



DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

3030 DEFENSE PENTAGON
WASHINGTON, DC 20301-3030

AUG 08 2010

MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (RESEARCH,
DEVELOPMENT, AND ACQUISITION)
ASSISTANT SECRETARY OF THE ARMY (ACQUISITION,
LOGISTICS AND TECHNOLOGY)
DIRECTOR, NATIONAL SECURITY AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY

SUBJECT: FY 2010 DoD UNIVERSITY AFFILIATED RESEARCH CENTER
(UARC) MANAGEMENT PLAN

I have approved the FY 2010 DoD UARC Management Plan. This plan goes into effect immediately. Please pass my thanks to your staffs and your UARCs for their assistance in updating the original UARC Management Plan.

Mr. Mark Krzysko, Deputy Director, Enterprise Information and OSD Studies and his staff will work with your staffs and the UARCs to make implementation of the management plan as smooth as possible. His point of contact regarding this matter is Mr. Jay Minsky who can be reached at 703-845-2202 or by e-mail at jay.minsky@osd.mil.

A handwritten signature in black ink, appearing to read "Zachary J. Lemnios", is positioned above the printed name. The signature is stylized and cursive.

Zachary J. Lemnios

**DEPARTMENT OF DEFENSE
UNIVERSITY AFFILIATED RESEARCH CENTER (UARC)
MANAGEMENT PLAN DATED
July 2010**

A. PURPOSE

The purpose of this Management Plan is to ensure that essential university-based engineering and technology capabilities essential 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.

2. College and University laboratories that receive sole source funds on average, exceeding \$6 million annually under authority of 10 U.S.C. 2304(c)(3)(B), to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center, and are designated UARCs by the Director, Defense Research and Engineering (DDR&E), are subject to this plan. The term average is defined as over the length of their contract(s), but not more than 5 years. All existing DoD UARCs established prior to fiscal year 2010, will be maintained at the original \$2 million annual threshold under authority of 10 U.S.C. 2304(c)(3)(B).

3. 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 on average less than \$6 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 \$6 million annually, 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.

4. The process to be designated a DoD UARC is stated in Paragraph F.3.

C. DEFINITIONS

1. UARC. A UARC is an organization which has the following characteristics:

- a. It is a research organization within 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 section 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, or funding from other sources, which is therefore not subject to this plan.
- d. On average, it receives in excess of \$6M annually from DoD of such sole source funds.
- e. It maintains a long-term 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. Primary Sponsor. One DoD Service or Agency will be formally designated as primary sponsor by DDR&E for each UARC. The primary sponsor works with the Contracting Activity(ies) in implementing DoD's UARC management policies and procedures.

3. 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.

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

5. Core Competencies. Areas of expertise in key technical areas to support the UARCs mission.

D. POLICY

1. DoD establishes UARCs with limited domains in defined core competencies in order to advance DoD operations via application of leading edge research, development or engineering in

specific domains, and to maintain core competencies in those domains for the benefit of all DoD Components and Agencies.

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

3. 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.

4. UARCs are not restricted to providing support only in early science and technology (6.1 basic and 6.2 applied research) programs. UARC core competencies may also be available to support advanced technical development and advanced component development and prototype engineering programs (6.3 and 6.4) when resources are available.

5. 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. In the event special circumstances require a waiver of the provisions of paragraph D.5.a. above, a waiver request must be submitted to DDR&E for approval.

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

(1) Ensure 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 actual or apparent conflict of interest.

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

(3) If UARC capabilities are made available to one industry partner, the UARC capabilities must be made equally available to all potential industrial partners.

6. Conflict of Interest (COI)

a. Policy. In order to discharge its responsibilities to the government, a UARC may have access to government and supplier data including sensitive and proprietary information, and to employees and facilities, beyond that which is common to a DoD contractual relationship. The UARC is required to operate in the public interest and conduct its business in a manner befitting its special relationship with the Government. To maintain Government trust in the integrity of the work of UARCs, UARCs shall have a comprehensive conflict of interest policy covering both organizational and personal conflicts of interest to ensure that the integrity and objectivity of UARC work is not compromised and does not appear to be compromised because of the presence of competing financial or personal interests.

