



Department of Energy

Brookhaven Site Office
P.O. Box 5000
Upton, New York 11973

APR 11 2007

Mr. John Hauser
Brookhaven Science Associates, LLC
Brookhaven National Laboratory
Upton, NY 11973

Dear Mr. Hauser:

**SUBJECT: APPOINTMENT OF CONTRACTING OFFICER'S REPRESENTATIVE (COR)
FOR LITIGATION/RETENTION OF OUTSIDE COUNSEL**

Enclosed is a copy of the Memorandum which appoints James P. Fuerstenberg as the Contracting Officer's Representative (COR) for litigation and matters relating to the retention of outside legal counsel under Contract DE-AC02-98CH10886, in accordance with DOE Order 541.1B. This appointment is effective immediately and supersedes any previous designations.

The attached Memorandum elaborates upon the specific duties and responsibilities of the COR pursuant to Clause I.98, "DEAR 970.5228-1, Insurance-Litigation and Claims" under Contract DE-AC02-98CH10886, the DOE Contractor Legal Management Regulation, 10 CFR Part 719, and Contractor Legal Management Procedures listed therein.

Should you have any questions regarding this appointment, please feel free to contact me or Mr. Fuerstenberg directly at 630-252-2043.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert P. Gordon".

Robert P. Gordon
Business Management Division
Contracting Officer

Enclosure:
As Stated

cc: V. Prouty, SC-CH, w/o encl.
J. Fuerstenberg, SC-CH, w/o encl.
M. Holland, SC-BHISO, w/encl.
F. Crescenzo, SC-BHISO, w/encl.

L. Sadler, SC-BHISO, w/encl.
E. Landini, SC-BHISO, w/encl.
G. Fess, BSA, w/encl.
K. Fox, BSA, w/encl.



Department of Energy

Office of Science
Chicago Office
9800 South Cass Avenue
Argonne, Illinois 60439

April 5, 2007

James P. Fuerstenberg
GL

SUBJECT: DESIGNATION OF CONTRACTING OFFICER REPRESENTATIVE

Pursuant to and in accordance with DOE Order 541.1A, you are hereby appointed Contracting Officer Representative (COR) in connection with retention of outside legal counsel under contract No. DE-AC02-98CH10886, in accordance with Clause 1.98, Insurance-Litigation and Claims, the DOE Contractor Legal Management Regulation, 10 CFR Part 719, and Contractor Legal Management Procedures issued thereunder. This appointment is personal to you and may not be delegated to others. This appointment empowers you to communicate directly with the Contractor (informal correspondence is encouraged).

- I. The scope of your appointment is defined to include, without limitation, the following matters:
 - A. Matters relating to Contractor initiation of litigation;
 - B. Matters relating to Contractor defense of litigation;
 - C. Matters relating to Contractor engagement of outside counsel;
 - D. Matters relating to Contractor management of outside legal costs;
 - E. Matters relating to Major Fraud Act implementation;
 - F. Matters relating to quarterly reporting of cost of outside litigation.
- II. Your duties will consist of the following:
 - A. Direction: As the COR, you shall not impose tasks or requirements upon the Contractor additional to or different from the Scope of Work and Reporting Requirements specified in the contract. To be valid, directions to the Contractor must be issued in writing and must be within the scope of the responsibilities identified above, including but not limited to:



1. Notifying the Contractor of prior approval requirements, including approval for defense or initiation of litigation, and retention of outside counsel;
2. Cautioning the Contractor that proceeding without approval is at its own risk (not reimbursable);
3. Advising the Contractor regarding Major Fraud Act requirements, including prohibition of reimbursement of unallowable proceeding costs;
4. Informing the Contractor of legal management and cost reporting requirements.

B. Surveillance: As the COR, you shall monitor the Contractor's performance to assure that the interests of the Government are adequately protected. In this connection, you should:

1. Review and approve or disapprove Contractor requests relating to litigation (initiation, defense) and retention of outside counsel;
2. Review and approve changes to the Contractor's previously approved legal management procedures;
3. Assure Contractor use of engagement letters for outside counsel;
4. Consider benefit of one outside counsel for multiple contractors;
5. Assure Contractor assessment, by close of pleadings, of each matter referred to outside counsel (considering settlement, etc.);
6. Evaluate proposed settlements, and if appropriate, recommend Contracting Officer approval;
6. a. Review and approve the Contractor's Staffing and Resource Plan for matters expected to exceed \$100,000 in outside legal costs;
7. Review and approve invoices for Contractor's outside counsel services and disbursements;
8. Inform the Contracting Officer, in writing, of any violations Contractor's Legal Management Procedures, including costs which are inconsistent with the requirements of 10 CFR Part 719 and cost accounting standards incorporated by reference therein.

C. Monitoring: Periodic reviews are necessary to assure that the Contractor has abided by Contractor procedures and DOE requirements. As COR, you should, at a minimum:

1. Monitor significant litigation quarterly for adherence to Staffing Resource Plan;
2. Ensure contract funds are not used to pay proceeding costs which are unallowable under the Major Fraud Act;


3. Ensure timely submission of quarterly status reports to the General Counsels Tracking System in appropriate format.
4. Ensure Contractor's compliance with its legal management procedures and the governing agreements, regulations, and other provisions is periodically audited.

D. General: As a matter of practice, you are expected to interface with the Contracting Officer in the following manner:

1. Prepare Memoranda for the Record (MFR) of pertinent meetings, trips, and telephone conversations relating to the contract.
2. Include a citation to the contract, by number, in each MFR, other similar records, and all correspondence relating to the contract;
3. Furnish the Contracting Officer (and all other interested parties having a need to know) with a copy of all actions or correspondence.
4. Accord utmost care to restrictions regarding proprietary data, as well as classified and business-sensitive information.
5. Report in writing to the contracting Officer all questions relating to legal management arising out of the contract which cannot be resolved without alterations of contract scope, or the incurrence of unresolvable differences with the Contractor. Such report should contain the facts and recommendations pertinent to the questions at issue.



Robert P. Gordon
Contracting Officer
Brookhaven Site Office



James P. Fuerstenberg
Contracting Officer Representative