

NSF Award Instruments for Major Facilities

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Presentation Objectives

- 2015 NAPA Report
- NSF's Mission & Legislative Framework
- Award instruments for Major Facility Projects



NAPA Report – December 2015

- Requested by NSF & NSB – Use of CAs under external scrutiny
- NSF’s current use of CAs and effectiveness of current policy
- Compare the CA mechanism with other award instruments
- Compare how other scientific agencies manage similar projects
- Identify potential improvements to the NSF’s processes

“Overall, the Academy Panel found that cooperative agreements are an appropriate mechanism to support the development of large-scale research facilities.”



CA = Cooperative Agreement

“Equal emphasis” between business practices & science/technical



Two Questions when deciding whether to use a Contract or Cooperative Agreement...

- What is the **principal purpose** of the transaction?
- **Who benefits** from the transaction?



The Federal Grant and Cooperative Agreement Act of 1977

- **Acquisition:** to acquire property or services **for the direct benefit or use of the federal government.**
- **Assistance Awards:** to transfer a “thing of value” (money, property or services) to the non-federal entity **to accomplish a public purpose of support or stimulation authorized by federal law.**



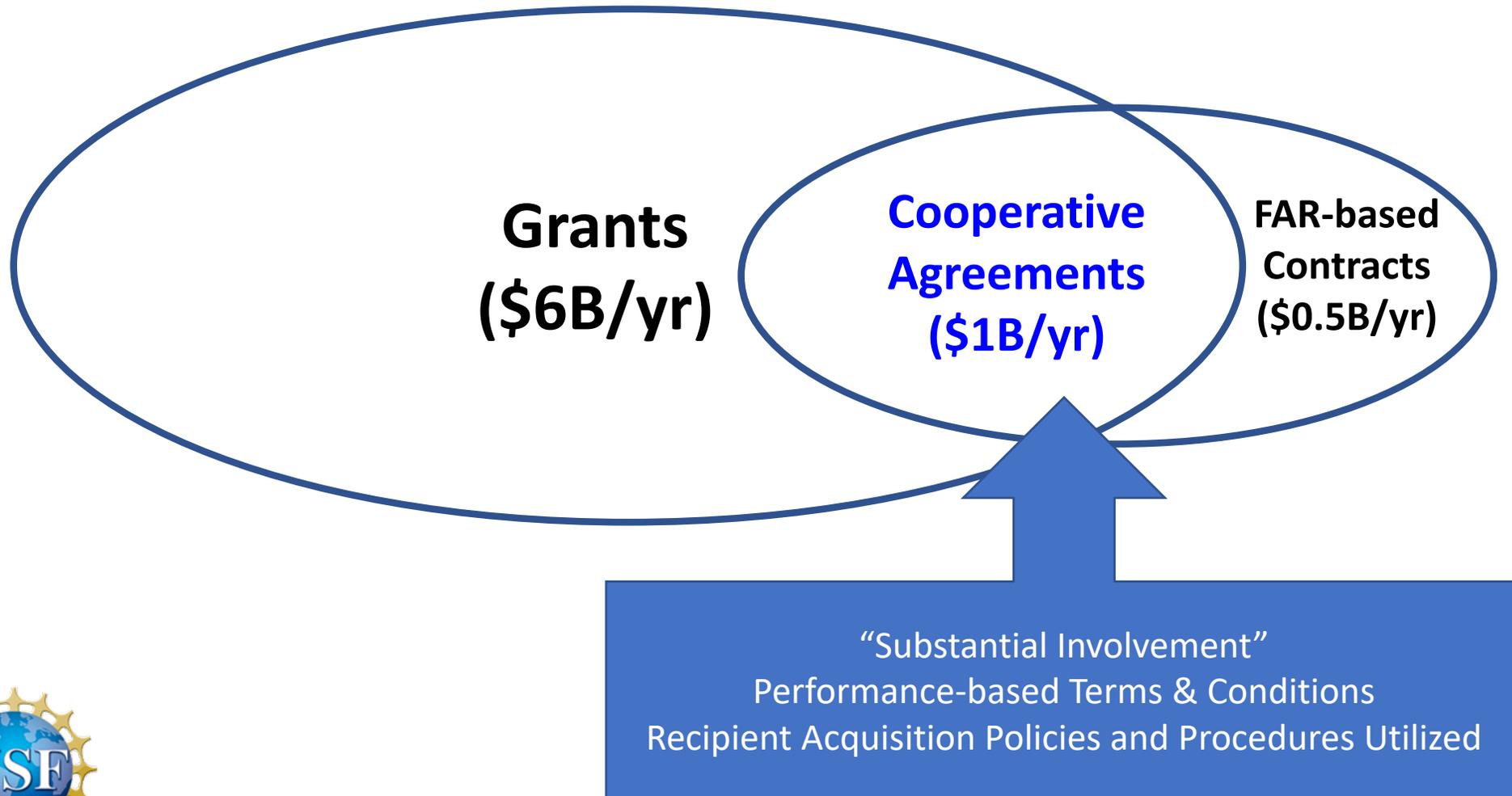
NSF Organic Act of 1950 – A Public Purpose

