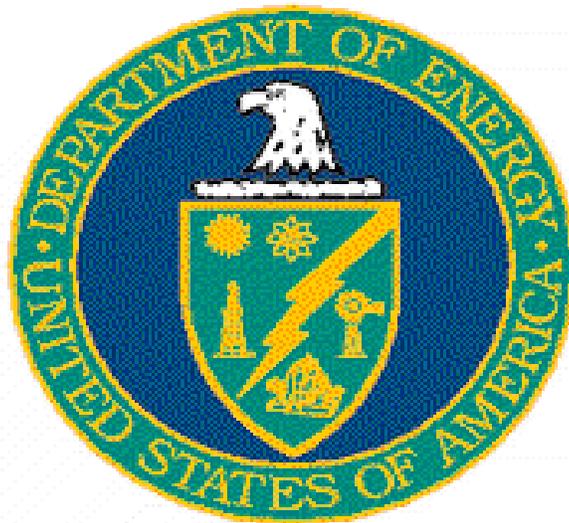


U.S. Department of Energy FY 2007

Support Cost By Functional Activity Report



**This report and additional functional support cost details from
the 29 contributing Major Site Facility Contractor sites
are available online at:**

<http://www.cfo.doe.gov/cf1-2/scfa.htm>

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INTRODUCTION

PURPOSE OF THE REPORT

The purpose of this report is to highlight the amounts of and trends in support costs incurred by 29 of the Department's largest contractors, classified by functional activity. These represent the majority of contractor support costs for the Department's sites. This report is issued in response to the House Report, 105-581, accompanying the Energy and Water Development Appropriations Act for fiscal year (FY) 1999, which commended the Department on the development of the Support Cost by Functional Activity (SCFA) System and the annual SCFA Report. Support activities are functions that are necessary to be performed to enable Department of Energy (DOE) sites to accomplish their direct mission activities. Accounting, procurement, human resources, safety and health, and maintenance are examples of support cost. An example of a direct mission activity (not included in support) could be a scientist directly involved in performing research. Support costs do not include the costs of capital equipment or construction.

While support costs represent a substantial amount of money, management of these costs is the responsibility of the predominant program at each site. DOE corporate budget and accounting systems do not provide visibility for these costs. This report provides the relevant insights into support costs for the Department.

WHY CAPTURE SCFA?

The functional cost concept recognizes that the classification of costs as being charged in a direct or indirect manner is not relevant to measuring the activity required to support direct mission programs in the Department. Therefore, instead of classifying costs as direct or indirect, they are classified as either mission direct, construction or support costs. These components together represent total program costs. By eliminating the focus on how costs are distributed, a better picture may be obtained as to how much is being expended to support our critical missions and whether those amounts appear reasonable.

BACKGROUND

The SCFA Report began as a way to identify the cost of the Department's support programs and the trends in those costs. The managing and reporting of support costs was initiated as a cooperative agreement and relationship between the Office of the Chief Financial Officer, the Department's program offices and the Financial Management Systems Improvement Council (FMSIC). This relationship is based on a belief that the appropriate amount of support cost was best determined at the levels closest to the activities, that is by the cognizant Departmental field offices and the contractors.

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Prior to FY 1997, Department-wide data showing the nature of, amount of and trends in costs was not available. For example, the Office of Environmental Management could not determine how much of its funding for environmental cleanup at DOE sites was being expended on actual “hands on” cleanup versus support-related activities. Recognizing the importance of managing these costs, and in response to requests from Congress and the Government Accountability Office (GAO), the Department’s Chief Financial Officer implemented the SCFA System and cost accumulated process. The SCFA process begins when Site contractors provide cost data to DOE Field Chief Financial Officers (CFO), who review and input data into the SCFA System and then certify the data as accurate. In implementing SCFA, definitions for 22 specific support cost categories were developed to support consistent cost accumulation, tracking, and reporting. These 22 specific categories fall into three broader categories: general support, mission support and site specific support. The remaining cost incurred by the Department represents direct mission activity, as well as capital equipment and construction costs. Definitions of support cost categories were developed jointly by the Department’s program offices, the Office of the CFO and FMSIC to ensure that contractors conform to uniform reporting standards (See Appendix A).

The SCFA Report is only one of several tools to help improve support cost management. We also recognize the other roles/tools of site offices, including institutional planning, performance appraisals and broad sharing of lessons learned and best practices among laboratories/contractors who regularly update their progress.

FMSIC

FMSIC is a Departmental financial management idea-sharing forum comprised of DOE CFO staff and contractors. FMSIC provides a forum for contractors to share successful approaches (best practices), which could provide gains in budget and accounting economy and efficiency. FMSIC also established the SCFA Peer Review Program designed to ensure consistency and data integrity in support cost reporting. The Council meets periodically to discuss contractor financial management issues, including support costs and the results of peer reviews. In addition, the FMSIC web page (<http://info.inel.gov/fmsic/index.html>) contains a new Frequently Asked Questions section to share common questions and answers across the DOE complex regarding definitions, classification of costs or other relevant issues to support cost reporting.

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EXTERNAL AUDITS AND REVIEWS

GAO recommended in its September 2002 report, “*DOE Contractor Management: Opportunities to Promote Initiatives That Could Reduce Support-Related Costs*” (GAO-02-1000) (<http://www.gao.gov/new.items/d021000.pdf>), that the Department “...develop a system to analyze the merits of cost-saving initiatives implemented at contractor sites, identify those that have broader applicability in DOE and work with program offices to promote those most likely to reduce support-related costs.” In response, the Department collected, reviewed and highlighted cost-saving initiatives with broad applicability beginning with the FY 2002 annual report. It is the Department’s intent to promote those initiatives that may provide opportunities for other contractors across the complex. The annual report is provided to all headquarters program offices, field locations and individual contractors.

In September 2005, the GAO issued its report, “*Department of Energy: Additional Opportunities Exist for Reducing Laboratory Contractors' Support Costs*,” (GAO-05-897) (<http://www.gao.gov/new.items/d05897.pdf>). In the report, GAO concurs with the Department that indirect cost rates cannot be compared across sites and that support costs provide a valid basis for assessing internal cost management. The report identified five recommendations to further improve the Department’s management of support costs. In response, the Department worked with FMSIC to clarify support cost definitions, revised DOE Order 350.1 to provide competitive but economical employee benefits, created a sustainable approach to reduce long-term maintenance costs, and worked to facilitate the further reduction of support costs. As of September, 2007, all items were marked as complete.

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LIMITATIONS OF SUPPORT COST DATA

This report is a cost management tool and cannot be used for making site-to-site comparisons due to the numerous site specific factors that influence support costs. In addition, support cost alone should not be used to make broad program funding decisions. The report may be used in conjunction with other tools (e.g. budget reports, planning documents, etc.) to promote stronger program management and planning. By eliminating the focus on how costs are distributed, a better picture may be obtained as to how much is being expended for support activities and whether those amounts are reasonable.

Functional support cost is not determined based on fully allocated cost and cannot automatically be interpreted as indirect/overhead costs as this term is defined by the Cost Accounting Standards (CAS) included in the Federal Acquisition Regulations. The contractors are subject to CAS and do not budget, accumulate or distribute costs in their formal accounting systems in the manner reflected in this report. In the formal accounts, the amounts reported as functional cost are distributed, directly or indirectly, to program activities and lose their identity. Therefore, the functional support costs are reported on a prime cost basis (i.e., prior to any cost distribution) and, by definition, may include both direct and indirect costs.

The data reflected in the report was obtained by analyzing information contained in the contractors' financial management systems and apportioning costs into the SCFA categories. While the total cost for each contractor is accurate and a standard set of definitions was used, apportioning the costs to functional categories requires the exercise of management judgment. Numerous factors affect the mix and volume of expenditures at a given site. These factors vary from site-to-site in both applicability and relative magnitude. For example, cost differences across sites may result from variances in the type, size, nature, environment, etc., of actual work activities.

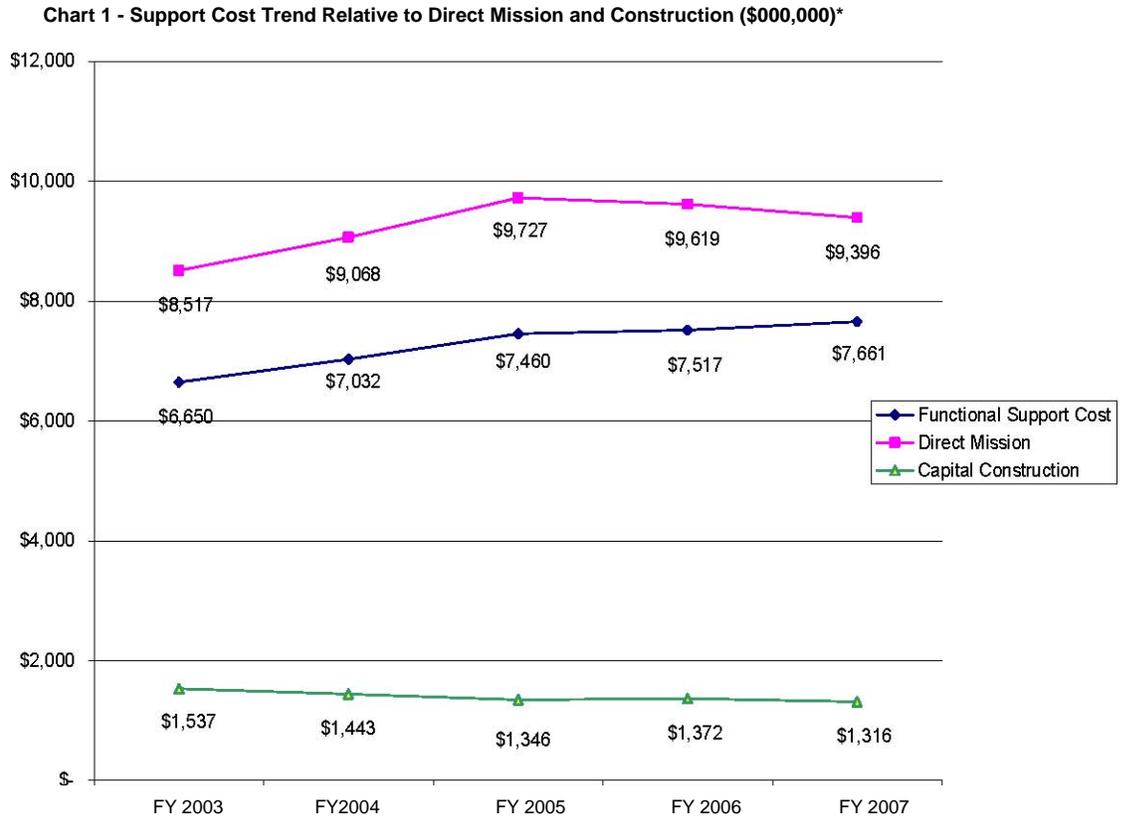
Field offices are responsible for the quality of the functional cost and cost savings initiative data. DOE Field CFOs review and certify each submission for accuracy. The goal for data accuracy is 100 percent, although it is recognized that it may not be possible to achieve an overall accuracy greater than 95 percent due to professional judgment involved in categorizing cost at each site. However, the current level of accuracy is sufficient for trending costs at a given site over time, but not necessarily for comparison across sites.

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DEPARTMENTAL RESULTS AND TRENDS

The Department's 29 largest contractors reported total costs of \$18.4 billion in FY 2007. This includes \$9.4 billion in mission direct, \$1.3 billion in capital/construction and \$7.7 billion in total support costs. All support cost terms are defined in Appendix A of this document.

As Chart 1 shows, since FY 2003, the Department's direct mission has increased by \$878.9 million, while functional support costs have increased by \$1.0 billion and capital/construction has decreased by \$220.1 million. In FY 2007, Functional Support Costs increased by \$143.6 million. The largest increase came from the Maintenance category which went up \$39.0 million in the last year caused by the reclassification of some items, increased Maintenance staffing, and an increase in snow removal due to a wet winter.

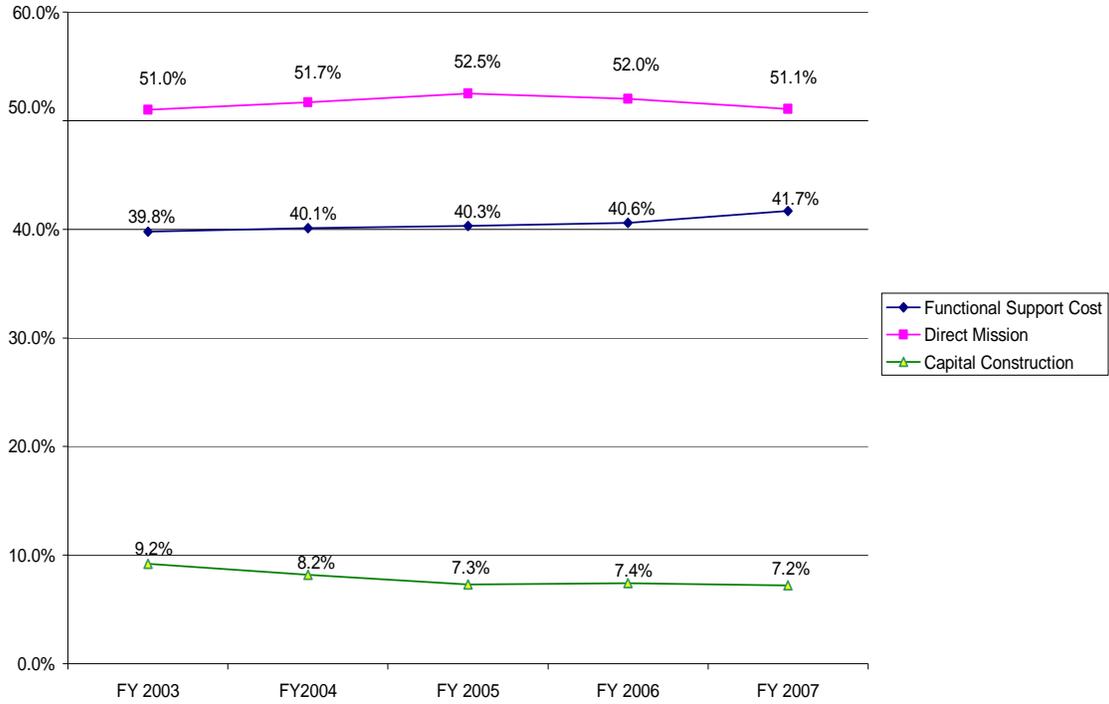


*Prior year numbers may reflect minor changes due to peer review recommendations or data input errors.

