of the FAR. Work could include activities such as support for financial analyses, policy development, acquisition planning, source selection, and contract management. FFRDC personnel will not perform inherently governmental work.

(3) Pursuant to Subpart 17.5 of the FAR, which prescribes policies and procedures applicable to interagency acquisitions under Section 1535 of Title 31, U.S.C., also known and referred to in this issuance as the "Economy Act," allow the primary sponsor to approve work to be put on FFRDC contracts for other Federal agencies if, such work:

(a) Is within the purpose, mission, general scope of effort, or special competency of the FFRDC.

- (b) Is in accordance with the terms of the sponsoring agreement.
  - (c) Conforms to the terms and conditions of the FFRDC contract.
  - (d) Does not negatively impact work for DoD.
- v. Requests for exceptions to limitations or requirements that are not rooted in statute are to be directed to the Deputy Director, RTL.

**Table 1. DoD FFRDCs, Parent Organizations, and Primary Sponsors**

<b>FFRDC</b>	<b>Parent Organization</b>	<b>Primary Sponsor</b>
<b>Study and Analysis Centers</b>		
Center for Naval Analyses	The CNA Corporation	Assistant Secretary of the Navy (Research, Development, and Acquisition)
Institute for Defense Analyses	The IDA Corporation	USD for Acquisition and Sustainment (A&S))
Arroyo Center	The RAND Corporation	Under Secretary of the Army
National Defense Research Institute	The RAND Corporation	USD(A&S)
Project AIR FORCE	The RAND Corporation	Assistant Secretary of the Air Force (Acquisition)
<b>Systems Engineering and Integration Centers</b>		
Aerospace	The Aerospace Corporation	Assistant Secretary of the Air Force (Acquisition)
National Security Engineering Center	The MITRE Corporation	USD(R&E)
<b>Research and Development Laboratories</b>		
Center for Communications and Computing	The IDA Corporation	Director of Research, National Security Agency
Lincoln Laboratory	Massachusetts Institute of Technology	USD(R&E)
Software Engineering Institute	Carnegie Mellon University	USD(R&E)

**Table 2. Documentation and Reporting Requirements for FFRDC Management**

<b>Requirement</b>	<b>Description</b>	<b>When Required</b>	<b>Authority</b>	<b>Approval</b>
Report to Congress on Defense STE funded and associated obligations incurred.	A report on usage of Defense STE and associated DoD funding.	Annually.	Section 2367 of Title 10, U.S.C.	USD(R&E).
Sponsoring agreement.	Written agreement of sponsorship between the primary sponsor and the FFRDC's parent organization; establishes the FFRDC's purpose and mission, and ensures a periodic review of the FFRDC.	When the FFRDC is established; prior to award of a new contract; and no less than every 5 years following a comprehensive review.	Part 35.017 of the FAR and this issuance.	USD(R&E).
Sponsoring agreement modifications.	Notification of modifications to the sponsoring agreement.	No later than 30 days after modifications have been made.	This issuance.	USD(R&E).
Comprehensive review notification.	Memorandum from the primary sponsor to the Deputy Director, RTL.	Upon initiation of comprehensive review.	This issuance.	Primary sponsor.
Comprehensive review report.	Comprehensive review results.	Not later than 90 days prior to award of a new FFRDC contract.	Part 35.017 of the FAR and this issuance.	USD(R&E).
Primary sponsor's annual guidance	Annual FFRDC program review results.	2 weeks after the primary sponsor's annual FFRDC meeting.	This issuance.	Primary sponsor.
Report to Congress on projected Defense STE allocations.	A projection on the amount of Defense STE to be allocated for each FFRDC and associated budget estimates for the upcoming year.	Annually.	Section 8025 of PL 115-31, or a similar annually recurring provision if enacted in subsequent years.	USD(R&E).

## **SECTION 4: PRIMARY SPONSOR**

**4.1. AUTHORITY.** In accordance with Part 35.017 of the FAR and this issuance, the primary sponsor, as the senior official within the DoD Component that sponsors an FFRDC, is responsible for the overall use of an FFRDC to support DoD requirements as described in Paragraph 4.2.

**4.2. RESPONSIBILITIES.** The primary sponsor:

a. Maintains a strategic long-term relationship with the sponsored FFRDC. If the primary sponsor concludes that sponsorship is no longer appropriate based on the results of a comprehensive review or other event, the primary sponsor will inform the USD(R&E) who will determine potential transfer or termination of sponsorship.

b. Establishes and maintains a sponsoring agreement with the FFRDC parent organization and enforces compliance. Provides the agreement to the USD(R&E) for approval.

c. Conducts a comprehensive review of the FFRDC and obtains USD(R&E) approval prior to entering into a sponsoring agreement with, and awarding a contract to, a parent organization for operation of the FFRDC. Notifies the USD(R&E) when the comprehensive review is initiated.

d. Approves all work for the FFRDC, including work funded in the MIP and NIP and non-DoD work, before it is placed on contract. Approval is based on the determination that work proposed is appropriate for the FFRDC and consistent with the FFRDC's core competencies as documented in the sponsoring agreement. Enforces compliance with Subpart 17.5 of the FAR and the Economy Act for work requested by another Federal agency.

e. Requires work sponsors (DoD and non-DoD) to conform to the procedures outlined in Section 5 when submitting work to be put on FFRDC contracts.

f. Ensures FFRDC work efforts do not exceed their Defense STE allocation and associated funding limitation. Prioritizes work sponsor requests and transitions work over time in order to support new, high-priority requirements.

g. Approves, in advance, FFRDC participation with industry in technology transfer planning activities. Criteria for approval should include that:

(1) The FFRDC and its personnel remain free of organizational and personal COI.

