

GAO Highlights

Highlights of [GAO-22-105278](#), a report to congressional committees

Why GAO Did This Study

FFRDCs are intended to meet DOD's long-term research and development needs that cannot be met effectively by the department or private sector alone. DOD historically awards FFRDC contracts on a sole-source basis (i.e., noncompetitively). Some industry representatives have raised questions about this approach, stating that others could provide similar support to DOD.

An explanatory statement included a provision for GAO to review DOD-sponsored FFRDCs. This report describes the analyses DOD conducts to justify the award of sole-source FFRDC contracts, and assesses the extent to which DOD oversight includes an evaluation of FFRDC performance and effectiveness.

GAO reviewed relevant federal and defense regulations, documents, and guidance; interviewed relevant officials; and analyzed contracting documents.

What GAO Recommends

GAO is recommending that DOD ensures OUSD(R&E), in its next FFRDC policy update, requires primary sponsors to provide performance and other relevant information about the effectiveness of the FFRDCs on an annual basis. DOD concurred with the recommendation.

View [GAO-22-105278](#). For more information, contact John D. Sawyer at (202) 512-4841 or sawyerj@gao.gov.

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FEDERAL RESEARCH CENTERS




Revising DOD Oversight Policy Could Assure Access to Performance and Effectiveness Information

What GAO Found

To help meet its research needs, the Department of Defense (DOD) sponsors 10 Federally Funded Research and Development Centers (FFRDC), which are nonprofit, university-affiliated, or industry organizations. Each DOD-sponsored FFRDC is managed by a specific military department or organization, called the primary sponsor.

Primary sponsors must conduct comprehensive reviews at least once every 5 years in part to justify their contract awards for the FFRDCs, including contracts awarded on a sole-source basis. The review process includes assessments of alternative sources, and information about FFRDC performance that primary sponsors collect annually to support the contract award process. DOD's Office of the Under Secretary of Defense for Research and Engineering (OUSD(R&E)) also has responsibilities for overseeing the FFRDCs (see figure).

Examples of DOD Responsibilities for FFRDCs

	Office of the Under Secretary of Defense for Research and Engineering	Primary Sponsor (military department or other DOD organization)
 Strategic Relationships	<ul style="list-style-type: none"> Between DOD and all Federally Funded Research and Development Centers (FFRDC) 	<ul style="list-style-type: none"> With the sponsored FFRDC
 Management and Oversight	<ul style="list-style-type: none"> Oversees FFRDC program Sets policy and procedures Chairs annual meeting and provides strategic update of DOD priorities 	<ul style="list-style-type: none"> Prioritizes and approves all work for the sponsored FFRDC Conducts annual performance assessment and reviews annual program plan Oversees contract
 Comprehensive Review	<ul style="list-style-type: none"> Reviews and approves 	<ul style="list-style-type: none"> Conducts

Source: GAO analysis of Department of Defense (DOD) documents. | GAO-22-105278

While primary sponsors assess the performance of their FFRDCs each year, OUSD(R&E) is not assured of access to this information on an annual basis. Primary sponsors are required by DOD policy to report to OUSD(R&E) on the resources—including funding—they allocate to the FFRDCs each year. However, the policy does not expressly require primary sponsors to provide this office with performance information on an annual basis. Outside of the comprehensive review process—which occurs as infrequently as every 5 years—OUSD(R&E) relies on the willingness of primary sponsors to share the information. Officials said they successfully collect technical information on the results of FFRDC research each year. However, they have encountered resistance to requests for additional information, such as obligations data at the project level. OUSD(R&E)'s visibility into performance information to determine the FFRDCs' effectiveness could similarly be limited if a primary sponsor was reluctant to share the information. Assurance of access to annual performance and other relevant information about the effectiveness of the FFRDCs would better position OUSD(R&E) to assess the extent to which the FFRDCs continue to support DOD's priorities.