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As Chart 2 displays, 51.1 percent of total costs were expended on mission direct activities, 41.7 percent on functional support costs and 7.2 percent on capital/construction in FY 2007. Direct Mission costs decreased by .9% in FY 2007. This decrease related mostly to a reduction in the NNSA Weapons Program. Costs were reduced due to a 50% reduction in purchased services, a 40% reduction in travel, and a 10% reduction in staff.

Chart 2 - % Of Total Cost for Each Component of Cost



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Long-Term Analysis

The following table presents the annual change in actual support cost dollars vs. a FY 1995 baseline. This change represents amounts redirected to mission direct activities as a result of support cost management efficiencies.

Table 1 - Support Cost Analysis
(All dollars are in thousands)

Fiscal Year	(Mission Direct + Capital/Construction + Support Cost) = Total Cost	Support Cost As A Percentage of Total Cost	Percent Change From FY 1995 Baseline	Support Cost \$ Change From the FY 1995 Baseline
1995	\$13,992,966	43.6%		
1996	\$13,298,807	42.6%	-1.0%	\$132,988
1997	\$12,771,135	42.8%	-0.8%	\$102,169
1998	\$12,905,644	42.3%	-1.3%	\$167,773
1999	\$13,312,461	41.7%	-1.9%	\$252,937
2000	\$14,394,608	40.4%	-3.2%	\$460,627
2001	\$15,252,034	39.8%	-3.8%	\$579,577
2002	\$15,763,615	39.9%	-3.7%	\$583,254
2003	\$16,703,028	39.8%	-3.8%	\$634,715
2004	\$17,542,814	40.1%	-3.5%	\$613,998
2005	\$18,534,965	40.3%	-3.3%	\$611,588
2006	\$18,508,154	40.6%	-3.0%	\$555,245
2007	\$18,372,841	41.7%	-1.9%	\$349,084
Total				\$5,043,955

If you consider FY 1995 data as a baseline, we can estimate how many additional dollars would have been consumed as support cost from FY 1996 through FY 2007. If the FY 1995 support cost rate remained at 43.6 percent in the twelve subsequent years, mission direct funding would have decreased by \$5.0 billion. In FY 2007 alone, over \$349 million extra dollars would have been spent on support costs had we maintained the same rate as in FY 1995. The visibility afforded by the support cost data allows the Department to perform this type of baseline analysis which demonstrates that more dollars have been invested in mission direct activities and less in support cost.

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In FY 2007, the three largest functional support cost categories accounted for over 33 percent of the total functional support costs at the 29 contributing sites. The following is a brief description of each of the categories identified in Table 2 below.

CATEGORY	FY 2007 (\$ in millions)	FY 2007 Percent of Total Cost	FY 2007 Percent of Total Functional Support Cost
Maintenance	\$907.7	4.9%	11.8%
Safety & Health	\$838.8	4.6%	10.9%
Safeguards & Security	\$812.0	4.4%	10.6%
Total	\$2,558.5	13.9%	33.3%

- **Maintenance** - A significant number of the Department's facilities are aging and obsolete. The Department has begun to require contractors to address the backlog of maintenance projects while they also manage current maintenance needs. Although this effort will involve significant costs in the near term, it could reduce functional support costs in the long term.
- **Safety and Health** - These costs reflect a heightened emphasis on safety and are associated with safety and health programs, such as emergency preparedness, fire protection, industrial hygiene, industrial safety, occupational medical services, nuclear safety, work smart programs, radiation protection, transportation safety and management oversight.
- **Safeguards and Security** – The events of September 11, 2001, and the country's response to these events continue to drive safeguards and security costs higher. New requirements are consuming greater resources.

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Table 3 - Trends (All dollars are in thousands)

Support Cost Categories	FY 2007 Support Cost \$	FY 2007 As a Percent of Support Cost	FY 2003 Support Cost \$	FY 2003 As a Percent of Support Cost	Change As a Percent of Support Cost FY 2003- 2007	\$ Change FY 2003- 2007
Maintenance	\$907,732	11.9%	\$821,551	12.4%	-0.51%	\$86,181
Safety and Health	\$838,789	11.0%	\$722,525	10.9%	0.08%	\$116,264
Safeguards and Security	\$811,983	10.6%	\$633,882	9.5%	1.07%	\$178,101
Information Services	\$739,327	9.7%	\$739,391	11.1%	-1.47%	-\$64
Management Fee	\$632,027	8.3%	\$418,405	6.3%	1.96%	\$213,622
Facilities Mgmt	\$541,479	7.1%	\$530,772	8.0%	-0.91%	\$10,707
Utilities	\$454,512	5.9%	\$376,825	5.7%	0.27%	\$77,687
LDRD/PDRD/SDRD	\$327,759	4.3%	\$309,539	4.7%	-0.38%	\$18,220
Program/Project Control	\$240,750	3.1%	\$217,892	3.3%	-0.13%	\$22,858
Environmental	\$214,959	2.8%	\$188,726	2.8%	-0.03%	\$26,233
Human Resources	\$208,980	2.7%	\$201,500	3.0%	-0.30%	\$7,480
Executive Direction	\$195,838	2.6%	\$186,081	2.8%	-0.24%	\$9,757
Taxes	\$193,957	2.5%	\$89,948	1.4%	1.18%	\$104,009
Logistics Support	\$191,575	2.5%	\$162,160	2.4%	0.06%	\$29,415
Central Admin Services	\$188,992	2.5%	\$206,297	3.1%	-0.64%	-\$17,305
Information Outreach	\$188,109	2.5%	\$166,956	2.5%	-0.06%	\$21,153
Lab/Tech Support	\$185,802	2.4%	\$148,978	2.2%	0.18%	\$36,824
CFO	\$166,640	2.2%	\$141,988	2.1%	0.04%	\$24,652
Quality Assurance	\$160,054	2.1%	\$129,547	2.0%	0.14%	\$30,507
Procurement	\$148,743	1.9%	\$142,338	2.1%	-0.20%	\$6,405
Other	\$61,926	0.8%	\$51,025	0.8%	0.04%	\$10,901
Legal	\$60,776	0.8%	\$63,309	1.0%	-0.16%	-\$2,533
Total Support Cost	\$7,660,709	100.0%	\$6,649,635	100.0%	0.00%	\$1,011,074

The 22 support cost categories are listed according to total FY 2007 support cost dollars. Maintenance remains the largest dollar support cost category, totaling \$907.7 million in FY 2007. However, while maintenance required about 12.4 percent of total support cost in FY 2003, it declined to 11.9 percent in FY 2007. As noted earlier, the Department's aging facilities are a major driver for cost in this category.

Management Fees had the largest increase from FY 2003, approximately \$213.6 million. While in FY 2002 this category accounted for roughly 6.3 percent of the total support expenditures, it now accounts for almost 8.3 percent. A large percent of the increase was the result of contract evolution at Savannah River. The contractor was required to take on significantly more risk therefore being provided with a corresponding increase in earnings opportunity. This contract period ended in FY 2007 and resulted in a one-time, EM fee payment based on cumulative contract performance. In addition, WSRC received NNSA super stretch fees for successful completion of the Tritium Extraction Facility (TEF) under budget and ahead of schedule.

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COST SAVING INITIATIVES

Reporting contractors provided information related to initiatives implemented to manage and reduce functional support costs at their sites.

For example, many of the Department's locations utilize Six Sigma, which is a rigorous, statistically based, customer-focused business methodology to improve work processes. By applying the disciplined and rigorous Six Sigma methodology and performance-based leadership tools, sustainable solutions to business problems can be delivered. This approach focuses on identifying and eliminating the cost of poor quality embedded in current business and operational processes through the use of qualitative and advanced quantitative tools and techniques.

Below are several cost saving initiatives, identified by the Department's contractors. Several of the following initiatives have broad applicability and may provide opportunities that could be used by other contractors throughout the Department. Other initiatives are more unique to specific locations. These savings, reductions or cost avoidances have been realized and reinvested at each site.

Travel Costs

Reported by Argonne National Lab/University of Chicago (\$641.0K)

Through better contract rates with carriers and lower fees associated with using the online booking tool versus traditional reservation calls with a live agent, Argonne realized savings in excess of \$641K in FY 2007 travel cost.

Waste Feed Operational Efficiencies

Reported by Hanford/Fluor Daniel, CH2M Hill (\$1.8M)

CH2M HILL realized significant cost savings from Operations efficiencies associated with Waste Feed Operations and Single-Shell Tanks surveillance and monitoring, operations, essential services, RadCon, and management. Specifically, efficiencies resulted from back to back Double-Shell Tank (DST) to DST waste transfers and Evaporator campaigns utilizing similar work planning evolutions and trained labor crews, lessons learned from similar activities, installation of in-farm camera systems for remote surveillances, electronic records management of routine surveillances and implementation of rigorous overtime controls.

Labor Cost Efficiencies

Reported by Hanford/Fluor Daniel, CH2M Hill (\$2.9M)

CH2M HILL realized significant labor cost efficiencies for management and support functions such as Engineering, Quality Assurance, Safety, Human Resources, planning and integration/technical support and maintenance of assessments. These efficiencies were accomplished through reduced staffing levels, management of subcontractor staff augmentation labor, management of attrition, control of overtime and accomplishment of more work for others than planned.

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Fringe Benefits

Reported by Argonne National Lab/University of Chicago (\$726.0K)

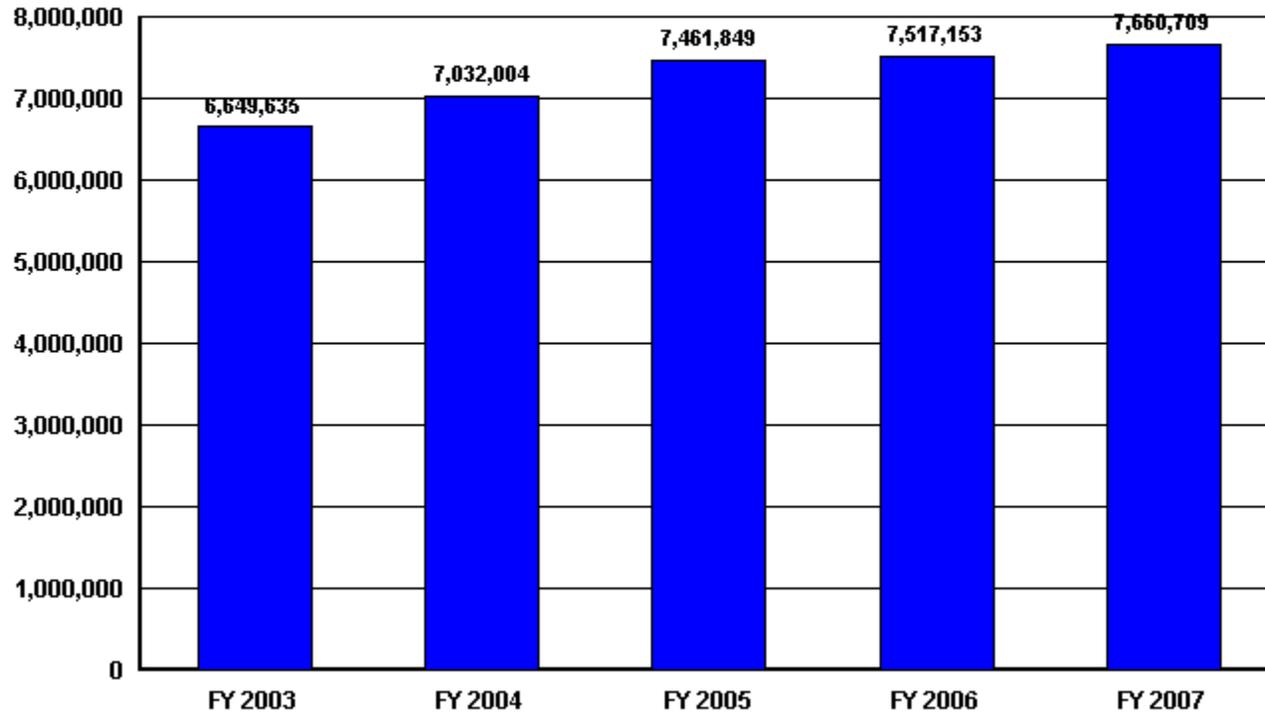
A couple of changes were made in the fringe benefits area that has resulted in approximately \$726K in direct savings to the Laboratory by consolidating costs, negotiating better terms or by reducing the benefit. A detailed list of the changes in FY 2007 is provided below: Argonne changed prescription drug networks to save approximately \$375K. Argonne participated in the Midwest Business Group on Health, a health purchasing initiative. Membership in this coalition enabled Argonne to take advantage of a negotiated reduction in a planned fee increase. The annual membership fee of \$28K resulted in a net savings of \$351K in FY 2007.