(2) Conditions for establishing and maintaining the FFRDC are not compromised.

(3) Such activities will not negatively impact the FFRDC's core work.

(4) Work is fully consistent with the mission, charter, and core competencies of the FFRDC.

(5) Transfers involving foreign entities and exports must be consistent with DoDI 2040.02.

h. Identifies and submits the projected Defense STE requirements for the upcoming budget year to the USD(R&E).

i. Collaborates with the applicable contracting activity to plan and establish a contract with the FFRDC parent organization.

j. Establishes standard operating procedures for the administration of FFRDC work.

k. Assesses FFRDC performance annually, addressing the technical quality, responsiveness, value, and timeliness of the work performed.

l. Conducts financial management reviews to oversee costs and to identify any issues.

m. Maintains contact with FFRDC leadership to ensure any issues are corrected in a timely manner.

n. Chairs a program review meeting with the FFRDC and major work sponsors to discuss the FFRDC's performance during the previous year and the FFRDC's annual program plan. Based on results of the review, issues guidance for the coming year including any recommended actions for improvement.

o. Works with the contracting officer to ensure the FFRDC contract includes:

(1) Provisions for intellectual property and data rights.

(2) Provisions for FFRDC required access to government and supplier data (including sensitive and proprietary data), employees, installations, equipment, and real property.

(3) Provisions for the FFRDC to implement adequate cybersecurity, safeguarding of defense information, and incident reporting per Part 252.204-7012 of the DFARS, DoDI 8500.01, and DoDI 8510.01.

(4) Provisions for the FFRDC to implement adequate privacy protection and cybersecurity requirements for PII in accordance with National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171 and Appendix J of NIST SP 800-53 and for PHI in accordance with Parts 160 and 164 of Title 45, CFR. Alternatively, an authorized representative of the Department of Defense Chief Information Officer may accept in writing equally effective security measures to achieve equivalent protection for receipt and archival of controlled unclassified government data, including PII and PHI.

(5) The requirement for electronic submission of the results of all FFRDC work, sponsored in whole or in part by DoD, to the Defense Technical Information Center at <http://www.dtic.mil/dtic/submit>. Documents classified as Top Secret, Registered, Cryptographic and Communications Security, or Communications and Electronics Intelligence will not be submitted to DTIC.



- p. Requires the FFRDC to comply with policies and procedures for human subjects protection and adherence to ethical standards for DoD-supported research.
- q. Establishes procedures to ensure compliance with Section 552a of Title 5, U.S.C.; DoDD 5400.11; DoD 5400.11-R; DoDI 6025.18; DoD 6025.18-R; Subpart 252.204-7012 of the DFARS; Appendix J of NIST SP 800-53; and Parts 160 and 164 of Title 45, CFR for the protection of PII and PHI when access to such data is required in the performance of authorized FFRDC work.
- r. Establishes provisions, working with the applicable contracting officers, in the FFRDC contract for the FFRDC to implement adequate privacy protection and cybersecurity requirements for PII in accordance with NIST SP 800-171 and Appendix J of NIST SP 800-53 and for PHI in accordance with Parts 160 and 164 of Title 45, CFR. Alternatively, an authorized representative of the DoD Chief Information Officer may accept in writing equally effective security measures to achieve equivalent protection for receipt and archival of controlled unclassified Government data, including PII and PHI.
- s. Compiles information on FFRDC contract usage to meet the requirements of Section 2330a of Title 10, U.S.C.
- t. At the conclusion of each FY, provides data to the Deputy Director, RTL on:
  - (1) The number of Defense STE funded.
  - (2) The amount of total obligations incurred for each FFRDC.
- u. Responds to ad hoc information requests from the Deputy Director, RTL.
- v. Participates in the annual USD(R&E) meeting with FFRDC directors that provides DoD's strategic update and priorities.
- w. Provides active oversight of the sponsored FFRDC and its work program to:
  - (1) Guide the FFRDC to address DoD strategic challenges and encourage innovation.
  - (2) Promote opportunities for the DoD Components to share knowledge of the results of FFRDC work.
  - (3) Maintain visibility into FFRDC independent research activities and assess for potential transition to DoD use.
- x. Refers requests for exception to policy to the Deputy Director, RTL.

