

105TH CONGRESS
2D SESSION

H. R. 3593

To improve the ability of small businesses, Federal agencies, industry, and universities to work with Department of Energy contractor-operated facilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 1998

Mr. ENSIGN (for himself and Mr. GIBBONS) introduced the following bill;
which was referred to the Committee on Commerce

A BILL

To improve the ability of small businesses, Federal agencies, industry, and universities to work with Department of Energy contractor-operated facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Energy
5 Small Business and Industry Partnership Enhancement
6 Act of 1998”.

7 **SEC. 2. FINDINGS.**

8 Congress finds that—

1 (1) partnerships between contractor-operated
2 facilities of the Department of Energy and small
3 businesses can enhance growth of competitive small
4 business opportunities;

5 (2) the contractor-operated facilities represent a
6 national resource in science and technology;

7 (3) capacity for innovation in the United States
8 is enhanced when the capabilities of the contractor-
9 operated facilities are engaged with other providers
10 and users of the Nation's science and technology
11 base;

12 (4) contributors to the Nation's science and
13 technology delivery system, Federal agencies, private
14 industry, universities, and the contractor-operated
15 facilities can best perform their missions through
16 partnerships and interactions that leverage the re-
17 sources of each such entity;

18 (5) interactions of the contractor-operated fa-
19 cilities with industry and universities serve to—

20 (A) expand the technology base available
21 for missions of the Department of Energy; and

22 (B) instill sound business practices in the
23 contractor-operated facilities to enable cost-ef-
24 fective realization of the Federal missions of the
25 facilities;

1 (6) the contractor-operated facilities benefit
2 from university interactions through access to lead-
3 ing edge research and through recruitment of the
4 talent needed to pursue the missions of the facilities;

5 (7) industry can improve products and proc-
6 esses leading to an enhanced competitive position
7 through simplified access to the science and tech-
8 nology developed by the contractor-operated facili-
9 ties; and

10 (8) other Federal agencies can advance their
11 own missions by using capabilities developed within
12 the contractor-operated facilities.

13 **SEC. 3. PURPOSES.**

14 The purposes of this Act are—

15 (1) to improve the ability of small businesses,
16 Federal agencies, industry, and universities to work
17 with the contractor-operated facilities of the Depart-
18 ment of Energy while ensuring full cost recovery of
19 each contractor-operated facility's expenses incurred
20 in such work;

21 (2) to encourage the contractor-operated facili-
22 ties to expand their partnerships with universities
23 and industries; and

24 (3) to expand interactions of contractor-oper-
25 ated facilities with small businesses so as to—

1 (A) encourage commercial evaluation and
2 development of the science and technology base
3 of the contractor-operated facilities; and

4 (B) provide technical assistance to small
5 businesses.

6 **SEC. 4. CONTRACT RESEARCH SERVICES.**

7 Section 31a. of the Atomic Energy Act of 1954 (42
8 U.S.C. 2051(a)) is amended—

9 (1) in paragraph (5), by striking “and” at the
10 end;

11 (2) in paragraph (6), by striking the period at
12 the end and inserting “; and”; and

13 (3) by adding at the end the following:

14 “(7) areas of technology within the mission of
15 the Department of Energy as authorized by law.”.

16 **SEC. 5. COST RECOVERY.**

17 Section 33 of the Atomic Energy Act of 1954 (42
18 U.S.C. 2053) is amended—

19 (1) by striking “SEC. 33. RESEARCH FOR OTH-
20 ERS.—Where” and inserting the following:

21 **“SEC. 33. RESEARCH FOR OTHERS.**

22 “(a) IN GENERAL.—Where”; and

23 (2) by striking the last sentence and inserting
24 the following:

25 “(b) COST RECOVERY.—

1 “(1) IN GENERAL.—In carrying out subsection
2 (a), the Secretary of Energy shall not recover more
3 than the full cost of work incurred at contractor-op-
4 erated facilities of the Department of Energy.