Specific details regarding any of the 29 contributing contractor sites is available on the CFO's Office of Internal Review Home Page at: <http://www.cfo.doe.gov/cf1-2/scfa.htm>

Trends in Total Support Cost by Functional Categories
TOTAL FOR ALL MAJOR SITE FACILITY CONTRACTORS (\$000)
FY 2007

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change FY 2003 To 2007	% Change FY 2003 To 2007
Total Costs	16,703,028	17,542,814	18,534,965	18,508,154	18,372,841	1,669,813	10.0%
Capital Construction	1,536,512	1,443,083	1,345,974	1,371,938	1,316,375	-220,137	-14.3%
Total Costs Less Construction	15,166,516	16,099,731	17,188,991	17,136,216	17,056,466	1,889,950	12.5%
Total Support Costs	6,649,635	7,032,004	7,461,849	7,517,153	7,660,709	1,011,074	15.2%
Mission Direct Operation	8,516,881	9,067,727	9,727,142	9,619,063	9,395,757	878,876	10.3%
Mission Direct Operation as % of Total Cost	51.0%	51.7%	52.5%	52.0%	51.1%		
Capital Construction as % of Total Cost	9.2%	8.2%	7.3%	7.4%	7.2%		
Total Support Cost as % of Total Cost	39.8%	40.1%	40.3%	40.6%	41.7%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	39.8%	40.1%	40.3%	40.6%	41.7%		
TOTAL SUPPORT COST	6,649,635	7,032,004	7,461,849	7,517,153	7,660,709	1,011,074	15.2%
TOTAL GENERAL SUPPORT as % of TOTAL COST	12.7%	12.3%	12.5%	12.4%	12.0%		
TOTAL GENERAL SUPPORT	2,116,777	2,166,067	2,313,586	2,290,651	2,200,081	83,304	3.9%
EXECUTIVE DIRECTION	186,081	189,952	195,196	201,900	195,838	9,757	5.2%
HUMAN RESOURCES	201,500	201,550	219,819	212,390	208,980	7,480	3.7%
CFO	141,988	149,907	159,040	162,273	166,640	24,652	17.4%
PROCUREMENT	142,338	151,790	162,377	150,923	148,743	6,405	4.5%
LEGAL	63,309	55,295	62,872	60,572	60,776	-2,533	-4.0%
CENTRAL ADMIN SERVICES	206,297	204,377	210,156	186,158	188,992	-17,305	-8.4%
PROGRAM/PROJECT CONTROL	217,892	219,344	240,465	231,657	240,750	22,858	10.5%
INFORMATION OUTREACH	166,956	169,264	174,392	191,290	188,109	21,153	12.7%
INFORMATION SERVICES	739,391	764,335	783,255	782,690	739,327	-64	0.0%
OTHER	51,025	60,253	106,014	110,798	61,926	10,901	21.4%
TOTAL MISSION SUPPORT as % of TOTAL COST	22.2%	22.5%	22.6%	22.9%	23.4%		
TOTAL MISSION SUPPORT	3,714,966	3,952,748	4,180,264	4,234,593	4,306,885	591,919	15.9%
ENVIRONMENTAL	188,726	189,084	196,202	203,040	214,959	26,233	13.9%
SAFETY AND HEALTH	722,525	745,874	800,247	811,352	838,789	116,264	16.1%
FACILITIES MANAGEMENT	530,772	575,640	582,709	532,177	541,479	10,707	2.0%
MAINTENANCE	821,551	852,107	890,193	868,747	907,732	86,181	10.5%
UTILITIES	376,825	387,113	427,406	471,418	454,512	77,687	20.6%
SAFEGUARDS AND SECURITY	633,882	715,150	772,171	805,369	811,983	178,101	28.1%
LOGISTICS SUPPORT	162,160	163,869	171,958	181,112	191,575	29,415	18.1%
QUALITY ASSURANCE	129,547	147,133	146,398	171,398	160,054	30,507	23.5%
LABORATORY/TECHNICAL SUPPORT	148,978	176,778	192,980	189,980	185,802	36,824	24.7%
TOTAL SITE SPECIFIC as % of TOTAL COST	4.9%	5.2%	5.2%	5.4%	6.3%		
TOTAL SITE SPECIFIC	817,892	913,189	967,999	991,909	1,153,743	335,851	41.1%
MANAGEMENT/INCENTIVE FEE	418,405	494,067	516,853	523,104	632,027	213,622	51.1%
TAXES	89,948	101,311	113,236	129,921	193,957	104,009	115.6%
LDRD / PDRD / SDRD	309,539	317,811	337,910	338,884	327,759	18,220	5.9%

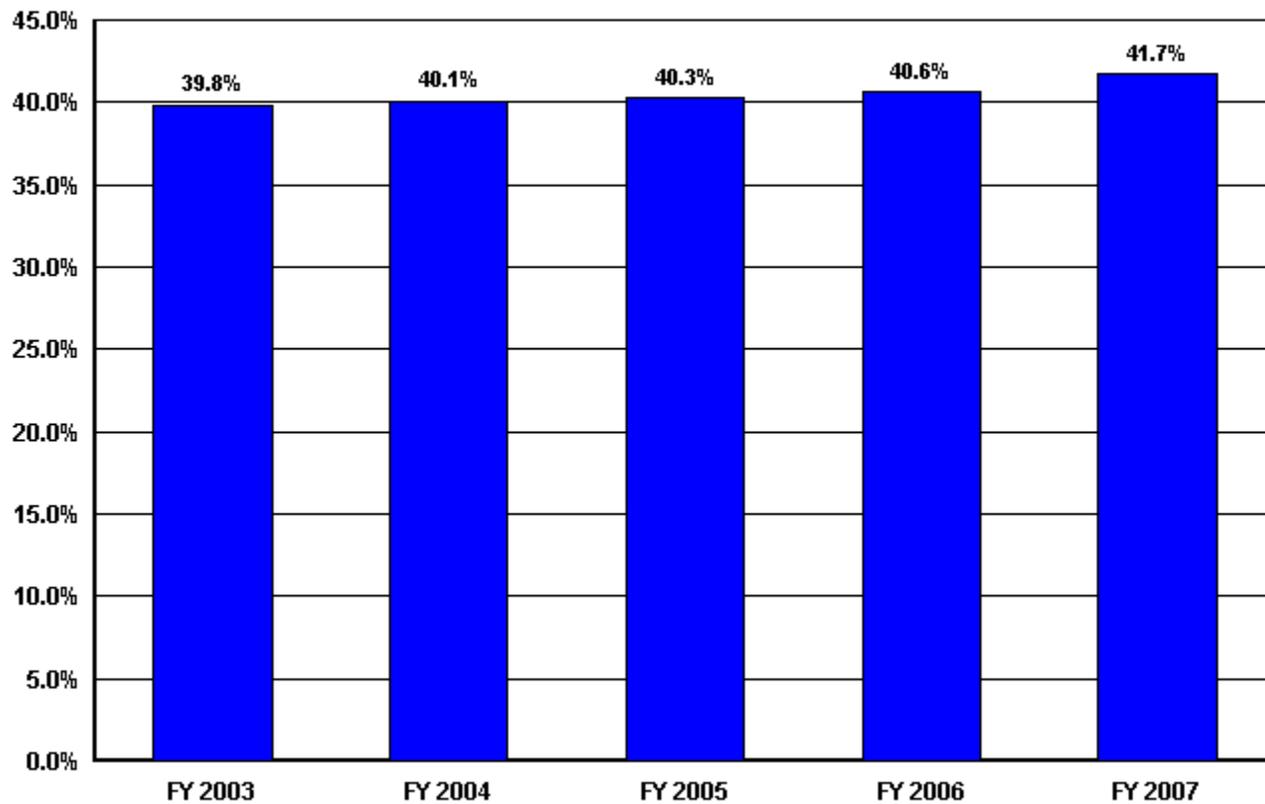
**US Department of Energy
Total Functional Support
TOTAL FOR ALL MAJOR SITE FACILITY CONTRACTORS**



 Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	6,649,635	7,032,004	7,461,849	7,517,153	7,660,709

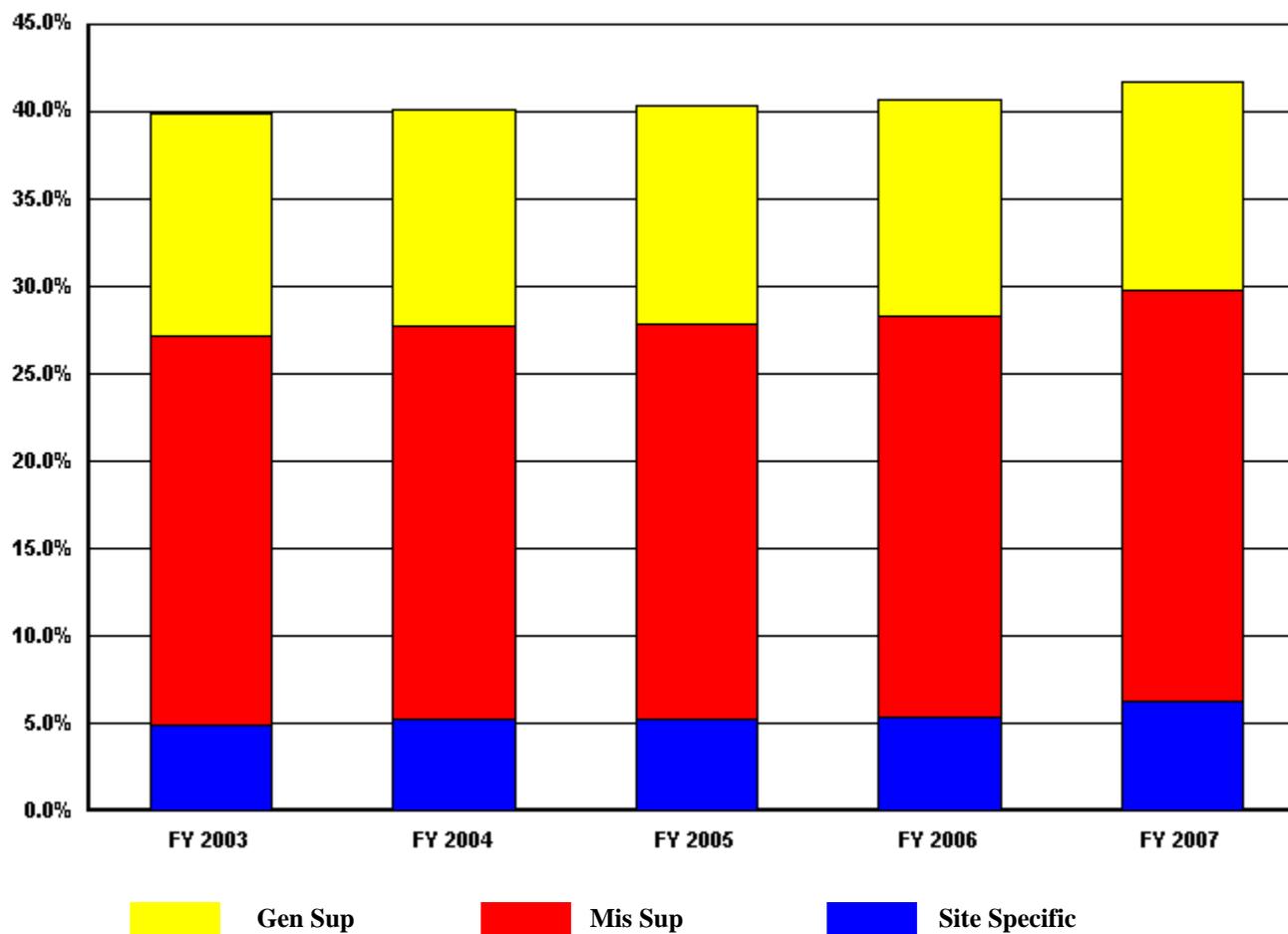
**US Department of Energy
Total Functional Support as a % of Total Costs
TOTAL FOR ALL MAJOR SITE FACILITY CONTRACTORS**



 **Total Functional Support**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	39.8%	40.1%	40.3%	40.6%	41.7%

**US Department of Energy
Percent of Support Category to Total Costs
TOTAL FOR ALL MAJOR SITE FACILITY CONTRACTORS**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	12.7%	12.3%	12.5%	12.4%	12.0%
Mis Sup	22.2%	22.5%	22.6%	22.9%	23.4%
Site Specific	4.9%	5.2%	5.2%	5.4%	6.3%

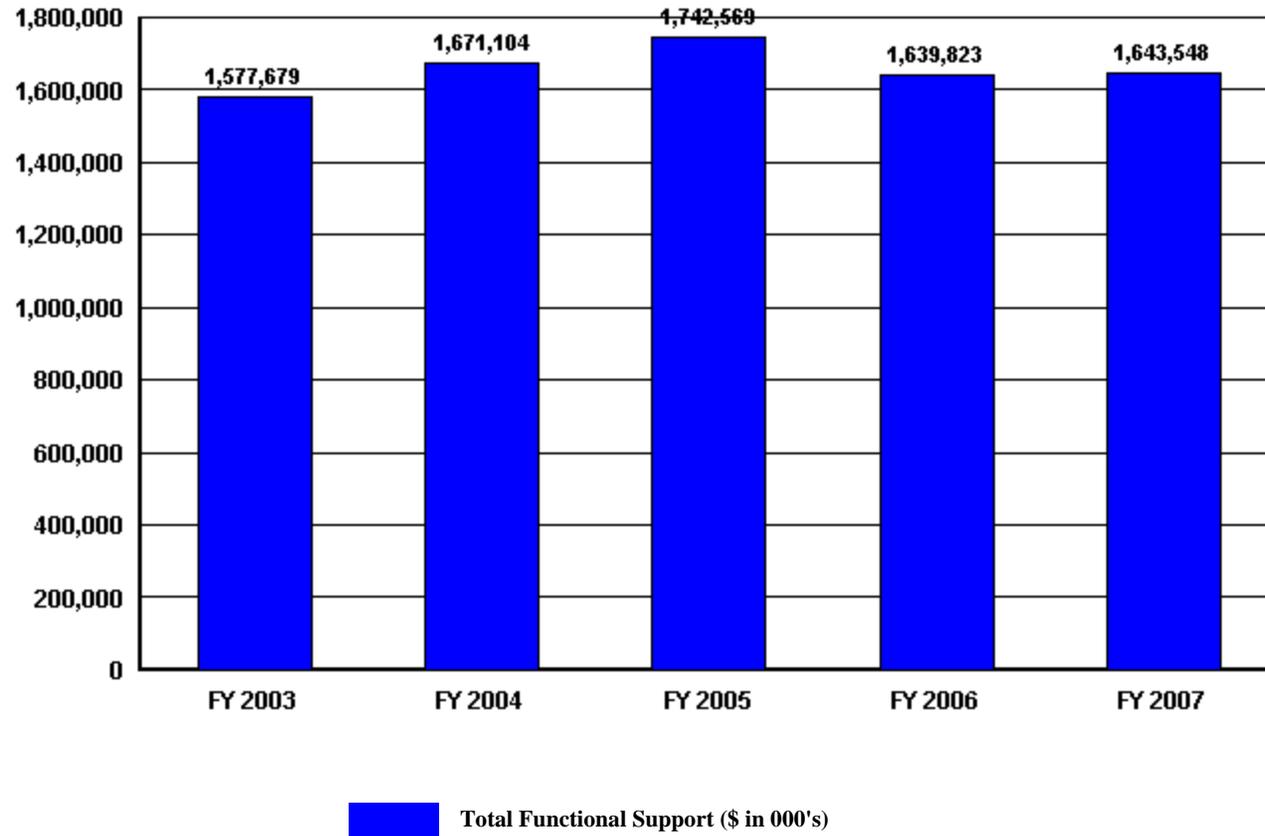
Trends in Total Support Cost by Functional Categories