## SECTION 5: SPONSORING AGREEMENTS

**5.1. AUTHORITY.** In accordance with FAR 35.017, the sponsoring agreement is a written agreement between the primary sponsor and the FFRDC parent organization for the establishment or continuation of the FFRDC. The primary sponsor will ensure the requirements in this section are met.

### 5.2. GENERAL.

a. The sponsoring agreement is a stand-alone bilateral written agreement between the primary sponsor and the FFRDC parent organization. It must be approved by the USD(R&E) prior to award of an FFRDC contract. Each sponsoring agreement will subsequently be incorporated into an FFRDC contract.

b. The sponsoring agreement defines the FFRDC's purpose and mission, establishes the conditions under which DoD may award an FFRDC contract, and describes the overarching requirements for operation of the FFRDC.

c. The sponsoring agreement addresses the conditions under which the FFRDC will operate in the public interest while maintaining objectivity and independence.

d. The term of a sponsoring agreement will not exceed 5 years, but it can be renewed as a result of a comprehensive review, in increments not to exceed 5 years.

**5.3. CONTENT.** The sponsoring agreement establishes expectations for operation of the FFRDC and describes constraints on the parent organization that are necessary to preserve the integrity of the FFRDC. Although the specific content of the agreement will be tailored to the specific FFRDC and its parent organization, the sponsoring agreement will:

a. Include the core statement that defines the purpose, mission, core competencies, and capabilities of the FFRDC and state the requirement to use its competencies to enable the DoD to transition new ideas and technology to its programs and operations.

b. Address the long-term strategic relationship between DoD and the FFRDC.

c. Establish provisions to prevent the occurrence or appearance of organizational or personal COI.

d. Include processes for identifying proprietary information and addressing intellectual property and data rights.

e. Include the following guidelines for FFRDCs:

(1) The FFRDC will:

- (a) Perform only core work.
  - (b) Fully disclose its activities and interactions to the primary sponsor.
  - (c) Adhere to principles of scientific and engineering integrity and prevent research misconduct.
  - (d) Identify retained earnings (reserves) that relate to DoD contracted effort and the development of a plan for appropriate use and disposition including applicable use for independent research.
  - (e) Comply with fee requirements for FFRDCs in accordance with Subpart 215.404-75 of the DFARS and Section 9 of this issuance.
  - (f) Comply with Export Administration Regulations and the International Traffic in Arms Regulations, human subjects research policies, and policies to protect PII and PHI.
  - (g) Comply with DoDD 5535.3 and DoDI 5535.8 when planning for technology transfer activities.
  - (h) Comply with DoDI 2040.02 when transfers involving foreign entities and exports are undertaken.
- (2) The FFRDC will not:
- (a) Perform commercial work.
  - (b) Perform production or manufacturing unless authorized by legislation.
  - (c) Compete with any organization in response to a formal request for proposal for other than the operation of an FFRDC, except as provided in Subpart 235.017-1 of the DFARS. Subpart 235.017-1 allows DoD laboratory FFRDCs to respond to solicitations and announcements for programs which promote research, development, demonstration, or technology transfer.
- (3) The FFRDC may perform non-DoD work only if the primary sponsor approves it prior to contract action. Any such work must not impair the FFRDC's ability to perform work for DoD, and must be consistent with the core mission of the FFRDC.
- f. Include the following guidelines for the FFRDC parent organization performing work outside FFRDC contracts:
- (1) Work may be done for public sector and nonprofit organizations. However, work with for-profit entities will not normally be authorized except in the case of universities operating FFRDCs:
    - (a) Should the primary sponsor grant an exception, such work must not be performed on an exclusive basis and must be of benefit to the purpose and mission of the FFRDC.

(b) In the interest of maintaining academic freedom, universities operating FFRDCs are not required to disclose their non-FFRDC related activities. However, DoD reserves the right to terminate the FFRDC should such activities conflict with the public purpose of the FFRDC.

(2) Work will not:

(a) Duplicate or compete with the core work defined for its FFRDC(s).

(b) Undermine the independence, objectivity, or credibility of its FFRDC(s) by creating an actual or perceived COI.

(c) Detract from the performance of FFRDC work.

(d) Be acquired by taking unfair advantage of the parent organization's operation of the FFRDC(s) or by use of information that is available to it only through its FFRDC(s).

g. Provide provisions for the primary sponsor to:

(1) Along with work sponsors, meet at least annually with the FFRDC to align prospective work and discuss FFRDC performance, including any recommended actions for improvement.

(2) Establish the requirement and describe the procedures for the primary sponsor's annual FFRDC performance review to assess, at a minimum, technical quality, responsiveness, value, and timeliness. Provide feedback to the FFRDC and require the FFRDC to provide a plan to the primary sponsor to resolve unsatisfactory performance in any area.

(3) State whether or not the FFRDC may accept work from other than the primary sponsor and provide any limitations on such work.

(4) Allow the FFRDC to conduct independent research to address emerging or future requirements that may be of importance to DoD.

(5) Prohibit the use of FFRDC personnel in lieu of government personnel or support contractors or to perform inherently governmental functions.

