

35.017-1 Sponsoring agreements.

(a) In order to facilitate a long-term relationship between the Government and an FFRDC, establish the FFRDC's mission, and ensure a periodic reevaluation of the FFRDC, a written agreement of sponsorship between the Government and the FFRDC *shall* be prepared when the FFRDC is established. The sponsoring agreement *may* take various forms; it *may* be included in a contract between the Government and the FFRDC, or in another legal instrument under which an FFRDC accomplishes effort, or it *may* be in a separate written agreement. Notwithstanding its form, the sponsoring agreement *shall* be clearly designated as such by the *sponsor*.

(b) While the specific content of any sponsoring agreement will vary depending on the situation, the agreement *shall* contain, as a minimum, the requirements of paragraph (c) of this subsection. The requirements for, and the contents of, sponsoring agreements *may* be as further specified in sponsoring agencies' policies and procedures.

(c) As a minimum, the following requirements *must* be addressed in either a sponsoring agreement or sponsoring agencies' policies and procedures:

(1) A statement of the purpose and mission of the FFRDC.

(2) Provisions for the orderly termination or nonrenewal of the agreement, disposal of assets, and settlement of liabilities. The responsibility for capitalization of an FFRDC *must* be defined in such a manner that ownership of assets *may* be readily and equitably determined upon termination of the FFRDC's relationship with its *sponsor(s)*.

(3) A provision for the identification of retained earnings (reserves) and the *development* of a plan for their use and disposition.

(4) A prohibition against the FFRDC competing with any non-FFRDC concern in response to a *Federal agency* request for proposal for other than the operation of an FFRDC. This prohibition is not required to be applied to any parent organization or other subsidiary of the parent organization in its non-FFRDC operations. Requests for information, qualifications or capabilities can be answered unless otherwise restricted by the *sponsor*.

(5) A delineation of whether or not the FFRDC *may* accept work from other than the *sponsor(s)*. If *nonsponsor* work can be accepted, a delineation of the procedures to be followed, along with any limitations as to the *nonsponsors* from which work can be accepted (other *Federal agencies*, State or local governments, nonprofit or profit organizations, etc.).

(d) The sponsoring agreement or sponsoring agencies' policies and procedures *may* also contain, as appropriate, other provisions, such as identification of-

(1) Any cost elements which will require advance agreement if cost-type contracts are used; and

(2) Considerations which will affect negotiation of fees where payment of fees is determined by the *sponsor(s)* to be appropriate.

(e) The term of the agreement will not exceed 5 years, but can be renewed, as a result of periodic review, in increments not to exceed 5 years.

Parent topic: [35.017 Federally Funded Research and Development Centers.](#)