Total EM Sites (\$000)

FY 2007

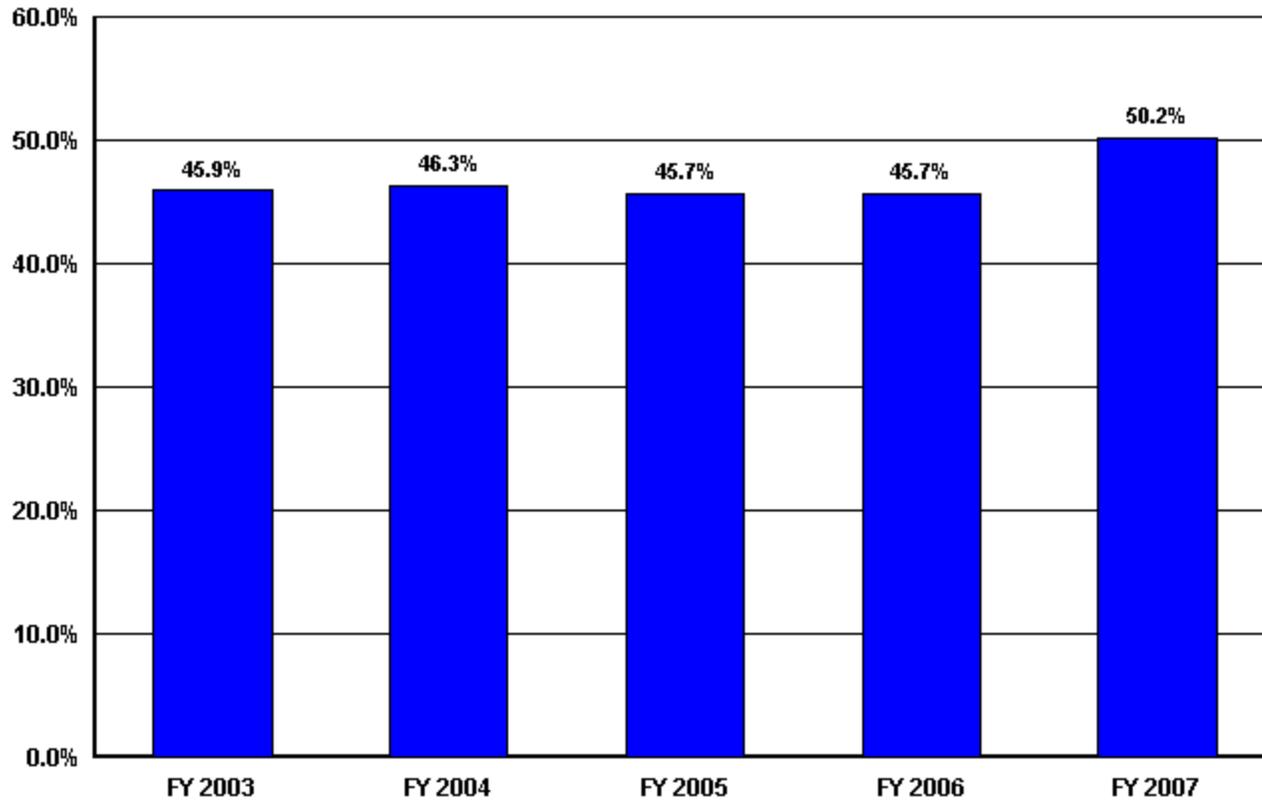
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change FY 2003 To 2007	% Change FY 2003 To 2007
Total Costs	3,433,613	3,605,725	3,814,077	3,590,837	3,276,133	-157,480	-4.6%
Capital Construction	230,137	197,368	156,635	120,008	103,648	-126,489	-55.0%
Total Costs Less Construction	3,203,476	3,408,357	3,657,442	3,470,829	3,172,485	-30,991	-1.0%
Total Support Costs	1,577,679	1,671,104	1,742,569	1,639,823	1,643,548	65,869	4.2%
Mission Direct Operation	1,625,797	1,737,253	1,914,873	1,831,006	1,528,937	-96,860	-6.0%
Mission Direct Operation as % of Total Cost	47.3%	48.2%	50.2%	51.0%	46.7%		
Capital Construction as % of Total Cost	6.7%	5.5%	4.1%	3.3%	3.2%		
Total Support Cost as % of Total Cost	45.9%	46.3%	45.7%	45.7%	50.2%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	45.9%	46.3%	45.7%	45.7%	50.2%		
TOTAL SUPPORT COST	1,577,679	1,671,104	1,742,569	1,639,823	1,643,548	65,869	4.2%
TOTAL GENERAL SUPPORT as % of TOTAL COST	11.9%	10.8%	11.3%	10.9%	11.1%		
TOTAL GENERAL SUPPORT	407,514	389,034	429,813	392,166	363,949	-43,565	-10.7%
EXECUTIVE DIRECTION	19,802	19,006	19,778	18,975	19,554	-248	-1.3%
HUMAN RESOURCES	44,813	43,246	41,752	42,379	40,963	-3,850	-8.6%
CFO	30,139	29,473	28,159	27,159	27,779	-2,360	-7.8%
PROCUREMENT	34,277	31,200	33,856	32,280	29,744	-4,533	-13.2%
LEGAL	13,458	10,920	11,793	10,662	10,127	-3,331	-24.8%
CENTRAL ADMIN SERVICES	41,682	39,602	40,222	30,307	31,355	-10,327	-24.8%
PROGRAM/PROJECT CONTROL	75,941	77,700	82,465	68,212	64,446	-11,495	-15.1%
INFORMATION OUTREACH	13,474	12,904	11,385	11,108	10,121	-3,353	-24.9%
INFORMATION SERVICES	127,452	111,870	107,494	100,191	100,290	-27,162	-21.3%
OTHER	6,476	13,113	52,909	50,893	29,570	23,094	356.6%
TOTAL MISSION SUPPORT as % of TOTAL COST	29.1%	29.0%	28.3%	27.8%	30.3%		
TOTAL MISSION SUPPORT	999,198	1,046,623	1,080,442	997,792	992,165	-7,033	-0.7%
ENVIRONMENTAL	59,816	61,293	56,937	50,791	51,006	-8,810	-14.7%
SAFETY AND HEALTH	251,792	257,558	285,747	268,180	260,247	8,455	3.4%
FACILITIES MANAGEMENT	91,995	87,038	88,363	71,687	72,496	-19,499	-21.2%
MAINTENANCE	233,137	229,751	233,056	200,181	203,265	-29,872	-12.8%
UTILITIES	74,703	75,963	80,378	84,064	77,458	2,755	3.7%
SAFEGUARDS AND SECURITY	139,437	169,965	168,468	168,567	182,431	42,994	30.8%
LOGISTICS SUPPORT	45,702	43,253	48,853	47,850	47,452	1,750	3.8%
QUALITY ASSURANCE	38,423	41,269	39,917	37,228	38,860	437	1.1%
LABORATORY/TECHNICAL SUPPORT	64,193	80,533	78,723	69,244	58,950	-5,243	-8.2%
TOTAL SITE SPECIFIC as % of TOTAL COST	5.0%	6.5%	6.1%	7.0%	8.8%		
TOTAL SITE SPECIFIC	170,967	235,447	232,314	249,865	287,434	116,467	68.1%
MANAGEMENT/INCENTIVE FEE	154,589	219,116	213,988	227,538	267,655	113,066	73.1%
TAXES	16,378	16,331	18,326	21,819	19,271	2,893	17.7%
LDRD / PDRD / SDRD	0	0	0	508	508	508	100.0%

**US Department of Energy
Total Functional Support
Total EM Sites**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	1,577,679	1,671,104	1,742,569	1,639,823	1,643,548

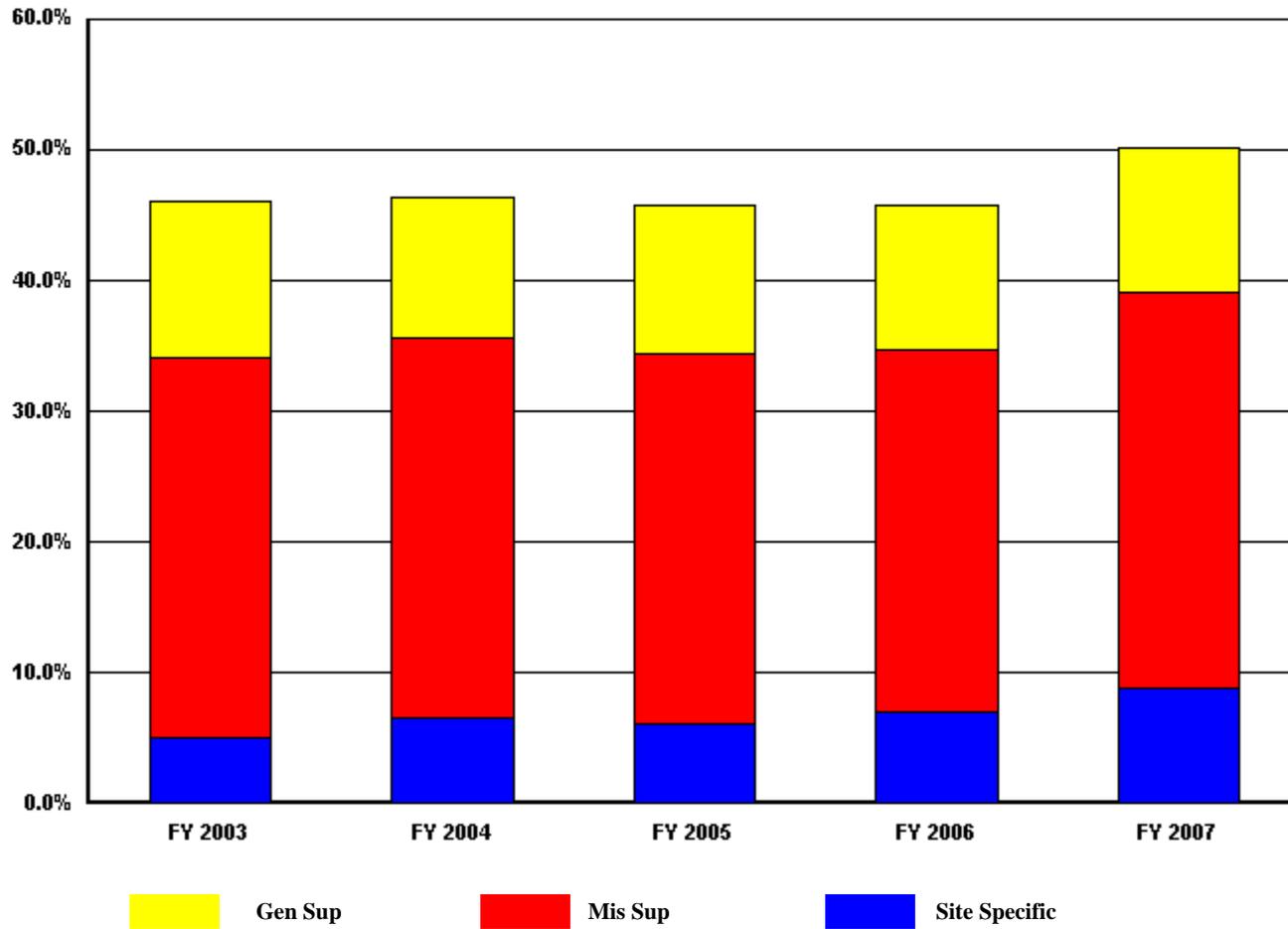
**US Department of Energy
Total Functional Support as a % of Total Costs
Total EM Sites**



 Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	45.9%	46.3%	45.7%	45.7%	50.2%