(6) Periodically assess the work performed by the parent organization to ensure that it is not impairing the FFRDC's ability to perform its core work.

h. Describe the processes for establishing STE requirements and calculating STE costs.

i. Describe the processes for pre-publication review of work.

j. Outline the procedures for the orderly termination or nonrenewal of the FFRDC contract and sponsoring agreement, disposal of assets, and settlement of liabilities.

k. Define the responsibility for capitalization of the FFRDC in such a manner that ownership of assets may be easily determined upon termination of the FFRDC's relationship with its primary sponsor.

## SECTION 6: WORK SPONSORS

**6.1. GENERAL.** The FFRDC work sponsor is the user or tasking activity (DoD or non-DoD) that requires the services of an FFRDC. Each work sponsor identifies requirements and funding for FFRDC work as described in this section and conforms to the following procedures in order to use DoD FFRDC contracts.

### 6.2. RESPONSIBILITIES.

a. The work sponsor will:

- (1) Comply with standard operating procedures, as established by the primary sponsor.
- (2) Assign knowledgeable and capable task or project monitors to work with FFRDC staff for the duration of the task or project.
- (3) Justify why proposed work should be performed by an FFRDC rather than alternative sources.
- (4) Identify project requirements that are clear and well defined. Avoid projects that are duplicative, suboptimal, or non-value added.
- (5) Prepare a project description that addresses the requirements, proposes an appropriate research design, and outlines the analytic approach, methodology, schedule, and deliverables consistent with the design. Include a statement in the project description that confirms the work is appropriate and consistent with the core competencies of the specific FFRDC and complies with all laws and regulations for performance of the work, including, but not limited to those areas discussed below.
- (6) During project description development, define requirements, if applicable, for:
  - (a) Data and information (including classified, controlled unclassified, sensitive, and proprietary) necessary to support the project.
  - (b) Agreements and procedures for securely obtaining and handling PII and PHI, including:
    1. Compliance with Section 552a of Title 5, U.S.C., DoDD 5400.11, and DoD 5400.11-R for PII and compliance with the PII laws and regulations of the work sponsor's agency if the work sponsor is non-DoD.
    2. Compliance with DoDI 6025.18 and DoD 6025.18-R for PHI.
  - (c) Compliance with Section 912 of Title 32, CFR and DoDI 3216.02 addressing human research protection.

(d) Survey instrument design and approval in accordance with the Paperwork Reduction Act of 1995; Part 1320.5 of Title 32, CFR; DoDI 1100.13; and Volume 2 of DoD Manual 8910.01.

(e) Facility and personnel access to support the project and special authorizations necessary for such access.

(f) Work supporting deployed operating forces, in accordance with DoDI 3020.41.

(7) Include adequate time within the anticipated project performance period to:

(a) Process access requests within the project timeline.

(b) Obtain required human research protection approvals.

(c) Obtain required approvals for survey instrument design.

(8) Assist the FFRDC to gain access to data necessary to execute the proposed task or project when required, as permissible.

(9) Include the requirement in each project description that the results for work sponsored in whole or in part by DoD will be submitted electronically to the Defense Technical Information Center at <http://www.dtic.mil/dtic/submit/submit.html>. Documents classified as Top Secret, Registered, Cryptographic and Communications Security, or Communications and Electronics Intelligence will not be submitted to DTIC.

(10) Include sufficient information in the project description for the FFRDC and the contracting officer's representative (COR) to comply with the requirements of Section 2330a of Title 10, U.S.C.

(11) Review the reasonableness of the resource estimates for the work to be performed.

(12) Collaborate with the COR to finalize the project description prior to contract action.

(13) Monitor the progress of work to ensure FFRDC project performance is satisfactory and meeting desired requirements. Relay concerns with performance or deliverables to the primary sponsor or COR as appropriate. Provide feedback to the primary sponsor on performance and perceived mission impact and value.

(14) Identify the source of project funding and provide the primary sponsor with the documentation necessary to initiate a task.

b. The work sponsors may:

(1) Interact with FFRDC staff during project description development.

(2) Discuss requirements with multiple FFRDCs during project development to determine the best FFRDC to address a requirement; however, content developed at one FFRDC may not be transferred to another unless express written consent is given by the originating FFRDC.

## **SECTION 7: PREVENTING CONFLICTS OF INTEREST**

**7.1. AUTHORITY.** Required by Section 8025 of P.L. 115-31, or a similar annually recurring provision, if enacted in subsequent years; Part 3 of the FAR Improper Business Practices and Personal Conflicts of Interest; Part 35.017 and Subpart 9.5 of the FAR; provisions of Subpart 235.017 of the DFARS; and this issuance. Procedures must be in place to ensure there are no real or perceived organizational or personal COIs in the operation of the FFRDC.

### **7.2. GENERAL.**

a. For the FFRDC to maintain a position of trust and confidence, the primary sponsor must include provisions in the sponsoring agreement to prevent real or perceived organizational and personal COIs.

b. Primary sponsors will require each FFRDC parent organization to:

(1) Establish and maintain a rigorous, corporate-wide, set of COI policies that must be provided to employees; report any COI to the applicable contracting officer or COR and the primary sponsor as soon as it is identified; provide an annual compilation of COI and their disposition; and maintain an audit program to verify compliance.

