



DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING  
3030 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-3030



MAY 13 1996

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL,  
COMMUNICATIONS, AND INTELLIGENCE)  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
GENERAL COUNSEL  
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,  
DEVELOPMENT, AND ACQUISITION)  
ASSISTANT SECRETARY OF THE ARMY (RESEARCH,  
DEVELOPMENT, AND ACQUISITION)  
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)  
DIRECTOR, NATIONAL SECURITY AGENCY  
DIRECTOR, BALLISTIC MISSILE DEFENSE OFFICE  
DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS)  
DIRECTOR, ADVANCED RESEARCH PROJECTS AGENCY  
DIRECTOR, ACQUISITION PROGRAM INTEGRATION  
DIRECTOR, DEFENSE PROCUREMENT

SUBJECT: University Affiliated Research Center (UARC) Management  
Plan

I have approved the UARC Management Plan, which will be issued as a DoD Instruction. Pending publication of the instruction, I am releasing the enclosed UARC Management Plan as interim guidance, effective on May 1, 1996. Also enclosed is a copy of the DoD Report on the Five-Year Plan for Federally Funded Research and Development Centers (FFRDCs) and UARCs forwarded to the Congress on May 2, 1996.

I want to thank you for your assistance in the development of this management plan. Mr. Bob Nemetz, Director, OSD Studies and FFRDC Programs, and his staff will work with you and the UARCs to make the implementation of the management plan as smooth as possible.

His point of contact regarding this matter is Mr. Jay Minsky at (703) 845-2202, fax (703) 379-1731.

  
Anita K. Jones

Attachments



**DEPARTMENT OF DEFENSE  
UNIVERSITY AFFILIATED RESEARCH CENTER (UARC)  
MANAGEMENT PLAN**

**A. PURPOSE**

The Objective of this Management Plan is to ensure that essential engineering and technology capabilities of particular importance to the Department of Defense (DoD) are maintained. This Management Plan defines University Affiliated Research Centers (UARCs), and establishes policies and procedures for the management of certain contracts placed by the Department with UARCs.

**B. APPLICABILITY**

1. This plan applies to UARCs, their DoD Sponsors, DoD Contracting Activities, and DoD Tasking Activities. A UARC has the following characteristics:

- a. It is affiliated with, or is part of a university or college.
- b. It provides or maintains DoD essential engineering, research, and/or development capabilities defined as core.
- c. It receives sole source (non-competitive) contract funding from DoD under the authority of 10 U.S.C. 2304(c)(3)(B) (this paragraph allows DoD to use non-competitive procedures in order to establish or maintain an essential engineering, research, and/or development capability). It may also receive DoD funding under other authorities which is therefore not subject to this plan.
- d. It receives in excess of \$2.0M annually from DoD of such sole source funds.
- e. It maintains a strategic relationship with DoD. The characteristics of this relationship are:
  - (1) Responsiveness to evolving sponsors requirements.
  - (2) Comprehensive knowledge of sponsors requirements, and problems.
  - (3) Broad access to information, including proprietary data.
  - (4) Broad corporate knowledge.
  - (5) Independence and objectivity.
  - (6) Quick response capability.
  - (7) Current operational experience.
  - (8) Freedom from real and/or perceived conflicts of interest.

2. There exist college and university laboratories that receive sole source funds, but are not considered UARCs. These fall under two categories:

a. College or university laboratories that receive less than \$2.0 million annually under the authority of 10 U.S.C. 2304(c)(3)(B) are not considered UARCs.

b. College and University laboratories that receive sole source funds in excess of \$2.0 million, but under authorities other than 10 U.S.C. 2304(c)(3)(B) are not considered UARCs. DoD does not fund these institutions to establish or maintain an essential capability. Rather, DoD uses these organizations because of other considerations. Some examples (not inclusive) are: they uniquely provide a capability available from no other source, there is an unusual or compelling urgency caused by such things as immediate national security or mobilization requirements, or the terms of an international agreement require it.

### **C. DEFINITIONS**

1. Primary Sponsor. One DoD component will be designated a primary sponsor by Director Defense Research and Engineering (DDR&E) for each UARC. The primary sponsor works with the Contracting Activity(ies) in implementing DoD's UARC management policies and procedures.

2. Contracting Activity. A Contracting Activity is a DoD component that awards a contract or contracts under the authority of 10 U.S.C. 2304(c)(3)(B) to a UARC. Multiple Contracting Activities for a single UARC are possible.

3. Tasking Activity. A Tasking Activity is a DoD entity that requires and funds the services of a UARC for performance of DoD specific work.

### **D. POLICY**

1. The UARC's role for DoD work covered by this Management Plan is to provide or maintain essential engineering, research, and/or development capabilities through DoD contracts awarded under the authority of 10 U.S.C. 2304(c)(3)(B).

2. UARCs are bound by the limits imposed by contracting activities through their separate contracts, or by their established charter or parent university. This Management Plan does not usurp the authority of university boards of directors, trustees, or any other chartered managing body.