**US Department of Energy
Percent of Support Category to Total Costs
Total EM Sites**

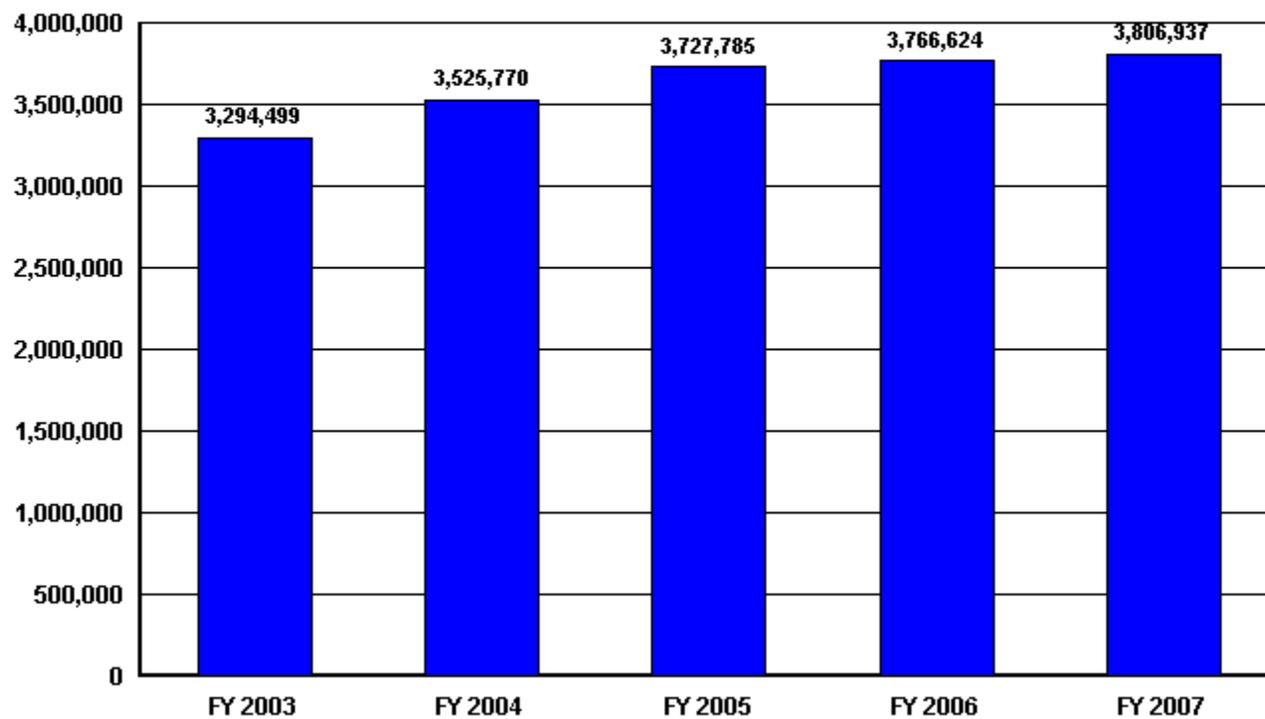


	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	11.9%	10.8%	11.3%	10.9%	11.1%
Mis Sup	29.1%	29.0%	28.3%	27.8%	30.3%
Site Specific	5.0%	6.5%	6.1%	7.0%	8.8%

Trends in Total Support Cost by Functional Categories
Total NNSA Sites (\$000)
FY 2007

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change FY 2003 To 2007	% Change FY 2003 To2007
Total Costs	8,462,837	8,776,954	9,260,922	9,198,267	9,171,500	708,663	8.4%
Capital Construction	867,559	773,737	768,869	800,341	736,663	-130,896	-15.1%
Total Costs Less Construction	7,595,278	8,003,217	8,492,053	8,397,926	8,434,837	839,559	11.1%
Total Support Costs	3,294,499	3,525,770	3,727,785	3,766,624	3,806,937	512,438	15.6%
Mission Direct Operation	4,300,779	4,477,447	4,764,268	4,631,302	4,627,900	327,121	7.6%
Mission Direct Operation as % of Total Cost	50.8%	51.0%	51.4%	50.3%	50.5%		
Capital Construction as % of Total Cost	10.3%	8.8%	8.3%	8.7%	8.0%		
Total Support Cost as % of Total Cost	38.9%	40.2%	40.3%	40.9%	41.5%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	38.9%	40.2%	40.3%	40.9%	41.5%		
TOTAL SUPPORT COST	3,294,499	3,525,770	3,727,785	3,766,624	3,806,937	512,438	15.6%
TOTAL GENERAL SUPPORT as % of TOTAL COST	12.3%	12.6%	12.7%	12.6%	11.8%		
TOTAL GENERAL SUPPORT	1,041,699	1,108,136	1,176,929	1,156,245	1,080,265	38,566	3.7%
EXECUTIVE DIRECTION	91,919	90,692	86,869	89,485	78,786	-13,133	-14.3%
HUMAN RESOURCES	106,969	107,785	122,111	113,921	104,648	-2,321	-2.2%
CFO	56,317	61,594	64,510	64,418	60,653	4,336	7.7%
PROCUREMENT	69,829	76,261	82,231	75,528	72,341	2,512	3.6%
LEGAL	27,097	24,503	27,549	27,133	30,377	3,280	12.1%
CENTRAL ADMIN SERVICES	95,421	96,698	97,469	88,136	88,661	-6,760	-7.1%
PROGRAM/PROJECT CONTROL	86,190	105,388	121,639	121,895	139,252	53,062	61.6%
INFORMATION OUTREACH	63,009	64,036	64,621	79,052	77,112	14,103	22.4%
INFORMATION SERVICES	419,544	454,288	474,702	460,692	406,237	-13,307	-3.2%
OTHER	25,404	26,891	35,228	35,985	22,198	-3,206	-12.6%
TOTAL MISSION SUPPORT as % of TOTAL COST	21.2%	22.1%	22.0%	22.5%	22.7%		
TOTAL MISSION SUPPORT	1,791,833	1,935,399	2,041,715	2,072,805	2,083,697	291,864	16.3%
ENVIRONMENTAL	80,177	83,305	94,380	95,101	93,210	13,033	16.3%
SAFETY AND HEALTH	310,907	310,606	331,094	337,372	357,261	46,354	14.9%
FACILITIES MANAGEMENT	300,763	343,463	346,216	285,090	279,831	-20,932	-7.0%
MAINTENANCE	351,713	376,126	383,930	388,283	409,766	58,053	16.5%
UTILITIES	175,314	182,835	192,346	213,844	203,344	28,030	16.0%
SAFEGUARDS AND SECURITY	396,448	440,339	485,304	509,327	492,624	96,176	24.3%
LOGISTICS SUPPORT	70,500	72,398	74,845	77,111	86,319	15,819	22.4%
QUALITY ASSURANCE	58,954	72,482	71,759	89,685	79,232	20,278	34.4%
LABORATORY/TECHNICAL SUPPORT	47,057	53,845	61,841	76,992	82,110	35,053	74.5%
TOTAL SITE SPECIFIC as % of TOTAL COST	5.4%	5.5%	5.5%	5.8%	7.0%		
TOTAL SITE SPECIFIC	460,967	482,235	509,141	537,574	642,975	182,008	39.5%
MANAGEMENT/INCENTIVE FEE	157,538	163,930	168,268	188,642	239,788	82,250	52.2%
TAXES	68,278	73,725	84,165	96,987	163,027	94,749	138.8%
LDRD / PDRD / SDRD	235,151	244,580	256,708	251,945	240,160	5,009	2.1%

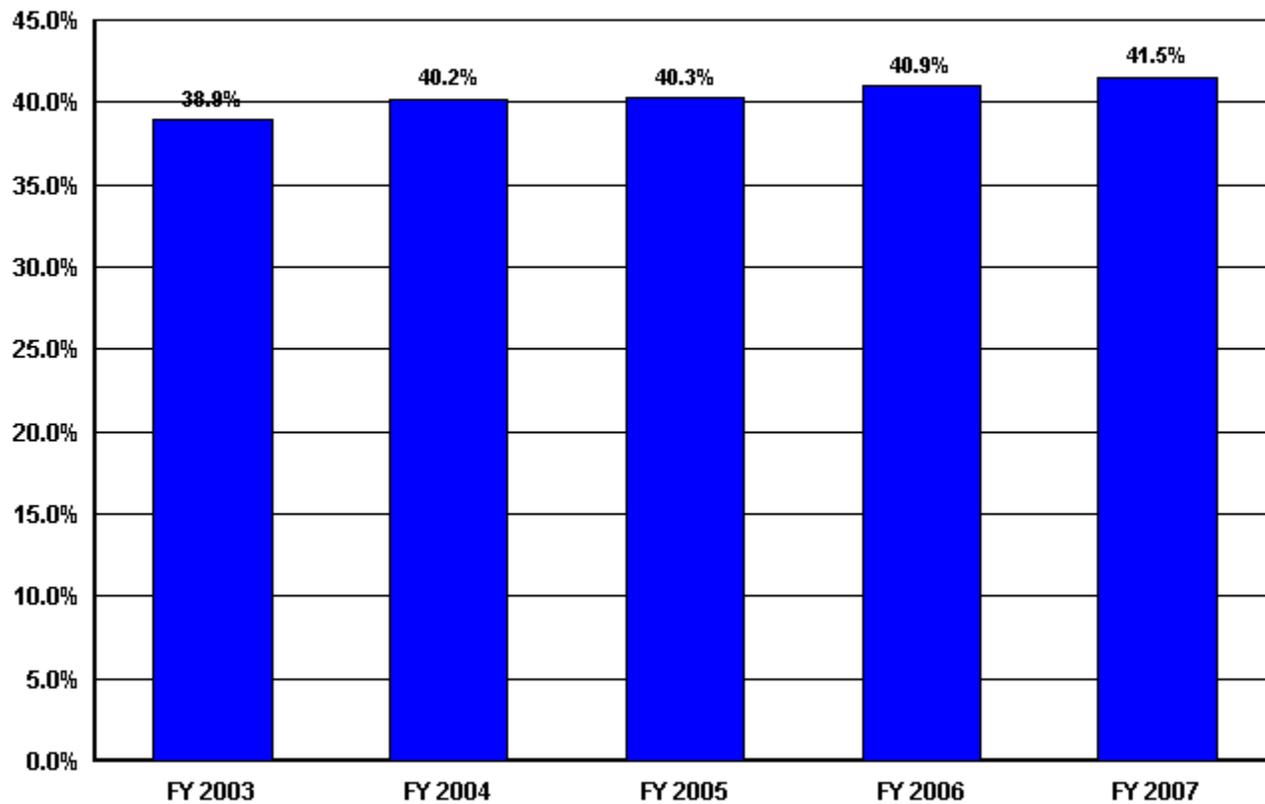
**US Department of Energy
Total Functional Support
Total NNSA Sites**



 Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	3,294,499	3,525,770	3,727,785	3,766,624	3,806,937

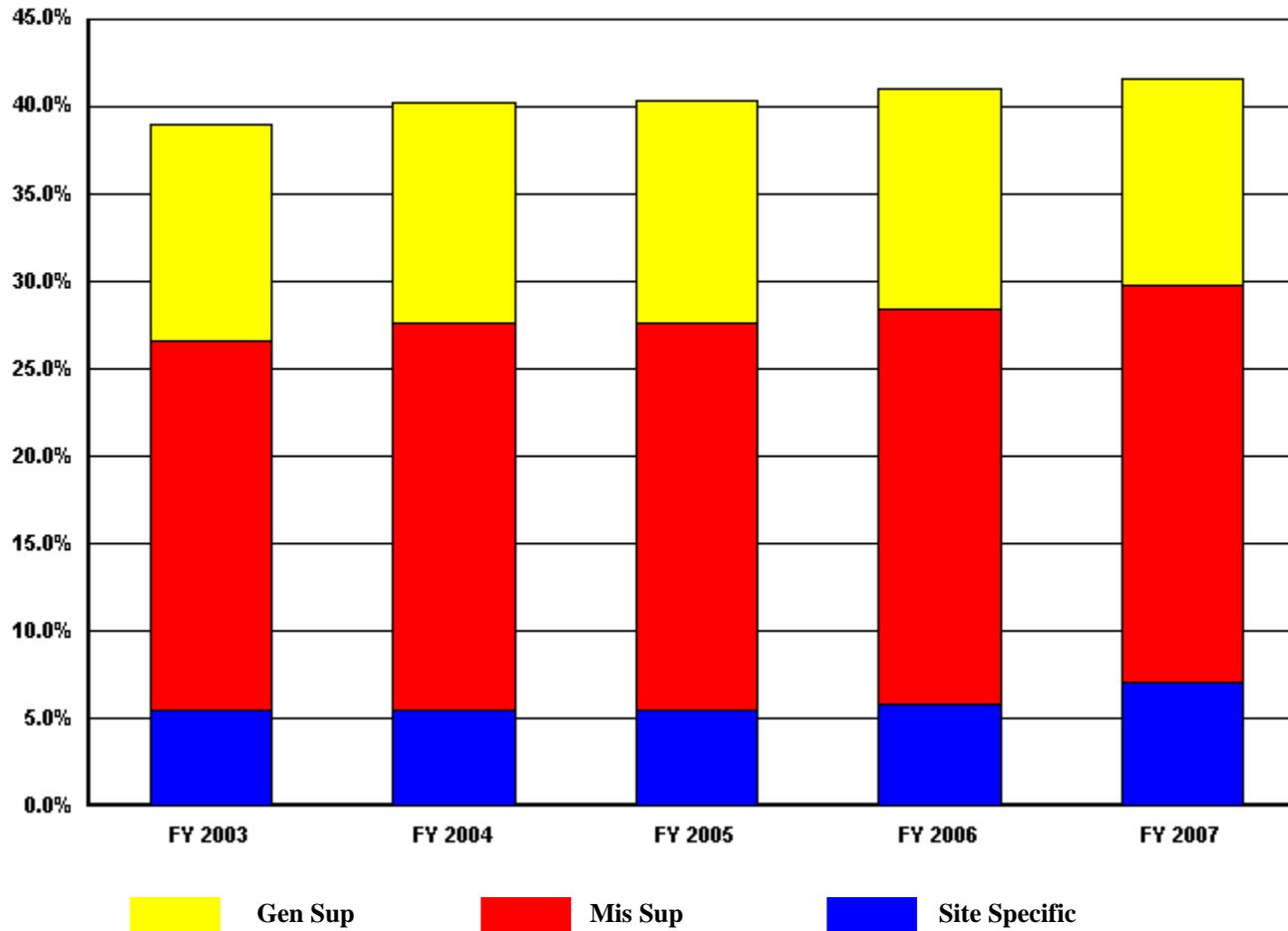
**US Department of Energy
Total Functional Support as a % of Total Costs
Total NNSA Sites**