(2) Designate an office responsible for ethics compliance and training.

(3) Have procedures in place to screen for potential COI. Procedures should require all personnel to submit an annual statement of financial interests to the designated ethics compliance and training office for the FFRDC. Affected personnel include chief executives and other officers, directors, trustees, consultants, and subcontractor employees who are in a position to make or materially influence research findings or recommendations that may affect outside interests. The annual statement of financial interests must:

(a) Disclose and document all financial interests, including, but not limited to, stocks, stock options, and bonds in a single company that exceed \$15,000 at the end of the reporting period, but excluding publicly traded diversified mutual funds.

(b) Be reviewed by the designated ethics compliance and training office for the FFRDC to affirm that personnel have no interest, direct or indirect, which could diminish their objectivity or place them in potential conflict with the public's interest. In lieu of requiring such annual statements, the parent organization may allow use of an alternative system that provides for a task-by-task review for potential conflicts.

(4) Establish and maintain policies and procedures to protect proprietary, privileged, and sensitive information from disclosure.

(5) Provide initial and annual refresher training covering ethics and COI for all affected employees.

## **SECTION 8: STE**

**8.1. AUTHORITY.** DoD manages FFRDC work by STE. Section 8025 of PL 115-31, or a similar annually recurring provision, if enacted in subsequent years, provides a limitation on Defense STE that may be funded each FY. The limitation for Defense STE includes a secondary limitation for the amount that may be funded for study and analysis FFRDCs.

### **8.2. GENERAL.**

a. STE encompasses FFRDC direct professional and consultant labor performed by researchers such as mathematicians, programmers, analysts, economists, scientists, and engineers who perform professional-level technical work primarily in the fields of studies and analyses; systems engineering and integration; systems planning; program and policy planning and analysis; and basic and applied research.

b. Work funded with DoD appropriations on an FFRDC contract is subject to STE limitations for the FY in which the funds are obligated on contract.

c. If not fully funded on contract, STE expires at the end of the FY.

d. Congress typically sets separate limitations for three categories of STE identified in the Department of Defense Appropriations Act. The three categories are Defense, NIP, and MIP:

(1) Defense STE are funded with DoD appropriations exclusive of STE funded in the NIP or the MIP. Defense STE are managed by the USD(R&E) and may not be used to support NIP or MIP requirements.

(2) NIP STE are funded in the NIP with oversight by the Office of the Director of National Intelligence.

(3) MIP STE are funded in the MIP with oversight by the Office of the USD(I).

### **8.3. PROCEDURES.**

a. For Defense STE, the USD(R&E):

(1) Consolidates the annual Defense STE requirements for the budget year based on projected requirements submitted by the primary sponsor for each FFRDC.

(2) Establishes the specific amount of Defense STE to be allocated for each FFRDC and the associated budget estimates for the upcoming budget year and reports this information to Congress.



(3) Provides a Defense STE allocation and associated funding limitation for each DoD FFRDC to its primary sponsor, based on DoD requirements and within the limitations of the Department of Defense Appropriations Act, if any.

(4) Monitors Defense STE usage and associated obligations and may reallocate Defense STE during the FY, as required.

(5) Provides a report to Congress at the end of the FY specifying the Defense STE funded and associated DoD funds obligated for each FFRDC.

b. For NIP STE, the Office of the Director for National Intelligence provides Congress the requirements for the budget year and provides oversight for NIP STE usage within the limitation set in the Department of Defense Appropriations Act.

c. For MIP STE, the Office of the Under Secretary of Defense for Intelligence provides Congress the requirements for the budget year and provides oversight for the MIP STE usage within the limitation set in the Department of Defense Appropriations Act.

## **SECTION 9: FFRDC FEE DETERMINATION POLICIES AND PROCEDURES**

**9.1. AUTHORITY.** Subpart 215.404-75 of the DFARS provides guidance for determining whether any fee is appropriate for the FFRDC parent organization to operate its FFRDC. If a fee is deemed appropriate, a fee rate agreement for the FFRDC should be reflected in the contract.

### **9.2. GENERAL.**

a. The FFRDC parent organization, by signing a sponsoring agreement with the DoD primary sponsor, agrees to restrictions imposed upon FFRDCs by statute and regulation that strictly limit the type and amount of work the FFRDC may perform. The FFRDC parent organization thereby forgoes sources of revenue to cover ordinary and necessary business costs for the FFRDC that would not be reimbursed under Federal cost-type contracts. Due to such limitations, fee for FFRDC work may be appropriate.

b. The contracting officer, in consultation with the primary sponsor, will determine the need and appropriateness for fee. This determination will take into consideration the FFRDC's evaluation of its expenses and available resources without regard to parent organization resources. The recognition of the need for fee should consider the benefit provided to the FFRDC's operation and purpose. Activities that benefit a parent organization as a whole may be an appropriate justification for fee if there is a direct or indirect benefit to DoD.