“To promote the progress of science; to advance the national health, prosperity and welfare; to secure the national defense; and for other purposes.”

- *“The Foundation shall not, itself, operate any laboratories or pilot plants.”*
- NSF’s statutory authority does allow for the use of *“contracts or other arrangements (including grants, loans, and other forms of assistance)”* depending on the purpose and who benefits.



NSF Award Instruments



FAR = Federal Acquisition Regulation

“Substantial Involvement”

- Review and approval of Key Personnel
- Review and approval of one stage of work before another may begin
- Review and approval of substantive provisions of proposed subagreements or subcontracts beyond existing federal policy
- Monitoring to permit guidance on work because of interrelationships with other projects
- Prescriptive agency requirements that limit recipient discretion (Use of contingencies)



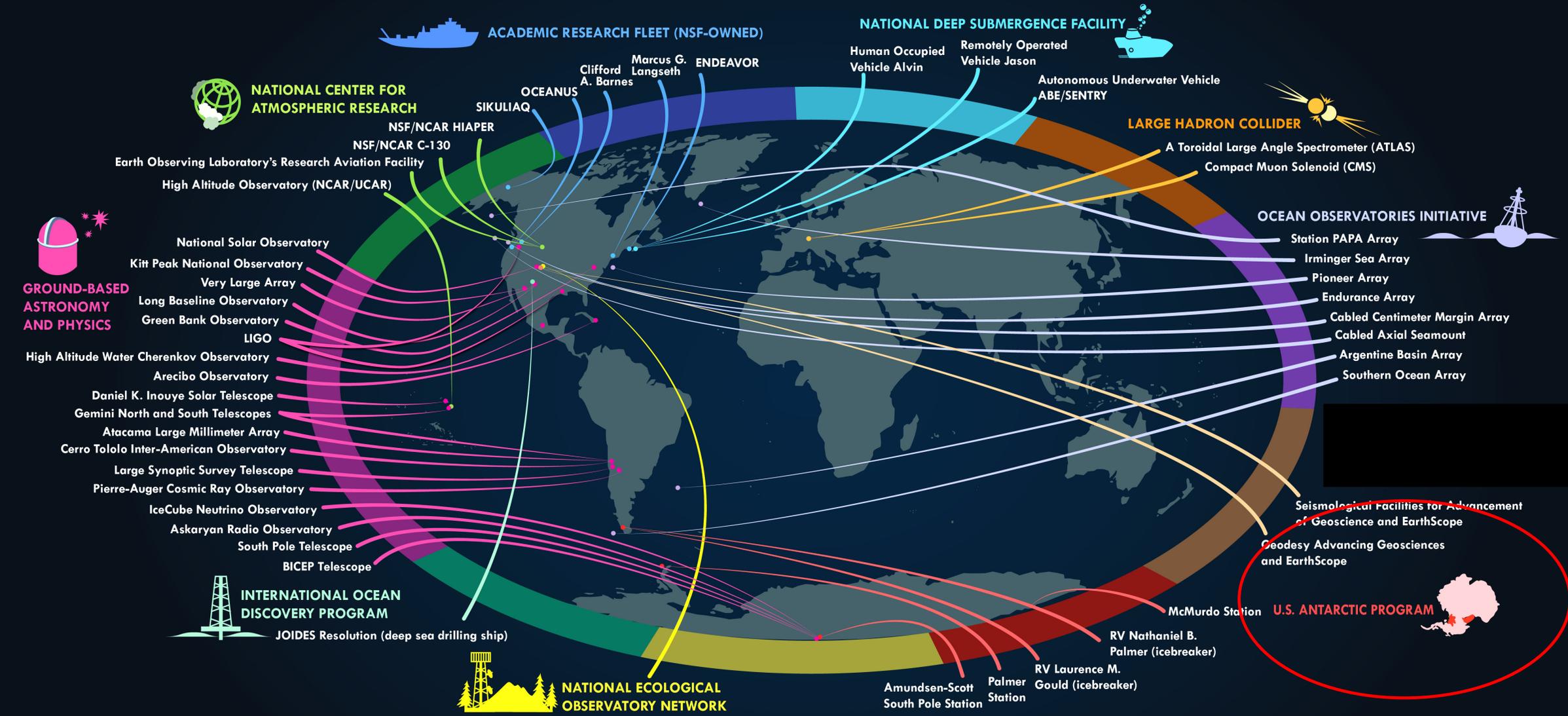
Cooperative Agreements for Major Facilities

