



NATIONAL SCIENCE FOUNDATION
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NSF 16-128

Dear Colleague Letter: National Academy of Public Administration (NAPA) Implementation

August 29, 2016

Dear Colleagues:

In December 2015 a panel of experts from the National Academy of Public Administration (NAPA) delivered a report entitled *National Science Foundation: Use of Cooperative Agreements to Support Large Scale Investment in Research*.¹ The NAPA panel found that cooperative agreements are the appropriate mechanism for NSF to support the design and construction of large-scale research facilities. The panel applauded NSF's newly issued policies and practices to address congressional and Office of Inspector General concerns, while recommending continued improvements of the internal business practices so critical to the effective oversight of large facility projects.

This letter provides a status report on NSF's implementation of the NAPA recommendations. The thirteen recommendations fall into three general categories: Business Practices; Planning, Oversight and Accountability; and Project Management. Most of the recommendations are focused on NSF's internal operations but, when implemented, some of the recommendations will impact the awardee community that constructs and operates NSF-funded multi-user facilities.

BUSINESS PRACTICES: COST ANALYSIS, COST ESTIMATING, CONTINGENCY AND MANAGEMENT FEE

NSF has addressed three of the four recommendations related to Business Practices including (1) requiring NSF officials to review and approve any proposed exceptions to the recommendations of pre-award cost analyses; (2) retaining a portion of contingency budgets at NSF, and (3) requiring award recipients to follow the guidance in the Government Accountability Office's Cost Estimating and Assessment Guide and Schedule Assessment Guide.²

The one remaining recommendation in this category — to eliminate the practice of including management fee in cooperative agreements — is currently under review. The review is expected to be complete and results announced later this calendar year.

PLANNING, OVERSIGHT, AND ACCOUNTABILITY: ROLES AND RESPONSIBILITIES

NSF has completed action on one of the six recommendations in this category and is making progress on the remaining five. The NSF Director authorized and NSF has hired two additional staff in the Large Facilities Office, and the head of the Office is now a voting member of the NSF Major Research Equipment and Facilities Construction (MREFC) Panel.

Two of the recommendations involve the National Science Board (NSB). To address the development of clear, documented roles and responsibilities of NSF management and the Board, members of NSB and

NSF senior management attended a workshop in July to clarify and document their respective roles and responsibilities. Similarly, joint discussions at recent NSB meetings have focused on how the Foundation develops and uses the annual NSF Facility Plan. Three annual Facility Plans were published between 2005 and 2008³ but starting in 2009 they became informal oral briefings to the NSB. The goal of the NSB discussions is to clarify what information is needed, and when, for optimal awareness and decision.

Two recommendations are under consideration by a subcommittee of NSF's Business and Operations Advisory Committee. The subcommittee met August 3-4, 2016 to begin to discuss (1) how the role/duties and membership of NSF's MREFC Panel might be amended to expand the Panel's review of the project stages to include development and construction, and potentially the entire project lifecycle; and (2) whether a new advisory committee focused on facilities should be established.

The last recommendation in this category is that NSF identify requirements for project management and financial management expertise for its oversight of large facilities projects and explicitly add these requirements to the criteria for selection of external panel reviewers. NSF internal guidance for stage-gate reviews is under development and will be finalized by the end of the calendar year.

PROJECT MANAGEMENT: KNOWLEDGE AND SKILLS

Three recommendations reflect a need to improve project management knowledge and skills by both NSF staff as well award recipients. NSF held internal and external discussions in 2016 to evaluate and engender ideas on responses to these NAPA recommendations.

Internally, NSF has begun to identify project management skill requirements and training for NSF staff, formalize communities of practice, and document lessons learned. Externally, the subject of project management training and certification was raised with the facilities community and federal agency representatives attending the 2016 Large Facilities Workshop in Washington, DC during May 24-26, 2016. The workshop also included extensive discussion on the recommendation that award recipients must have project managers certified in project management and that NSF specify the minimum project management experience thresholds for such positions in the terms and conditions of the cooperative agreement.

NSF is now considering all of the feedback, both internal and external, for the recommendations on project management knowledge and skills. Community participation is highly valued, and we look forward to continued engagement.

NSF's goal is to address all of the NAPA recommendations, in whole or in part, by the end of the calendar year. For more information or to provide additional feedback on NSF's implementation, please contact Dr. Fae Korsmo at fkorsmo@nsf.gov or 703-292-8002.

Sincerely,

Richard O. Buckius
Chief Operating Officer
National Science Foundation

¹ Available at <http://www.napawash.org/2015.html>.

² *Large Facilities Manual 2016*, available from the NSF Large Facilities Office at https://www.nsf.gov/bfa/lfo/lfo_documents.jsp.

³ Available in the NSF Archive Document Library as [NSF 05-058](#), [NSF 07-22](#), and [NSF 08-24](#), at <https://www.nsf.gov/publications>.