c. Costs incurred under an FFRDC contract that are allowable under statutory or regulatory cost principles applicable to that FFRDC contract must be categorized as direct or indirect charges to the contract and will not be included as proposed fee elements. Subpart 215.404-75 of the DFARS provides guidance on fee requirements for FFRDCs. Part 200 of Title 2, CFR provides guidance on cost principles to be applied to non-profit organizations and educational institutions operating FFRDCs.

d. Cost categories that may be used to justify fees and establish fee amounts include, but are not limited to:

- (1) Working capital.
- (2) Facilities capital.
- (3) Other unreimbursed expenses as defined in DoD 7000.14-R.

e. A fee justification proposal for an FFRDC contract must:

- (1) Provide sufficient visibility into each element of fee to identify its purpose.
- (2) Comply with fee reimbursement restrictions and limitations in accordance with applicable statutes and regulations.

(3) Identify, for inclusion as an element of fee, costs not allowable under the contract that the parent organization can demonstrate are ordinary and necessary for its successful operation.

f. The contracting officer, in consultation with the primary sponsor, will perform an annual review assessing the extent to which the prior representations and justifications regarding fee have proven valid. The annual review should determine if a substantial change in needs requires a revision to the fee rate agreement.

## **SECTION 10: COMPREHENSIVE REVIEW GUIDELINES**

**10.1. AUTHORITY.** Pursuant to Part 35.017 of the FAR, the primary sponsor will conduct a comprehensive review of the use and need for an FFRDC prior to entering into or extending a sponsoring agreement, awarding a contract to a parent organization, or terminating the use of an FFRDC. This section identifies requirements for comprehensive reviews.

### **10.2 GENERAL.**

a. The primary sponsor will notify the USD(R&E) when the comprehensive review is initiated. The USD(R&E) will then advise the primary sponsor of any special review requirements beyond those required by the FAR.

b. The primary sponsor will endorse the comprehensive review, and the USD(R&E) will approve it.

c. A comprehensive review is a prerequisite to establishing or extending a sponsoring agreement or executing an FFRDC contract award.

d. A FFRDC comprehensive review must include:

(1) An examination of the Department's special technical needs and mission requirements performed by the FFRDC to determine if, and at what level, the technical needs and mission requirements continue to exist. The review should identify requirements for FFRDC support, including known specific programs involved, the level of effort required, and the types of tasks to be performed.

(2) Consideration of alternative sources to meet the Department's needs. The analysis should specify the special research, engineering, or analytical skills, and capabilities required to accomplish FFRDC tasks and an explanation of why government personnel, for-profit or not-for-profit contractors, university-affiliated organizations, or other existing FFRDCs cannot meet those requirements as effectively. The review results should document the alternatives considered and the rationale for rejecting any alternative.

(3) An assessment of the efficiency and effectiveness of the FFRDC in meeting the Department's needs, including the FFRDC's ability to maintain its objectivity, independence, quick response capability, currency in its field(s) of expertise, and familiarity with the primary sponsor's needs. With major work sponsor participation, include a review and summary of FFRDC accomplishments and their effectiveness in meeting work sponsors' needs since the last comprehensive review. At a minimum, the summary should include:

(a) The quality and timeliness of the work produced.

(b) The number and dollar value of projects assessed.

(c) The work sponsor evaluations of performance.

- (d) Results of performance reviews conducted during the current contract period.
- (e) Any criticisms or concerns that work sponsors had with the FFRDC's performance and the steps taken to resolve those issues.
  - (4) An assessment of the FFRDC's management controls to ensure cost-effective operations. Areas of consideration should include accounting and purchasing systems; overhead costs and fees; oversight actions taken to verify cost-effective operations; and other management practices as deemed appropriate.
  - (5) A determination that the criteria for establishing the FFRDC continue to be satisfied.
  - (6) Any recommended courses of action which may include:
    - (a) Continuation or termination of the FFRDC.
    - (b) Need for FFRDC core competency modifications.
    - (c) Retention of the parent organization or competition for the operation of the FFRDC.
- e. If the primary sponsor determines as a result of the comprehensive review that:
  - (1) Its sponsorship is still appropriate, the primary sponsor will develop a sponsoring agreement for USD(R&E) approval; or
  - (2) The need for the FFRDC is still valid but its sponsorship is no longer appropriate, the primary sponsor will notify the USD(R&E). The USD(R&E) will decide whether or not to transfer the sponsorship; or
  - (3) The need is no longer valid for DoD, the USD(R&E) will decide whether to transfer or terminate the FFRDC; or
  - (4) The need is still valid but the primary sponsor wants to explore alternative solutions, the primary sponsor will provide the USD(R&E) with a plan to meet the needs.