 **Total Functional Support**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	38.9%	40.2%	40.3%	40.9%	41.5%

**US Department of Energy
Percent of Support Category to Total Costs
Total NNSA Sites**

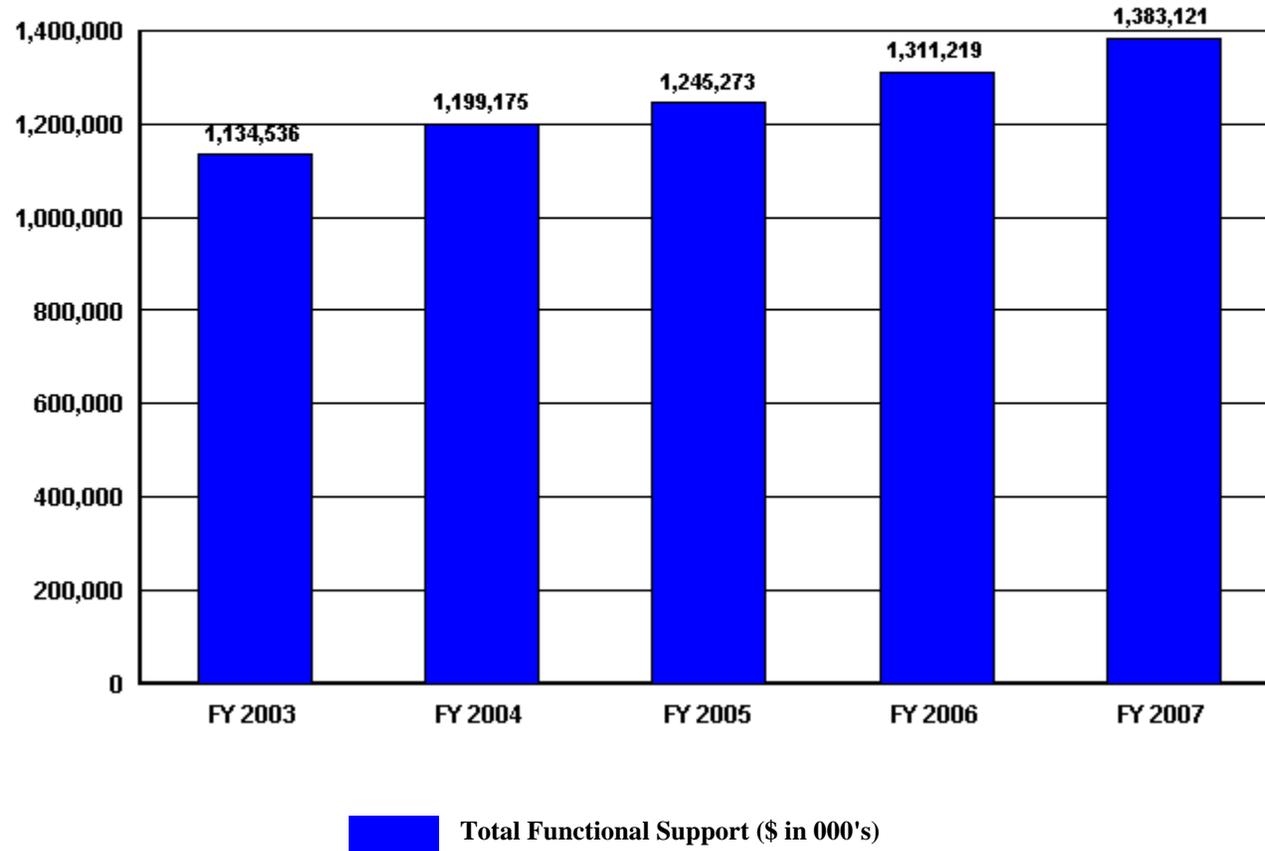


	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	12.3%	12.6%	12.7%	12.6%	11.8%
Mis Sup	21.2%	22.1%	22.0%	22.5%	22.7%
Site Specific	5.4%	5.5%	5.5%	5.8%	7.0%

Trends in Total Support Cost by Functional Categories
Total SC Sites (\$000)
FY 2007

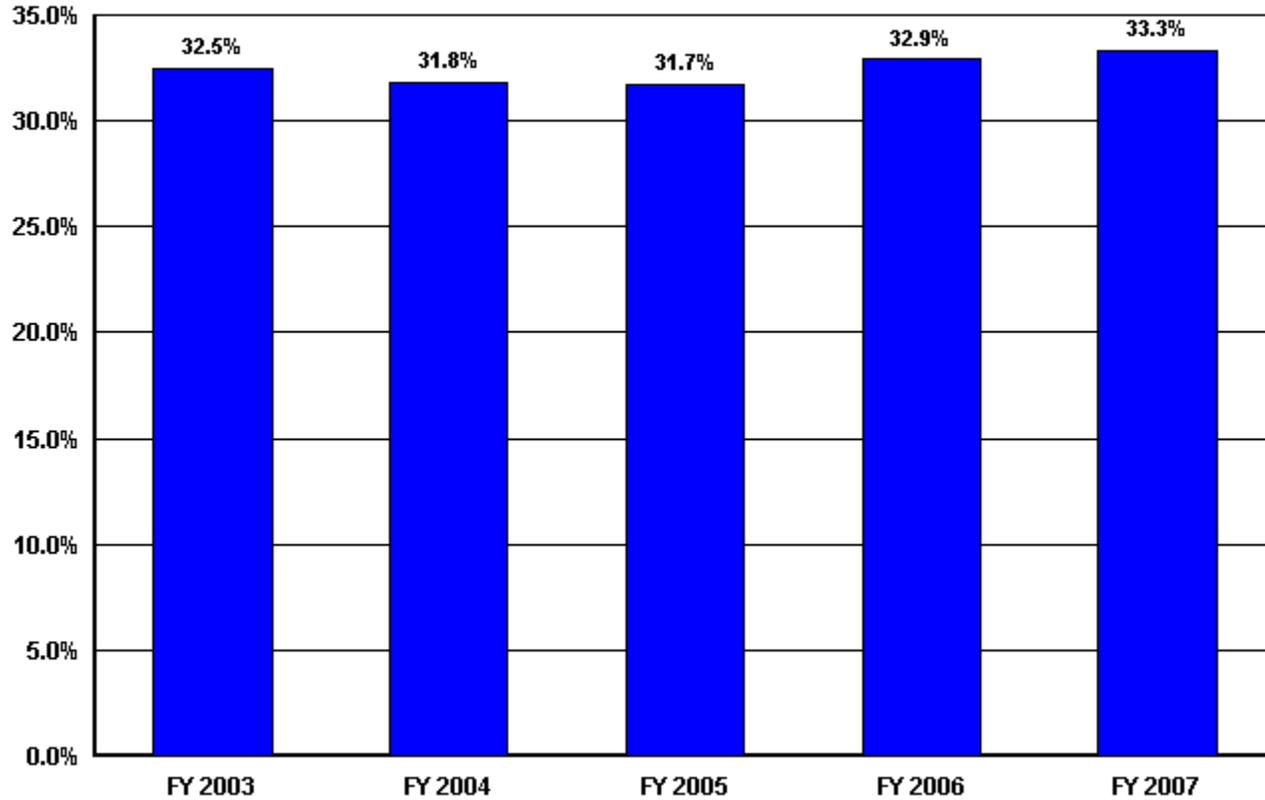
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change FY 2003 To 2007	% Change FY 2003 To 2007
Total Costs	3,494,621	3,767,686	3,923,499	3,983,621	4,152,814	658,193	18.8%
Capital Construction	414,893	442,388	391,537	376,523	384,625	-30,268	-7.3%
Total Costs Less Construction	3,079,728	3,325,298	3,531,962	3,607,098	3,768,189	688,461	22.4%
Total Support Costs	1,134,536	1,199,175	1,245,273	1,311,219	1,383,121	248,585	21.9%
Mission Direct Operation	1,945,192	2,126,123	2,286,689	2,295,879	2,385,068	439,876	22.6%
Mission Direct Operation as % of Total Cost	55.7%	56.4%	58.3%	57.6%	57.4%		
Capital Construction as % of Total Cost	11.9%	11.7%	10.0%	9.5%	9.3%		
Total Support Cost as % of Total Cost	32.5%	31.8%	31.7%	32.9%	33.3%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	32.5%	31.8%	31.7%	32.9%	33.3%		
TOTAL SUPPORT COST	1,134,536	1,199,175	1,245,273	1,311,219	1,383,121	248,585	21.9%
TOTAL GENERAL SUPPORT as % of TOTAL COST	12.1%	11.4%	11.2%	11.1%	11.1%		
TOTAL GENERAL SUPPORT	424,090	429,345	441,095	441,068	461,729	37,639	8.9%
EXECUTIVE DIRECTION	51,517	55,702	60,751	57,223	56,918	5,401	10.5%
HUMAN RESOURCES	30,851	32,289	33,059	33,552	36,012	5,161	16.7%
CFO	42,056	44,732	47,963	52,702	55,516	13,460	32.0%
PROCUREMENT	24,691	28,635	29,256	30,249	33,336	8,645	35.0%
LEGAL	10,361	11,486	11,106	10,155	10,891	530	5.1%
CENTRAL ADMIN SERVICES	34,730	36,095	39,306	37,086	38,983	4,253	12.2%
PROGRAM/PROJECT CONTROL	29,945	12,499	11,883	10,741	13,199	-16,746	-55.9%
INFORMATION OUTREACH	64,817	68,346	74,537	75,979	74,207	9,390	14.5%
INFORMATION SERVICES	121,072	122,758	120,543	128,043	136,294	15,222	12.6%
OTHER	14,050	16,803	12,691	5,338	6,373	-7,677	-54.6%
TOTAL MISSION SUPPORT as % of TOTAL COST	17.5%	17.5%	17.5%	18.6%	19.1%		
TOTAL MISSION SUPPORT	612,933	657,837	685,683	742,504	792,491	179,558	29.3%
ENVIRONMENTAL	33,293	35,963	33,146	37,273	41,342	8,049	24.2%
SAFETY AND HEALTH	102,366	110,166	106,956	118,772	129,143	26,777	26.2%
FACILITIES MANAGEMENT	88,843	99,914	101,529	122,225	123,970	35,127	39.5%
MAINTENANCE	154,139	165,324	173,482	187,177	201,374	47,235	30.6%
UTILITIES	107,163	108,243	126,323	139,037	142,394	35,231	32.9%
SAFEGUARDS AND SECURITY	51,543	56,017	61,116	62,540	69,861	18,318	35.5%
LOGISTICS SUPPORT	28,967	30,743	29,025	29,874	29,565	598	2.1%
QUALITY ASSURANCE	11,339	11,078	11,072	13,205	18,795	7,456	65.8%
LABORATORY/TECHNICAL SUPPORT	35,280	40,389	43,034	32,401	36,047	767	2.2%
TOTAL SITE SPECIFIC as % of TOTAL COST	2.8%	3.0%	3.0%	3.2%	3.1%		
TOTAL SITE SPECIFIC	97,513	111,993	118,495	127,647	128,901	31,388	32.2%
MANAGEMENT/INCENTIVE FEE	40,109	43,085	46,031	50,567	52,442	12,333	30.7%
TAXES	1,578	6,556	6,975	6,292	7,087	5,509	349.1%
LDRD / PDRD / SDRD	55,826	62,352	65,489	70,788	69,372	13,546	24.3%

**US Department of Energy
Total Functional Support
Total SC Sites**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	1,134,536	1,199,175	1,245,273	1,311,219	1,383,121

