THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MAY 2 2011

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANT SECRETARY OF DEFENSE (NETWORKS AND INFORMATION INTEGRATION)
DIRECTOR, NATIONAL SECURITY AGENCY

SUBJECT: Federally Funded Research and Development Center (FFRDC) Management Plan and Associated "How-to-Guides"

In my December 9, 2010, memorandum to you regarding FFRDCs, I emphasized the high value FFRDCs provide to the Department. They exist to perform the mission of providing the Department with unique capabilities in many areas where the government cannot attract and retain personnel in sufficient depth and numbers. FFRDCs operate in the public interest, free from organizational conflicts of interest, and can therefore assist DoD in ways that industry and for-profit contractors cannot. Our FFRDCs maintain long-term capability in core competencies in domains that continue to be of great importance to the Department, such as analysis, engineering, acquisition support, and research & development. FFRDCs are immensely valuable capabilities, and the Department should use all means legally available to preserve and strengthen them.

Given the special relationship embodied in FFRDCs, I view them as a vital component of the overall acquisition workforce, along with the government's acquisition workforce and the for-profit contractor expertise. All three are critical to a strong acquisition process. In using FFRDCs, we must take advantage of their freedom from organizational conflicts of interest and of their long-term capabilities that are not available to us elsewhere. I urge you to focus them on the Department's most pressing matters, and educate your workforce to the unique capabilities this resource brings to the Department.

As further reinforcement of my desire to increase the benefit FFRDCs bring to the Department, I am issuing the attached revised FFRDC Management Plan (TAB A) that provides improved clarity to better assist your oversight and management of the FFRDCs you sponsor. I am also releasing How-to-Guides (TAB B) that provide detailed guidance in areas that frequently present procedural questions and challenges.

There are topics requiring additional work that will be addressed in subsequent How-to-Guides such as overarching FFRDC Non-Disclosure Agreements, recognition and handling of FFRDC employees deploying overseas, and Post-employment Restrictions for

FFRDC employees that return from DoD Intergovernmental Personnel Act (IPA) "detail" assignments. Further, I will update topics in the attached How-to-Guides as needed.

Finally I would note that several changes were made in this FFRDC Management Plan to emphasize the long-term, strategic nature of the relationship between the Department and the FFRDCs. This plan contains a change in wording on the typical period of performance for FFRDC contracts compared to the May 2003 version of the Plan. This wording change does not reflect a change in law or policy, rather it connotes that, consistent with current law and regulation, the long-term strategic relationship between the FFRDC and their respective sponsor should be addressed in the sponsoring agreement.

I have directed my organization to incorporate this guidance into policy and regulation, where appropriate. The updated management plan will serve as my official guidance until we modify applicable directives, instructions and regulations.

I appreciate your support in disseminating this guidance within your organization. Questions may be referred to Mr. Mark E. Krzysko at (703) 845-2192 or by-mail at mark.krzysko@osd.mil.

Ashton B. Carter

Attachments:
As stated

cc:
SAEs
Director of Program Analysis and Evaluation (Army)
Chief of Naval Operations (N-81)
Assistant Secretary of the Air Force (Acquisition)
Director, National Security Agency (FFRDC Chairperson)
Director, Acquisition Resources and Analysis