

JOSEPH I. LIEBERMAN, CONNECTICUT, CHAIRMAN

CARL LEVIN, MICHIGAN  
DANIEL K. AKAKA, HAWAII  
THOMAS R. CARPER, DELAWARE  
MARK L. PRYOR, ARKANSAS  
MARY L. LANDRIEU, LOUISIANA  
CLAIRE McCASKILL, MISSOURI  
JON TESTER, MONTANA  
MARK BEGICH, ALASKA

SUSAN M. COLLINS, MAINE  
TOM COBURN, OKLAHOMA  
SCOTT P. BROWN, MASSACHUSETTS  
JOHN McCAIN, ARIZONA  
RON JOHNSON, WISCONSIN  
ROB PORTMAN, OHIO  
RAND PAUL, KENTUCKY  
JERRY MORAN, KANSAS

MICHAEL L. ALEXANDER, STAFF DIRECTOR  
NICHOLAS A. ROSSI, MINORITY STAFF DIRECTOR

# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

July 17, 2012

The Honorable Gene Dodaro  
Comptroller General of the United States  
Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Dodaro:

I am writing to request that the Government Accountability Office investigate the management and oversight of contracts with Federally Funded Research and Development Centers (FFRDCs).

Initially established after World War II, FFRDCs are hybrid quasi-governmental organizations that are intended to provide services to federal agencies which cannot be met effectively by either government or private contractors. There are currently approximately 40 FFRDCs across the federal government which may receive unlimited sole-source contracts to provide research, development, consulting, and other services.

I am concerned that the number and reliance on FFRDCs is no longer consistent with stated policy. I am also concerned that federal agencies may be relying on FFRDCs when more cost-effective options, including using federal employees or private contractors, may be available.

As a result, I request that GAO examine the award, management, and oversight of FFRDC contracts. Specifically, I request that GAO assess:

- (1) The extent to which work awarded to FFRDCs could be performed effectively by federal employees or contractors;
- (2) Whether work awarded to FFRDCs could be performed at a more reasonable cost by federal employees or contractors;
- (3) The extent to which work performed by FFRDCs is duplicative of work currently being performed by federal employees or private contractors;
- (4) The reasonableness of compensation for FFRDC executives, including the costs of pension packages, bonuses, and other forms of non-salary compensation;

The Honorable Gene Dodaro  
July 17, 2012  
Page 2

- (5) The existence of actual or apparent conflicts of interest resulting from FFRDCs' ownership by for-profit companies, including companies that have contracts with the federal government;
- (6) The extent to which new federal laws and regulations regarding organizational conflicts of interest may limit the need for FFRDCs; and
- (7) The implementation of GAO's previous recommendations regarding FFRDCs.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108<sup>th</sup> Congress); and Senate Resolution 73 (111<sup>th</sup> Congress). An attachment to this letter provides additional information about how to respond to the Subcommittee's request

I appreciate your cooperation with this request. Please contact Margaret Daum with the Subcommittee staff at (202) 224-4462 with any questions. Please send any official correspondence relating to this request to [Kelsey Stroud@hsgac.senate.gov](mailto:Kelsey_Stroud@hsgac.senate.gov).

Sincerely,



Claire McCaskill

Chairman  
Subcommittee on Contracting Oversight

cc: Rob Portman  
Ranking Member  
Subcommittee on Contracting Oversight