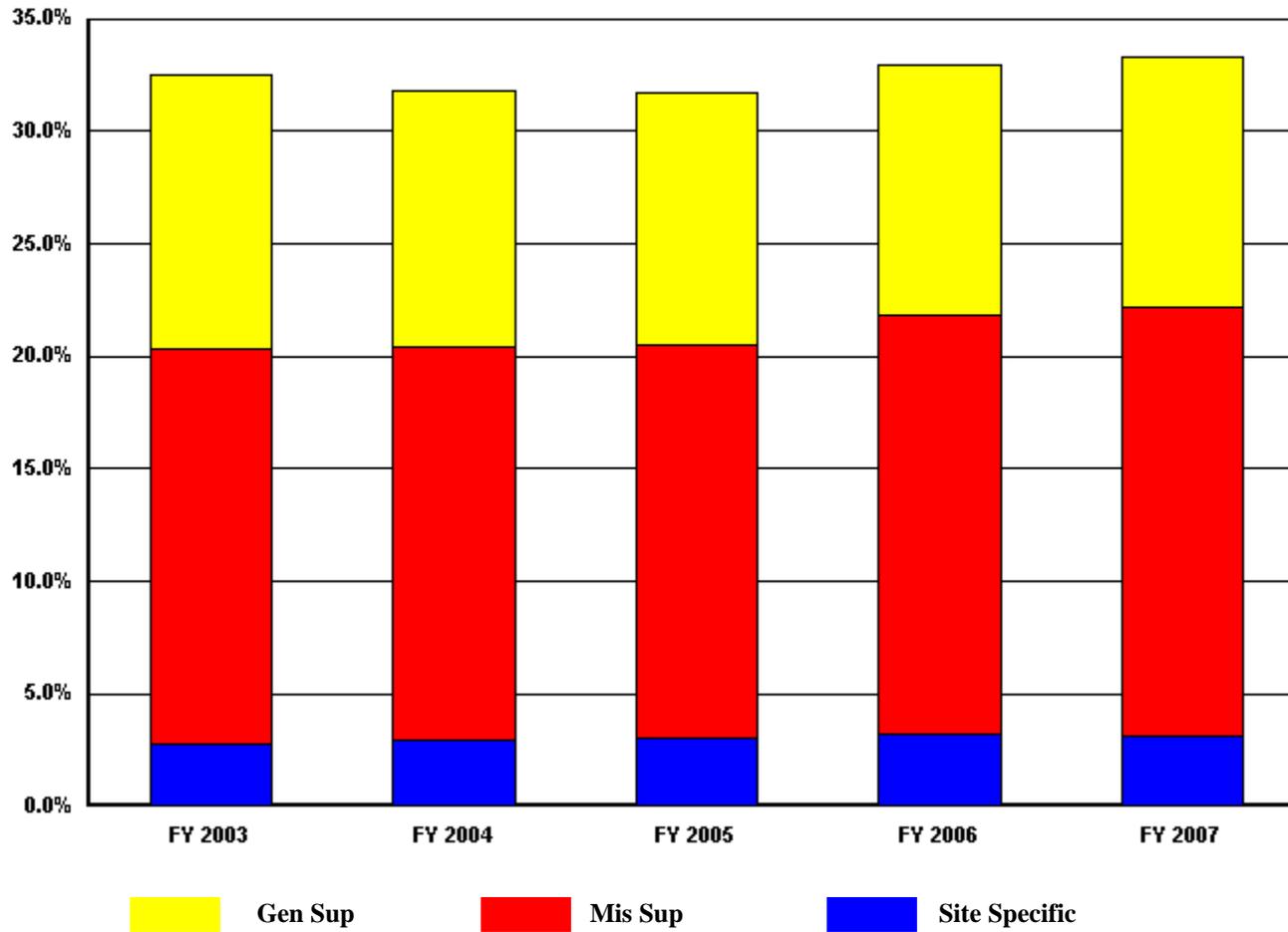
**US Department of Energy
Total Functional Support as a % of Total Costs
Total SC Sites**



 **Total Functional Support**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	32.5%	31.8%	31.7%	32.9%	33.3%

**US Department of Energy
Percent of Support Category to Total Costs
Total SC Sites**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	12.1%	11.4%	11.2%	11.1%	11.1%
Mis Sup	17.5%	17.5%	17.5%	18.6%	19.1%
Site Specific	2.8%	3.0%	3.0%	3.2%	3.1%

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APPENDIX A - DEFINITIONS

* **Signifies the definition has been revised since the FY 2005 report.**

A. General Terms

1. ***Capital/Construction** - Prime capital and construction cost related to Line Items, Capital Equipment and General Plant Projects. This includes the cost of Institutional General Plant Projects and Capital Equipment that are paid for with indirect funds. All identifiable support cost should be included in the appropriate general support, mission support or site specific categories.
2. ***Functional Support Cost**: The Department's major sites are funded from multiple appropriations and programs. These appropriations and programs represent the Department's missions as defined by Congress. There are many activities necessary that provide support to carry out these core missions. The cost of these activities is assigned to programs either directly or indirectly. Once charged or assigned they are usually absorbed into the cost of the mission activity and are not uniquely identified in the financial systems. Functional Support cost is intended to capture these costs at their point of origin, prior to any distributions, and provide visibility for management.

For reported Functional Support Cost purposes the Department has defined the following categories and subcategories:

- General Support: Executive Direction, Human Resources, CFO, Procurement, Legal, Central Administrative Services, Program/Project Planning & Control, Information Outreach, Information Services and Other.
- Mission Support: Environmental, Safety and Health; Facilities Management; Maintenance; Utilities; Safeguards and Security; Logistic Support; Quality Assurance; and Laboratory/Technical Support.
- Site-Specific: Management/Award Fee/Incentive Fee, Taxes and LDRD/PDRD/SDRD.

Functional support cost attributes:

- Determined in accordance with these definitions.
- Determined without regard to funding source.
- Determined without regard to Cost Accounting Standards (CAS) classification of indirect or direct. May be defined as indirect or direct in CAS Disclosure Statement.

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- Determined prior to overhead distributions so costs are prime (direct labor, direct material and other direct costs).
 - Costs are usually assigned to more than one program.
 - Represent activities necessary to complete mission, but are not mission activities.
 - Crosscuts costs by programmatic budget reporting classification as recorded in DOE financial systems. Functional Support cost and Mission Direct cost together at each site should equal the contractor's total cost. However, there are some sites that combine two contractors' costs into one report (such as the inclusion of a security contract), or sites where DOE pays the security costs but has the prime contractor included it in their functional cost report. In these cases the reported costs will be higher. All Functional Support and Mission Direct costs together should equal the total DOE contractor cost with those exceptions.
 - Includes the cost of work performed for and charged to other DOE sites. In other words, the performing site includes the cost of doing the work for other DOE sites in their functional cost report. The site having the work done does not include the cost.
3. **General Support**: Represents cost categories which would exist regardless of the specific mission.
 4. ***Mission Direct**: For purposes of reporting, Mission Direct cost is all the costs that do not meet any of the "support" definitions provided in this guidance. These are generally prime costs (direct labor, direct material and other direct costs) incurred to directly accomplish the Department's mission. These represent activities that may be funded directly or indirectly.
 5. **Mission Support**: Represents support cost categories that exist solely due to the unique mission being accomplished.
 6. **Site Specific**: Represents cost categories not defined as general support, mission support or construction.
 7. ***Support Cost By Functional Activity (SCFA) System**: This system is used to collect and report Functional Support Cost. The web address for the SCFA is <https://scfa.doe.gov>. Your computer or workstation must have access through DOE-Net, the DOE Firewall. A user can request a password and user-ID at the web site.
 8. **Total Cost**: Includes Mission Direct, Construction and Functional Support Costs and is equal to total program costs.

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B. All 22 Support Cost Categories

General Support

1. **Executive Direction** - Includes costs normally associated with the executive level of management. Examples of activities in this account may be the Laboratory Director, President and other top level management and immediate staff (Secretary, Special Assistants, etc.), Science Advisors and Deputy Directors, Vice Presidents, etc. This category also includes Total Quality Management (TQM) type activities, such as the development and administration of Total Quality Improvement Plans, cost savings and reengineering programs administration, etc.; and institutional/strategic planning, including development and control, and any site specific development. All other management/supervisor activities, including related incidental costs, should be reported in the appropriate support/mission category.
2. **Human Resources** - Includes costs associated with recruiting, wage and salary administration, equal employment opportunity and diversity activities, benefits administration, employee concerns programs, central training development services (job specific training development curriculum should be included in the specific category to which it applies), industrial relations, personnel records, employee claims, adjudications, grievances, arbitration, educational programs providing for undergraduate and graduate course work and other personnel services.
3. **Chief Financial Officer** - Includes costs associated with activities of a financial nature, such as general accounting, payroll, travel accounting, funds control, cost accounting, financial systems management and non-project/program specific budget coordination and control, such as indirects and internal audit.
4. **Procurement** - Includes costs associated with activities related to make/buy decisions, contracting, purchasing, contract administration (including prime) and acquisition of resources to conduct activities, as well as to conduct audit and cost/price analysis activities.
5. **Legal** - Includes costs associated with legal counsel support and litigation support. Includes outside legal support and ethics functions.
6. ***Central Administrative Services** – Includes costs associated with travel reservation support, food service, printing and graphic support services including cost-per-copy contracts (convenience copiers), records management, and all library-related activities. Also includes clerical support pool costs, but does not include the cost of secretarial and clerical positions that are permanent in nature and directly support another category or mission direct. These should be included in the respective category (or mission direct) they support, even if they are considered in a secretarial or clerical pool.

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7. ***Program/Project Planning & Control** - Includes cost associated with support and execution of program/project budgeting, funding requests, baseline control and preparation (including planning, scheduling, coordination, change control, cost estimating, and program specific reporting and analysis). Also includes master scheduling, project management system administration, and baseline pricing and validation efforts. This category does not include actual program/project management functions. This type of cost should be reported in the specific mission or support categories it is related to.
8. ***Information/Outreach Activities** - Cost associated with media communication, public relations, technology transfer, business development, technical information management, educational programs, employee outreach program, stakeholder-related outreach, activities contributing to the development of the local/regional economy, and other information or outreach activities such as HBCU (Historically Black Colleges and Universities) and other University-related activities, including stakeholder agencies and Washington, D.C., liaison activities. This category includes:

Information Outreach Activities:

Public Relations/Information – includes all cost associated with activities which provide non-technical information about the M&O Contractor and its activities to the general public, news media, etc.

Technology Transfer/Business Development – Includes all cost associated with activities that encourage the further development of promising technologies; disseminate information to appropriate researchers, organizations, industry, governmental bodies and other institutions; and other activities that assist in affecting the introduction of technologies into the marketplace.

Technical Information Management – Includes all cost associated with activities to develop and make available technical information.

Employee Outreach Programs – Includes all cost associated with activities by employees utilizing their technical expertise for the benefit of external stakeholders.

Other Information Outreach Activities – Includes all cost associated with other outreach activities that are not defined above.

Stakeholder-Related Outreach – Community relations and education programs to promote enhanced understanding of the site by local and State stakeholders.

9. **Information Services** - Costs associated with Automated Data Processing (ADP) services (central computer facilities and service organizations including business and scientific), communications (mail, both electronic and hard copy including postage, subcontracted delivery services, etc.), networking (groups of computers that communicate with each other, share peripherals and access remote hosts or other networks) and telecommunications services (communication by electronic submission of impulses over telephone/optic lines including cell phones). Includes pagers and related systems, but not the maintenance of these systems. Also includes computer

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leases. Does not include computer bill-out rates in any other functional category. This category includes systems analysts/programmers; however, specific systems management and administrative costs for various business and scientific systems should be included in their respective functional categories. (Note: Dedicated scientific activities, experiments, analysis, etc., should be included in the appropriate category. Also computer hardware maintenance activities are to be reported within the maintenance category.)

10. ***Other** - Cost which is not identified in another functional cost category. This includes legal settlements (excluding attorney fees), workforce restructuring activities (severance, benefits and outplacement services), general company liability insurance expenditures, contractor transition cost and legacy workers' compensation cost. Specifically identify significant cost activities and provide footnotes.

Mission Support

11. ***Environmental** - (Note: only the "Permitting" section of this definition changed.) Includes costs associated with the development, implementation and maintenance of effluent controls, environmental monitoring and surveillance, permitting, auditing and evaluation to assure environmental compliance and pollution prevention. These activities, performed on a routine basis, are necessary to maintain compliance with Federal, State and local regulations, as well as applicable DOE Orders and directives. This category does not include actual waste storage or cleanup activities. The category includes:

Effluent and Environmental Monitoring and Surveillance - Monitoring activities include data base monitoring as required by DOE directive or compliance monitoring as required by the environmental regulatory authorities, such as air and water monitoring. (Note: Actual sample analysis should be included in Laboratory Support or Other Technical Support Activities.)

Permitting - Includes activities involved in the preparation, certification and maintenance of environmental permits and permit applications. Also includes those activities involved in reporting the results of environmental monitoring, analysis and evaluation. These activities are necessary to obtain permits from regulatory agencies regarding plant releases, discharges and/or material storage. (Note: Environmental Impact Statement costs and related activities are to be included in the appropriate category they support.)

Auditing and Evaluation - These audits are done as a routine mechanism to ensure environmental compliance with internal and external directives, including the National Environmental Policy Act (NEPA). Encompasses costs associated with implementation of the Environmental, Safety and Health Compliance Assessment activities (such as related "Tiger Team" activities). Also includes the development of performance objectives and environmental auditing procedures.

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Non-Environmental Management Waste Management - The Non-EM Waste Management functional area includes those activities addressing the treatment, storage and disposal of wastes. Activities include characterization and certification of waste to ensure its proper treatment or disposal; waste handling and temporary storage activities, such as operation of 90-day satellite accumulation areas for the storage of hazardous waste; operation and management of all waste treatment and disposal systems; and final disposal of all wastes.

12. ***Safety & Health** - Costs associated with safety and health programs, such as emergency preparedness, fire protection, industrial hygiene, industrial safety, occupational medical services, nuclear safety, work smart programs, radiation protection, transportation safety (does not include traffic management functions – include this item in logistics) and management oversight. This category excludes remediation which is included in mission direct. Further definitions are as follows:

Emergency Preparedness – Emergency Preparedness includes all those activities that are intended to provide personnel with a special capability to respond to incidents and accidents, excluding fire protection activities described in the next section. Activities in this area include maintenance inspection of emergency facilities and equipment; emergency response team; personnel training; developing and implementing drills and exercises; purchase of self-help supplies; maintaining and updating emergency management and self-help plans based on site specific safety analyses; coordination with State and local authorities and Federal Agencies. This area excludes plant and equipment that are part of safety systems relied upon to prevent or mitigate accidents (HVAC process monitors, facility egress signs and equipment, etc.), as they are addressed in Industrial Safety or Nuclear Safety.

Fire Protection – Fire Protection includes all those activities that are intended to prevent, detect, alert and suppress fires. Activities in this area include inspection and testing of fire prevention, detection (e.g., alarm systems) and suppression systems; fire fighting and emergency response, loss prevention; operation of ambulances and fire fighting equipment; testing and inspection of fire protection equipment and alarm systems; flammable and explosive material control; Federal, state and local certification and training, such as the National Fire Protection Association certification; review of construction and design plans for fire hazards; dispatch centers and mutual aid agreements with local authorities. This area excludes those fire protection activities and/or systems that are solely for the benefit or protection of nuclear systems, storage areas and/or processes (e.g., glove box inerting systems). These excluded activities are to be included in Nuclear Safety.