## GLOSSARY

### G.1. ACRONYMS.

CFR	Code of Federal Regulations
COI	conflict of interest
COR	contracting officer's representative
DFARS	Defense Federal Acquisition Regulation Supplement
DoDD	DoD directive
DoDI	DoD instruction
DTIC	Defense Technical Information Center
FAR	Federal Acquisition Regulation
FFRDC	Federally Funded Research and Development Center
FY	fiscal year
MIP	Military Intelligence Program
MIPR	Military Interdepartmental Purchase Request
NIP	National Intelligence Program
NIST	National Institute of Standards and Technology
PHI	protected health information
PII	personally identifiable information
PL	Public Law
RTL	Research, Technology, and Laboratories
SP	special publication
STE	staff years of technical effort
U.S.C.	United States Code
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment
USD(R&E)	Under Secretary of Defense for Research and Engineering

**G.2. DEFINITIONS.** Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

**assisted acquisition.** Defined in Part 2.101 of the FAR.

**classified information.** Defined in the DoD Dictionary of Military and Associated Terms.

**commercial work.** Work undertaken directly for profit, commercial gain or competitive advantage or on behalf of a commercial enterprise that contributes to that enterprise's profit, commercial gain, or competitive advantage.

**comprehensive review.** A review of an FFRDC conducted by the primary sponsor and approved by the USD(R&E) pursuant to Part 35.017-4 of the FAR.

**controlled unclassified information.** Defined in Volume 4 of DoD Manual 5200.01.

**core competencies.** An FFRDC's areas of particular domain expertise or specialization tailored to the long-term needs of the DoD.

**core statement.** Description of the FFRDC's purpose, mission, core competencies, and capabilities.

**core work.** Tasks performed pursuant to an FFRDC contract that are consistent with the FFRDC's core statement as described in the sponsoring agreement.

**DoD FFRDC program.** The DoD-level program that encompasses all DoD policies, procedures, activities, and resources necessary to enable the FFRDCs to operate in support of DoD.

**FFRDC.** An independent, private-sector, non-profit organizational unit possessing competencies and capabilities that are critical in meeting strategic long-term engineering, research, development, or other analytic needs that cannot be met as effectively by Government or other private-sector resources. There are 3 types of FFRDCs.

Research and development laboratory FFRDCs conduct research and development, focusing on the development and prototyping of new technologies and capabilities to meet DoD needs. Research and development laboratory FFRDCs engage in research programs that emphasize the evolution and demonstration of advanced concepts and technology, and transfer new technology to the private sector in accordance with their sponsoring agreements, DoDD 5535.3, and DoDI 5535.8.

Studies and analysis center FFRDCs deliver independent and objective analyses and advice in core work areas important to the DoD in support of policy and strategy development, decision making, alternative approaches, and new ideas on significant issues for the DoD.

Systems engineering and integration center FFRDCs meet long-term technical and engineering needs with independence and objectivity to ensure complex systems meet operational requirements. Systems engineering and integration FFRDCs assist work sponsors with the development and choice of system concepts and architectures; specification of technical system and subsystem requirements and interfaces; prioritization of system-of-systems engineering capabilities, especially for joint operations; development and acquisition of system hardware and software; testing and verification of performance; integration and interoperability of new capabilities; continuous improvement of system operations and logistics; evaluation of programs and activities undertaken by for-profit organizations; and transfer of new technology to

the private sector in accordance with their sponsoring agreements, DoDD 5535.3 and, DoDI 5535.8.

**FFRDC fee.** Defined in Part 215.404-75 of the DFARS.

**FFRDC independent research.** Investigatory or exploratory inquiry into topics of interest or of potential interest to the DoD, undertaken with the cognizance but not the explicit direction of the primary sponsor, with resources identified for such purposes under the contract, sponsoring agreement, or other agreement. For the purposes of this instruction, FFRDC independent research is not Independent Research and Development as defined by FAR Part 31.205-18.

**FFRDC parent organization.** The nonprofit or educational institution that contracts with the DoD to administer the FFRDC in accordance with the sponsoring agreement.

**FFRDC work program.** The totality of work performed by an individual FFRDC.

**inherently governmental function.** Defined in the FAR, Part 2.

**MIP.** Defined in DoDD 5205.12.

**NIP.** Defined in Volume 2B of DoD 7000.14-R.

**organizational COI.** Exists when an organization has past, present, or currently planned interests that either directly or indirectly (through a client, contractual, financial, organizational or other relationship) may diminish its capacity to give impartial, technically sound, objective assistance or advice, or result in it having an unfair competitive advantage.

**personal COI.** Exists when an individual employed by an organization in a position to materially influence research findings or recommendations may lack objectivity or be perceived to potentially lack objectivity.

**primary sponsor.** The DoD senior official responsible for implementing management guidance and procedures for the oversight and use of a particular FFRDC.

**project description.** The work requirements for a study, task, project, or activity an FFRDC will undertake on behalf of a work sponsor. Also known as a task description, work plan, technical objectives and plan, or similar terms as agreed to by the primary sponsor and FFRDC. Project descriptions include a description of the objective, the methodology or approach, any sub-tasks or intermediate products, deliverables, estimated schedule, estimated costs, travel, or other direct costs, and the STE to be allocated.