- Designed, constructed and operated **BY** the science community, **FOR** the science community
- Recipient managed; no NSF staff on-site
- NSF oversight to assess **progress** and decisions on **continued financial support**
- Not beneficial for NSF to unilaterally change or redirect work

Science Community Benefits

Synergistic relationship between science community and facility!





Contracts for Major Facilities

President's Memorandum Regarding Antarctica – February 1982

“...the National Science Foundation **shall** continue to:

- budget for and manage the entire United States national program in Antarctica, including **logistic support activities** so that the program may be managed as a single package;
- draw upon logistic support capabilities of **government agencies** on a cost reimbursable basis; and
- **use commercial support and management facilities** where these are determined to be cost effective and will not, in the view of the Group, be detrimental to the national interest.”



Government Benefits

Back-up Slides



NSF Statutory Authority (as amended)

(b) Contracts, grants, loans, etc., for scientific and engineering activities; financing of programs

The Foundation is authorized to initiate and support specific scientific and engineering activities in connection with matters relating to international cooperation, national security, and the effects of scientific and engineering applications upon society **by making contracts or other arrangements (including grants, loans, and other forms of assistance)** for the conduct of such activities. When initiated or supported pursuant to requests made by any other Federal department or agency, including the Office of Technology Assessment, such activities shall be financed whenever feasible from funds transferred to the Foundation by the requesting official as provided in [section 1873\(f\) of this title](#), and any such activities shall be unclassified and shall be identified by the Foundation as being undertaken at the request of the appropriate official.



Uniform Guidance (2 CFR, part 200: “Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards”)

- Implemented in December 2014 by the Council on Financial Assistance Reform (COFAR)
- “Government-wide framework for grants management”
- Synthesizes and supersedes guidance from earlier OMB circulars.*
- Aims to **reduce the administrative burden** on award recipients
- **Guard against the risk of waste and misuse of Federal funds**

Establishes standard language

Clarifies and updates cost reporting guidelines for award recipients

**The Guidance was drawn from OMB Circulars A–21, A–87, A–110, A–89, A–102, and A–133; and the guidance in Circular A–50 on Single Audit Act follow-up.*

(Source: www.grants.gov)

Federal Acquisition Regulations (FAR)

48 CFR, parts 1 – 53

- The Federal Acquisition Regulations System is established for the codification and publication of **uniform policies and procedures for acquisition** by all executive agencies. The Federal Acquisition Regulations System consists of the Federal Acquisition Regulation (FAR), which is the primary document, and agency acquisition regulations that implement or supplement the FAR. (FAR 1.101)
- The FAR was issued pursuant to the Office of Federal Procurement Policy Act of 1974. Statutory authority to issue and maintain the FAR resides with the Secretary of Defense, the Administrator of General Services, and the Administrator of the National Aeronautics and Space Administration, subject to the approval of the Administrator of Federal Procurement Policy.

Organic Act (as amended)

Functions of the Foundation

“(2) to initiate and support basic scientific research and programs to strengthen scientific research potential and science education programs at all levels in the mathematical, physical, medical, biological, social, and other sciences, and to initiate and support research fundamental to the engineering process and programs to strengthen engineering research potential and engineering education programs at all levels in the various fields of engineering, by making contracts or other arrangements (including grants, loans, and other forms of assistance) to support such scientific, engineering, and educational activities and to appraise the impact of research upon industrial development and upon the general welfare;”