E. **RESPONSIBILITIES**

1. DDR&E in conjunction with D,ARA shall:
 - a. Designate appropriate organizations as UARCs.
 - b. Establish and promulgate UARC policy.
 - c. Formally designate a primary sponsor for each UARC to assist in UARC policy oversight, 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 UARC Comprehensive Reviews.
 - g. Review and approve UARCs' core competency statements and revisions thereto.
2. A UARC Primary Sponsor shall:
 - a. Implement and oversee the execution of the UARC Management Plan.
 - b. Collect funding and staffing data annually from each UARC Contracting Activity, for contracts awarded under 10 U.S.C. 2304(c)(3)(B), and report findings to DDR&E.
 - c. Provide data on annual obligations and expenditures as requested by DDR&E or D,ARA.
 - 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. Review the UARC conflict of interest policy and plans. Report the findings to DDR&E through the D,ARA.

h. Collaborate, as needed, with Tasking Activities and UARCs to define and prioritize UARC work in a manner that is responsive to overall DOD priorities. A Primary Sponsor shall not reject work going to the UARC from other DoD organizations without sufficient cause.

i. Designate a central office within the Service or Agency for UARC policy implementation and oversight.

3. A Contracting Activity shall:

a. Implement and ensure agency contracts are consistent with 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.

c. Ensure that the UARC has a comprehensive conflict of interest policy compliant with DoD policy and consistent with the UARC contract's conflict of interest requirements and applicable law.

d. Not reject work going to the UARC from other DoD organizations without sufficient cause.

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. Monitor UARC performance and costs of funded tasks to ensure acceptable UARC performance.

- c. Provide expected funding and work-year requirements to the UARC Contracting Activity for annual planning purposes and for the contract negotiation process.
- d. Provide the Primary Sponsor and the Contracting Activity the rationale for selecting the UARC as the performer of choice for each task.
- e. Collaborate, as needed, with the UARC Primary Sponsor and the UARC to define and prioritize UARC work in a manner that is responsive to overall DOD priorities.
- f. For RDT&E funding, identify in task orders the category(ies) of RDT&E funding (e.g., 6.1, 6.2, 6.3) that will be used to fund each RDT&E task.

5. A UARC shall:

- a. Have a comprehensive conflict of interest policy compliant with DoD policy and consistent with the UARC contract's conflict of interest requirements and applicable law.
- b. Collaborate with its Primary Sponsor and Tasking Activities to define and prioritize UARC work in a manner that is responsive to overall DoD priorities.
- c. Have effective mechanisms for ensuring the work of the Primary Sponsor is not disrupted by tasking/funding from other Tasking Activities.

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 sponsor's 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 also be reviewed.

3. Establishing a UARC. A DoD component can request DDR&E approval, through the Director, Acquisition, Resources and Analysis (ARA), for a new UARC to be established in a specific engineering, research or development area(s). Documentation supporting the request must demonstrate that the requesting component can comply with the following:

a. The new UARCs must be selected through competition, except where the Primary Sponsor of an existing UARC cannot accommodate another DoD organization's requirements within the UARC's core competencies as defined by the Sponsor. In this case, the other DoD organization can request that DDR&E establish an additional UARC at the same university or college through non-competitive means, as long as it can be done so consistent with the requirements of this Management Plan.

b. An exception to competition for a new UARC may also be approved by DDR&E where DoD has a long established history of assigning work to a specific university, and the university has already developed and maintained essential capabilities in research, development or engineering to DoD work. If the DoD requirements are long-term, and it is advantageous to DoD to establish a UARC relationship, the primary DoD sponsor may request approval of DDR&E for UARC establishment without competition. The request must demonstrate that other Universities have not maintained comparable capabilities with a history of applying these capabilities to DoD work.

c. The UARC will not substantially duplicate capabilities existing at an established DoD UARC unless specifically authorized by DDR&E.

d. The primary sponsor has determined that the minimum funding threshold described in section B.2 above, for the first 5 years, has been planned within DoD.

e. There is a significant need for creation of a UARC strategic relationship.

G. REVIEW/CANCELLATION OF PLAN

This Plan remains in effect until superseded.

4. Reports required:

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

H. EFFECTIVE DATE:

This Management Plan is effective immediately.