**servicing agency.** Defined in Part 2.101 of the FAR.

**sponsoring agreement.** A written agreement of DoD sponsorship, established for each FFRDC, between the primary sponsor and the FFRDC parent organization that includes the FFRDC's core statement addressing the FFRDC's purpose, mission, core competencies, and capabilities.



The sponsoring agreement establishes overarching requirements for the FFRDC's operation, nature of work, and the working relationship between the FFRDC and the primary sponsor.

**STE.** A standardized representation of an FFRDC work year, nominally 1,810 hours of paid effort for technical services, for the purposes of workload allocation and management. It encompasses FFRDC direct professional and consultant effort. STE are associated with the FY in which funds are obligated.

**technology transfer.** Defined in DoDI 5535.8.

**work sponsor.** The user or tasking activity (DoD or non-DoD) that requires the services of an FFRDC for performance of FFRDC work. Also referred to as a task sponsor or project sponsor.

## REFERENCES

- Code of Federal Regulations, Title 2
- Code of Federal Regulations, Title 15, Parts 730-734, also known as the “Export Administration Regulations,” current edition
- Code of Federal Regulations, Title 22, Parts 120-130, also known as the “International Traffic in Arms Regulations,” current edition
- Code of Federal Regulations, Title 32
- Code of Federal Regulations, Title 45
- Defense Federal Acquisition Regulation Supplement, current edition
- Deputy Secretary of Defense Memorandum, “Establishment of the Office of the Under Secretary of Defense for Research and Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment,” July 13, 2018
- DoD 5400.11-R, “Department of Defense Privacy Program,” May 14, 2007
- DoD 6025.18-R, “Department of Defense Health Information Privacy Regulation,” January 24, 2003
- DoD 7000.14-R, “Department of Defense Financial Management Regulation (DoD FMR),” date varies by volume
- DoD Directive 5134.01, “Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)),” December 9, 2005, as amended
- DoD Directive, 5143.01, “Under Secretary of Defense for Intelligence (USD(I)),” October 24, 2014, as amended
- DoD Directive 5205.12, “Military Intelligence Program (MIP),” November 14, 2015, as amended
- DoD Directive 5400.11, “DoD Privacy Program,” October 29, 2014
- DoD Directive 5535.03, “DoD Domestic Technology Transfer (T2) Program,” May 21, 1999, as amended
- DoD Instruction 1100.13, “DoD Surveys,” January 15, 2015, as amended
- DoD Instruction 2040.02, “International Transfers of Technology, Articles, and Services,” March 27, 2014, as amended
- DoD Instruction 3020.41, “Operational Contract Support (OCS),” December 20, 2011, as amended
- DoD Instruction 3200.20, “Scientific and Engineering Integrity,” July 26, 2012, as amended
- DoD Instruction 3210.7, “Research Integrity and Misconduct,” May 14, 2004, as amended
- DoD Instruction 3216.02, “Protection of Human Subjects and Adherence to Ethical Standards in DoD-Supported Research,” November 8, 2011, as amended
- DoD Instruction 5000.74, “Defense Acquisition of Services,” January 5, 2016, as amended
- DoD Instruction 5535.8, “DoD Domestic Technology Transfer (T2) Program,” May 14, 1999, as amended
- DoD Instruction 6025.18, “Privacy of Individually Identifiable Health Information in DoD Health Care Programs,” December 2, 2009

DoD Instruction 8500.01, Cybersecurity, March 14, 2014

DoD Instruction 8510.01, Risk Management Framework (RMF) for DoD Information Technology (IT), March 12, 2014, as amended

DoD Instruction 8910.01, “Information Collection and Reporting,” May 19, 2014

DoD Manual, 5200.01, Volume 4, “DoD Information Security Program: Controlled Unclassified Information (CUI),” February 24, 2012, as amended

DoD Manual 8910.01, Volume 1, “DoD Information Collections Manual: Procedures for DoD Internal Information Collections,” June 30, 2014, as amended

DoD Manual 8910.01, Volume 2, “DoD Information Collections: Procedures for DoD Public Information Collections,” June 30, 2014, as amended

Executive Office of the President, Office of Science and Technology Policy Memorandum, “Increasing Access to the Results of Federally Funded Research,” February 22, 2013

Federal Acquisition Regulation, current edition

National Institute of Standards and Technology Special Publication 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations,” June 2015, as amended

Office of the Chairman of the Joint Chiefs of Staff, “DoD Dictionary of Military and Associated Terms,” current edition

Public Law 115-31, Section 8025 “Consolidated Appropriations Act, 2017,” May 5, 2017, and similar annually recurring provisions, if enacted, in subsequent years

Under Secretary of Defense for Acquisition, Technology, and Logistics Memorandum, “Revised Federally Funded Research and Development Center (FFRDC) Management Plan and Associated ‘How-to-Guides’,” May 2, 2011

United States Code, Title 5

United States Code, Title 10

United States Code, Title 31, Section 1535 (also known as the “Economy Act”)

United States Code, Title 42, Section 6602(c)(10)

United States Code, Title 44, Chapter 35 (also known as the “Paperwork Reduction Act of 1995”)