5 “(2) ADMINISTRATIVE COSTS.—Any costs in-
6 curred by the Department of Energy in connection
7 with work performed by contractor-operated facilities
8 of the Department of Energy shall be funded from
9 departmental administration accounts of the Depart-
10 ment of Energy.

11 “(3) CHARGES.—For work performed for a per-
12 son other than the Department of Energy (including
13 non-Federal entities and Federal agencies other than
14 the Department of Energy) (referred to in this para-
15 graph as an ‘external customer’), a contractor-oper-
16 ated facility may assess a charge in an amount that
17 does not exceed the sum of—

18 “(A) the direct cost to the contractor in
19 performing the work for the external customer;
20 and

21 “(B) a pro rata share of overhead charges
22 for overhead-funded services directly required
23 for performance of the specific work for exter-
24 nal customers as a whole or to a category of ex-

1 ternal customers that includes the external cus-
2 tomer.”.

3 **SEC. 6. PARTNERSHIPS WITH UNIVERSITIES AND INDUS-**
4 **TRY.**

5 (a) IN GENERAL.—Chapter 4 of title I of the Atomic
6 Energy Act of 1954 (42 U.S.C. 2051 et seq.) is amended
7 by adding at the end the following:

8 **“SEC. 34. CONTRACTOR-OPERATED FACILITIES OF THE DE-**
9 **PARTMENT OF ENERGY.**

10 “(a) METRICS.—

11 “(1) DEFINITION OF METRICS.—In this sub-
12 section, the term ‘metrics’ means a system of meas-
13 urements to determine levels of specific areas of per-
14 formance.

15 “(2) INCLUSION IN CONTRACTS.—Metrics—

16 “(A) shall be developed jointly by the Sec-
17 retary of Energy and each contractor operating
18 a facility of the Department of Energy to en-
19 sure that realistic goals are established that are
20 directly supportive of the mission and respon-
21 sibilities of the contractor-operated facility;

22 “(B) shall be specified in the contract for
23 operation of the facility; and

24 “(C) shall be used to evaluate the effective-
25 ness of partnership development by the facility.

1 “(b) PARTNERSHIPS AND INTERACTIONS.—

2 “(1) ENCOURAGEMENT OF PARTNERSHIPS AND
3 INTERACTIONS.—The Secretary of Energy shall en-
4 courage partnerships and interactions with univer-
5 sities and private industry at each contractor-oper-
6 ated facility.

7 “(2) COMPONENT OF PERFORMANCE EVALUA-
8 TIONS.—The development and expansion of partner-
9 ships and interactions with universities and private
10 industry shall be a component in evaluating the an-
11 nual performance of each contractor-operated facil-
12 ity.

13 “(c) SMALL BUSINESS TECHNOLOGY PARTNERSHIP
14 PROGRAM.—

15 “(1) IN GENERAL.—The Secretary of Energy
16 shall require that each contractor operating a facility
17 of the Department of Energy create a small business
18 technology partnership program at each contractor-
19 operated facility.

20 “(2) FUNDING LEVEL.—A contractor may
21 spend not more than 0.25 percent of the total oper-
22 ating budget of a contractor-operated facility on the
23 program.

24 “(3) EVALUATIONS.—The Secretary shall annu-
25 ally evaluate the effectiveness of the program with

1 each contractor to ensure that the program is pro-
2 viding opportunities for small businesses to interact
3 with and use the resources of each contractor-oper-
4 ated facility.

5 “(4) USE OF FUNDS.—Funds from the pro-
6 gram—

7 “(A) shall be used to cover a contractor-
8 operated facility’s costs of interactions with
9 small businesses; and

10 “(B) shall not be used for direct monetary
11 grants to small businesses.”.

12 (b) CONFORMING AMENDMENT.—The table of con-
13 tents of the Atomic Energy Act of 1954 (42 U.S.C. prec.
14 2011) is amended by adding at the end of the items relat-
15 ing to chapter 4 of title I the following:

“Sec. 34. Contractor-operated facilities of the Department of Energy.”.

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