Industrial Hygiene (IH) – Industrial Hygiene includes all those activities that are intended to provide protection to workers from physical and chemical hazards. IH is concerned with recognizing, evaluating and controlling hazards for solvents, carcinogens, non-ionizing radiation, asbestos, beryllium, heat stress, noise and ventilation systems. Activities in this area include interpreting regulations and policy, developing engineering and administrative controls, performing inspections and

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assessments, sharing best practices and lessons learned, reengineering tasks, identifying hazardous materials (but not removal of), and written and verbal communication of real and perceived hazards. Include radiological and non-radiological laundry services. Exclude medical surveillance and employee medical records, which are covered in Occupational Medical Services. Exclude exposure of workers to radioactivity which is covered in Radiation Protection (note that non-ionizing radiation is included).

Industrial Safety (IS) – Industrial Safety includes all those activities that are intended for the protection of workers from physical trauma in the areas of electrical safety; laser protection; ergonomics; machinery and machine guarding; personnel protection from slips, trips and falls; compressed gas and pressure system safety; hoisting, rigging and material handling; lockout/tag-out; confined space controls; platform man-lift and scaffolding usage; safe surfaces for walking and working; cutting, welding and boring safety; hand and portable power tool safety; explosives and hazardous material handling, storage and use; construction safety; firearms safety; and facility egress. Activities in this area include interpreting regulations and policy, developing engineering and administrative controls, performing inspections and assessments, sharing best practices and lessons learned, and conducting accident investigations. Include Personnel Protection Equipment (PPE) such as hard hats, gloves, safety glasses, safety shoes, noise protection and respirators. Include the purchase and installation of physical plant and equipment that are part of industrial safety systems relied upon to prevent or mitigate accidents (e.g., HVAC process monitors, facility egress signs and equipment, etc.)

Occupational Medical Services – Occupational Medical Services includes all those activities that are intended to ensure that workers are physically and psychologically capable of performing their assigned work duties and protected from hazards that may result in adverse health effects. Activities in this area include providing a comprehensive occupational medical program, including employee health examinations for pre-placement and qualification, periodic, return to work, fitness for duty and termination examinations; eye examinations; diagnosis and treatment of occupational illnesses and injuries; employee health counseling (employee assistance program and wellness); maintenance of medical records; emergency medical treatment and triage; specialized medical equipment; and immunization programs.

Nuclear Safety – Nuclear Safety includes activities that are intended to maintain criticality safety and nuclear operations safety. Activities in this area include control of systems and parameters within sub critical limits, and use of systems, procedure, equipment, analyses, programs, and personnel to ensure safe nuclear reactor and nuclear non-reactor operations. Include fire protection activities and/or systems that are solely for the benefit or protection of nuclear systems, storage areas and/or processes (e.g., glove box inerting systems).

Radiation Protection – Radiation Protection includes all those activities that are intended to control exposures of workers and the public to radioactivity. Activities in

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this area include interpreting regulations and policy; developing engineering and administrative controls and procedures; performing inspections and assessments; sharing best practices and lessons learned; conducting event investigations; personnel dosimetry; bioassay and ALARA (As Low As Reasonably Achievable) programs; creating and maintaining radiation exposure records; and responding to exposure of workers to radioactive contamination. Also includes verifying effectiveness of engineered controls, such as control equipment for radiation sources; interlocks, instrumentation, and shielding for radiation-generating devices; control of paths for inhalation or ingestion of radiation; equipment used to minimize or mitigate external exposure; fixed and portable instrumentation for radiation detection and measurement; and contamination control.

Transportation Safety – Transportation Safety includes all those activities that are intended to ensure safe packaging and transportation. Activities in this area include packaging certification; coordination of intra-building and on-site movements and transfers; off-site and international shipments; transportation (including marking and labeling) of material; maintenance inspection of transportation equipment; testing and technology of transportation operators; aviation safety; motor vehicle safety; water craft safety; and rail safety.

Management and Oversight – Management and Oversight includes all those activities that are intended to coordinate, direct, integrate and control Safety and Health (S&H) activities **across multiple areas**. Activities in this area include S&H documentation and document control activities; configuration management; providing training, S&H performance trending, analyses and lessons learned feedback; corrective action tracking; S&H self-assessment activities; dedicated internal S&H personnel; coordination and communication with DOE, State and local authorities; internal audits and surveillance; external S&H program reviews; operational readiness reviews; and performance and documentation of comprehensive safety analyses. Nuclear safety analyses are included in Nuclear Safety. Program elements such as quality assurance, management systems, oversight and physical infrastructure are inherent to all areas and are intended to be accounted for in the specific areas.

13. ***Facilities Management** - Cost associated with efforts that either create or improve property plant and equipment, and do not meet the capitalization criteria; or support activities that create or improve property, plant and equipment. Facilities management activities add to existing property, plant and equipment or extend the life of existing property, plant and equipment. This is distinct from maintenance activities. Maintenance activities only sustain existing property, plant and equipment in a usable condition and do not result in increasing capabilities of existing property, plant or equipment. Examples of activities in this category are: facilities remodeling, facilities utilization analysis, modification and upgrade analysis, facilities planning and condition determinations, and lease and rental of real property. Rents and leases of other than real property are included in the appropriate category. Facilities Management includes engineering activities such as HVAC systems, electrical

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mechanical activities, and repair and maintenance analysis if they extend the current useful life or result in improvements beyond existing capabilities.

- 14. *Maintenance** - Includes the cost of actual work incurred to sustain or continue the functionality of property, plant and equipment. It includes all phases of maintenance: preventive maintenance, predictive maintenance and corrective maintenance. This category includes all maintenance activities regardless of source of funds. (Note: All maintenance is included even though it is recognized these costs are incurred in support of other support and mission categories.) Maintenance activities include:

Preventive Maintenance - includes all those systematically planned and scheduled actions performed for the purpose of preventing equipment, system or facility failure.

Predictive Maintenance - includes actions necessary to monitor, find trends and analyze parameters associated with equipment, systems or facilities that are indicative of decreasing performance or impending failure.

Corrective Maintenance - The repair of failed or malfunctioning equipment, system or facility to restore the intended function or design condition. This maintenance does not result in significant extension of expected useful life. Includes asbestos removal and material replacement.

Facilities Maintenance

Cost to perform activities that sustain or continue existing functionality of real property. These are not activities that increase functionality or extend useful life. Costs that increase functionality or that extend useful life are treated in accordance with the capital assets accounting requirements. Maintenance functions include supervision, planning and scheduling, and storage and staging of materials and supplies. All phases of maintenance are included: preventive, predictive and corrective maintenance. Major functions also included in this category are the cost of janitorial services, pest control and other services to keep these facilities usable.

General Maintenance

Costs to perform activities that sustain or continue existing functionality of all other property and equipment not included in facilities maintenance. These are not activities that increase functionality or extend useful life. Costs that increase functionality or that extend useful life are treated in accordance with the capital assets accounting requirements. Examples of functions included in this category are: maintenance on production and process equipment/machines; computer hardware and network maintenance; maintenance of roads and grounds; maintenance of utilities; calibration, care, repair and storage of equipment used in monitoring, or the actual performance of, maintenance work; and planning and scheduling, and storage and staging of materials and supplies.

- 15. Utilities** - Costs include utility-related engineering associated with labor, operating plants and equipment, contract services for fuel, water treatment chemicals, or

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support needed to provide electric power, heat, steam, chilled water, potable water, process gases and sanitary waste disposal to support business and research. This element includes all costs associated with contract services in support of utilities, such as fuel, water treatment chemicals and control systems (also include energy management related activities). Utilities include:

Central Steam Facility - Includes the fuel handling and storage facilities, all assigned personnel and the main steam distribution system.

Central Chilled Water Facility - Includes all assigned personnel and the main chilled water distribution system.

Water Supply System - Includes wells, treatment facilities, storage tanks, the main distribution system and all assigned personnel.

Sanitary Waste Disposal System - Includes the main collection system, refuse collection (internal as well as contracted services), treatment facilities and all assigned personnel.

Electrical Power - Distribution system including main substations and high-voltage distribution systems, and all assigned personnel, as well as all electricity purchases.

16. **Safeguards and Security** – Includes all costs associated with the development and implementation of a Safeguards and Security Program to protect nuclear materials, nuclear weapons, classified information and government property from theft, sabotage, espionage, or other acts that may cause adverse impacts on national security or to the health and safety of the public and employees. Specifically includes the following:

Program Direction - Includes all persons and operating costs for program management; vulnerability assessment; safeguards and security alarming process; professional development and training; inspections, surveys, assessments, facility approval (including Foreign Ownership, Control or Influence), tests and evaluations; policy oversight and administration and technology development oversight and program management, associated with the Safeguards and Security Program.

Protective Forces - Includes all personnel and operating costs associated with Protective Forces. This includes such things as salaries, overtime, benefits, travel, materials and supplies, uniforms, equipment, facilities, vehicles, helicopters, training, communications, federal and contractor management and oversight of protective forces.

Physical Security Protection Systems - Includes all personnel and operating costs associated with designing, installing, performance testing, contraband detection, alarm communications and control, intrusion detection and assessment, barriers and

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access denial, entry and egress control, and vital components tampering and monitoring.

Transportation - All security-related transportation costs for transport of special nuclear materials, weapons and other classified material. Includes such costs as personnel, equipment, facilities security upgrades to vehicles and communications. Transportation costs associated with off-site shipment of wastes should be included in the Mission Category.

Information Security - Includes all personnel and operating costs associated with classified documents and material, classification, unclassified controlled nuclear information, security infractions, computer security, technical surveillance countermeasures and operations security.

Material Control and Accountability (MC&A) - Includes all personnel and operating costs associated with control and accountability of special nuclear materials (SNM), nuclear weapons, test devices and weapons components. Includes MC&A access areas, surveillance, containment, detection, assessment, testing, transfers, verifications and measurements, inventories, reconciliation and statistical analyses.

Research & Development - Includes all personnel and operating costs associated with research and development of physical security, information security, personnel security, material control and accountability, integrated systems, vulnerability assessment methods, technology application and tests and technology transfer to users or potential vendors.

Personnel Security - Includes initial investigations, reinvestigations, adjudication, security education, personnel security assurance program, visitor control, national agency checks and administrative review activities.

Cyber Security - Includes management of unclassified and classified data, information technology security assets, cyber information systems, including information technical utilities which include grid research, threat assessments, wireless networks, performance measures, risk management, configuration management, certification/accreditation, training, network monitoring and intrusion detection systems.

17. Logistics Support - Costs associated with shipping, receiving, transportation (excluding maintenance which is included in the Maintenance category), warehousing, motor pools, office equipment pools, property management and excessing activities; routine inventory write-offs and other logistic support activities. (Note: Final disposal costs for radiological/hazardous waste shipments are a Mission Direct cost.)

18. Quality Assurance - Costs associated with all quality assurance, reliability and regulatory activities. Included in this category are costs for quality engineering and

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inspection services, quality assurance audits, occurrence reporting (such as the Occurrence Reporting and Processing System), development of quality program plans, operational readiness review coordination and other activities related to ensuring the quality assurance of site operations and facilities. This does not include costs incurred for weapons stockpile certification.

19. **Laboratory/Tech Support** - Measurement and testing conducted within the context of sampling, field investigations, analytical chemistry and other similar studies. Includes the cost of other technical support services/activities, such as non-destructive assay, electronics services, machine shops, etc.

Site Specific

20. **Management/Award Fee/Incentive Fee** - The management allowance is an amount paid to not-for-profit educational institutions for the equivalent of home or corporate office general and accounting expenses. The award and incentive fee is a fee that is paid to a contractor based on performance and includes shared savings incentive payments (such as cost savings incentives).
21. **Taxes** - Includes State and municipal taxes, as well as "payments in lieu of taxes." Does not include taxes that are payroll related.
22. **Laboratory Directed Research and Development (LDRD); Plant Directed Research, Development and Demonstration Program (PDRD); and Site Directed Research, Development and Demonstration Program (SDRD)** – LDRD portion reflects costs incurred in accordance with DOE Order 413.2A for the purpose of pursuing new and innovative scientific concepts of benefit to the DOE. Excludes allocations of overhead. The PDRD and SDRD portions reflect costs incurred in accordance with the legislative authority for these activities.

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FY 2007 SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT APPENDIX B - ALL 29 SUBMITTING SITES & CONTRACTORS

Ames Laboratory/Iowa State
Argonne National Laboratory/University of Chicago
Bettis Atomic Power Laboratory/Bechtel
Brookhaven National Laboratory/Brookhaven Science Associates
Fermi National Accelerator Laboratory/University Research Association
Hanford/Fluor Daniel & Bechtel
Idaho National Lab/Battelle Energy Alliance
Idaho National Lab/Bechtel BWXT
Idaho National Lab/CH2MWG
Kansas City/Honeywell, FM&T
Knolls Atomic Power Laboratory/Lockheed Martin
Los Alamos National Laboratory/Los Alamos National Security
Lawrence Berkeley National Laboratory/University of California
Lawrence Livermore National Laboratory/University of California
National Renewable Energy Laboratory/Midwest Research Institute
Nevada/ National Securities Technology
Oak Ridge Environmental Management & Enrichment Facility/Bechtel Jacobs
Oak Ridge National Laboratory/UT-Battelle, LLC
Pacific Northwest National Laboratory/Battelle Memorial Institute
Pantex/BWXT
Princeton Plasma Physics Laboratory/Princeton University
Sandia National Laboratory/Lockheed Martin
Savannah River/Westinghouse & Wackenhut
Stanford Linear Accelerator Center/Stanford University
Strategic Petroleum Reserve/DynMcDermott Petroleum operations
WIPP/Westinghouse
West Valley/West Valley Nuclear Services
Yucca Mountain/Bechtel-SAIC
Y12/BWXT

This report and additional functional support cost details from the 29 contributing sites are available online at: <http://www.cfo.doe.gov/cf1-2/scfa.htm>