



National Academy of Public Administration
Highlights of Draft Report

*National Science Foundation:
Use of Cooperative Agreements to Support
Large Scale Investment in Research*



Overall Conclusion



Cooperative Agreements (CA) are the appropriate mechanism to support large-scale research facilities.

But there are critical success factors:

- ❖ Project management discipline
- ❖ Rigor of core business processes
- ❖ Capacity and capability of skilled workforce to carry out project management responsibilities



Cost Estimating and Surveillance



CAs are subject to audit requirements per OMB's Uniform Guidance. NSF has incorporated these requirements into its policies, and strengthened its cost surveillance policies, e.g., through business system reviews (BSRs) based on identified project risks.

Recommendation:

- ❖ CAAR analyzes pre-award project cost estimates and makes recommendations, but they are advisory. To improve NSF's ability to address cost proposal issues, instances where the grants and program offices do not accept CAAR's recommendations should be reviewed by the Large Facilities Office (LFO), and the CFO should make a final determination in writing.



Contingency



NSF has strengthened its methodological approach to contingency cost estimating and analysis. Its contingency development policy complies with OMB guidance.

Recommendations:

- ❖ To bolster accountability and create incentives for the judicious use of contingency funds, NSF should retain a portion of contingency funds and distribute them as needed.
- ❖ To further strengthen NSF's cost estimating policy, the Large Facilities Manual (LFM) should make clear that awardees are expected to follow GAO's Cost Estimating and Assessment Guide and the Schedule Assessment Guide.

No recommendation that contingency funds be tracked once expensed, but NSF should ensure awardees are creating the required work breakdown structure reports.



Management Fee



Despite recent changes to NSF's policy on management fee, the panel finds insufficient clarity whether or when management fee is appropriate.

Recommendation:

- ❖ To eliminate administrative burden and risk, NSF should eliminate the practice of awarding a management fee in CAs.



Effective Stewardship of MREFC Projects



Recommendations:

- ❖ Create a joint NSF/NSB ‘duties and responsibilities’ document to clarify roles and improve management oversight.
- ❖ Re-scope MREFC panel duties to include reviews of projects in development and construction phases focusing on cost, schedule, and performance.
- ❖ Authorize the LFO to hire two more staff and make the LFO Head a voting member of the MREFC panel.
- ❖ Establish communities of practice to share best practices and implement a ‘lessons learned’ requirement for all MREFC projects.
- ❖ Reassess the need for a separate Facility Plan.
- ❖ Establish a Federal Advisory Committee to give the Director objective insight on large research projects.



Additional Project Management Expertise



Recommendation:

- ❖ Identify project management skill requirements for relevant NSF staff, and develop and implement the required training.

Recommendation:

Add project management knowledge and expertise in several specific additional areas -

- ❖ Board Members
- ❖ External project reviewers
- ❖ Award recipient project managers

