

Should a UC Bid to Continue Management of Los Alamos and/or Lawrence Livermore National Laboratories Include Partnerships with One or More Private Sector Firms?

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The University is actively exploring joining forces with industry partners for one or more of the competitions. The UCOP laboratory management group believes that partnering with appropriate corporate entities would strengthen certain aspects of laboratory management, especially security, health and environmental safety, and business practices. The adequacy of university management in these areas has received special attention in the past and has been the source of some scandal and negative publicity. These perceived management lapses were at least partially instrumental in prompting Congress to require competitive bidding for future contracts. Indeed, UCOP has been exploring some aspects of partnering that could be implemented even before the current contract expires.

The UCOP management group believes that partnering in some form may be a key element of a successful bid. Although the DOE has indicated that it is unlikely to require partnering as part of a bid, it is highly likely that any other academic institution that would bid for either Los Alamos or Lawrence Livermore would partner with a non-academic institution. Moreover, the DOE has not awarded contracts to academic-only bidders in any of the competitions held during the last 20 years (which have excluded LANL and LLNL, whose previous contracts have not required competitive bidding). In addition, industrial partners can be asked to shoulder much of the cost of bid preparation.

UC would approach partnering with certain key principles in mind:

- The University must continue to protect intellectual and scientific freedom in research.
- The University must continue to provide strong leadership in those aspects of laboratory operations that are key to scientific excellence:
 - Scientific management
 - Mission definition and execution
 - Policies, practices, and controls affecting scientific staff
- Any partnering agreement must be consistent with the University's public service purpose and policy constraints.

The University could consider a number of different partnering arrangements with several interested firms. The range of options runs from a 50-50 partnership with one major industry entity to the implementation of multiple subcontracts, each geared toward particular laboratory operations that, in UC's view, are not central to the scientific and technical missions of the laboratories (e.g., security, accounting).

Irrespective of which arrangement would eventually be most feasible, UC's rationale for developing working affiliations with industry partners is ultimately aimed at establishing

an integrated management team that would exploit relevant areas of expertise and where UC continues to provide strong leadership in those aspects of laboratory operations that are key to scientific excellence.