3. Competition

a. UARCs may compete for science and technology work unless precluded from doing so by their DoD contracts. Generally, UARCs may not compete against industry in response to

competitive Requests for Proposals (RFPs) for development or production that involve engineering expertise developed or sustained through contracts awarded under 10 U.S.C. 2304(c)(3)(B).

b. The Primary Sponsor's contract defines the limits of competition. All other contracts must be consistent with it.

c. If special circumstances require a waiver of the provisions of paragraph 3.a. above, DDR&E must approve the waiver.

d. Any special consideration for competition will observe the following guidelines :

(1) Ensure that any competitive work performed by the UARC does not jeopardize the UARC's ability to perform its work for DoD, and does not introduce an apparent conflict of interest.

(2) Ensure that no unauthorized use shall be made of proprietary or privileged information gained from activities of the UARC.

(3) Make UARC developed capabilities equally available to all industrial partners.

## **E. RESPONSIBILITIES**

1. DDR&E shall:

a. Identify and designate appropriate organizations as UARCs.

b. Establish UARC policy.

c. Designate a primary sponsor for each UARC to assist in data gathering, reporting or meeting other DoD requirements.

d. Prepare reports as requested by Congress.

e. Set and approve any comprehensive limits or restrictions on UARC DoD work obtained under the authority of 10 U.S.C. 2304 (c)(3)(B) if appropriate.

f. Review and approve all Comprehensive Reviews.

g. Review and approve UARCs' core competency statements.

2. A UARC Primary Sponsor shall:

- a. Implement the UARC Management Plan.
  - b. Collect annually from each UARC Contracting Activity funding and staffing data for 10 U.S.C. 2304(c)(3)(B) based efforts and report findings to DDR&E.
  - c. Provide data on annual obligations/expenditures as requested by DDR&E
  - d. Disseminate DDR&E and UARC Primary Sponsor guidance to the Contracting Activities and UARCs as appropriate.
  - e. In coordination with the UARCs, Contracting Activities, and Tasking Activities, establish and maintain the definition of each UARC's DoD mission and core competencies.
  - f. Review UARC contractual relationships for consistency with provisions of the Management Plan.
  - g. Chair a Comprehensive Review each time the primary contract is renewed (approximately every 5 years), with the Contracting Activity(ies) participation. If the Primary Sponsor has multiple contracts with a UARC, then the Primary Sponsor will select a single contract award/renewal for performing the Comprehensive Review. As part of this review, the Primary Sponsor shall examine all DoD 10 U.S.C. 2304 (c)(3)(B) contractual relationships with the UARC for consistency with the provisions of the Management Plan. Report findings to DDR&E.
  - h. If required, adjudicate the priority of work requested by the Tasking Activities.
3. A Contracting Activity shall:
    - a. Implement the UARC Management Plan.
    - b. Ensure that all work performed under the authority of 10 U.S.C. 2304(c)(3)(B) is consistent with the UARC's DoD mission and its core competencies.
4. A Tasking Activity shall:
    - a. Define tasks that fall within the core competencies and for which the UARC is the performer of choice (follow the guidelines in the "Criteria for evaluating work" section of the UARC core competency statement)
    - b. Provide expected funding and work years requirements to the UARC Contracting Activity for planning purposes annually and during the contract negotiation process.

c. Provide the Primary Sponsor and the Contracting Activity the rationale for selecting the UARC as the performer of choice for each task.

## **F. PROCEDURES**

1. Contracts. The instrument(s) under which the UARC performs DoD work pursuant to 10 U.S.C 2304(c)(3)(B) shall be a contract or contracts between the UARC and Contracting Activity(ies), and will be subject to the principles and guidelines of this Management Plan and consistent with the appropriate sections of the Federal Acquisition Regulation. Contracts shall include the following:

a. A statement of the essential engineering, research, and/or development capability required.

b. A description of the UARC mission and identification of its core competencies, and identification to the Primary Sponsor of any differences with the UARC's already identified mission and core competencies.

c. A description of the procedures used to evaluate performance in the areas of technical quality, responsiveness, value, cost and timeliness.

d. Other requirements as appropriate (i.e., when cost-type contracts are used, the contract sponsors will identify any cost elements that require advance agreement and/or approval).

e. The appropriate organizational conflict of interest clause, as set forth in the Federal Acquisition Regulation.

2. Reviews. Primary Sponsors shall chair a Comprehensive Review as part of the contract renewal process (normally every five years). During the review, the Primary Sponsor shall examine and evaluate the core competencies within the sponsors mission areas for current relevance and will ensure that all assigned tasks are consistent with the UARC mission and core competencies. Potential for conflict of interest should be reviewed.

3. Reports required:

<b>REPORT</b>	<b>RESPONSIBLE OFFICE</b>	<b>FREQUENCY</b>	<b>DATE DUE</b>	<b>REPORT TO</b>
Comprehensive Review	Primary Sponsor	New contract, or Renewal of existing contract	60 days prior to issuance	DDR&E
UARC Utilization Data	Primary Sponsor	As requested	As requested	DDR&E
Projected Funding and Staffing Requirements	Primary Sponsor	Annually	July 15	DDR&E

**G. EFFECTIVE DATE:**

This Management Plan is effective immediately.