Department of Energy
Support Cost by Functional Activity Report Guidance

This document provides overall guidance for preparation of the Support Cost by Functional Activity Report, including procedures for submitting and certifying the data. Field offices are responsible for the quality of the data, including support cost categories, site profiles and cost-saving initiatives.

Sites Required to Report

Support costs are to be reported by all contractors listed on Attachment 1 of this guidance. Reported costs for Management and Integrating (M&I) contractors should reflect the total site and incorporate all prime subcontractors.

Report Certification

A certification (Attachment 2) must be signed and submitted from each responsible Field CFO. The certification is to ensure that the support cost categories, site profiles and cost saving initiatives are accurate.

Support Cost Definitions

A complete listing of the current support cost definitions is included as Attachment 3. In accordance with a recommendation by the Government Accountability Office (GAO), a number of definitions have been modified. The revised definitions should be used in consolidating fiscal year (FY) 2006 data.

Reporting of Support Cost and Mission Specific Cost

For purposes of determining functional cost, contractors will classify their cost as either mission specific or as support cost. Mission Specific costs are classified in two categories: Capital/Construction and Mission Specific Operating. Support costs are classified as 22 Functional Support cost elements grouped under three categories: General, Mission and Site Specific. Classification of cost shall be determined without regard to funding source, or classification as direct or indirect cost. In addition, costs are reported on a prime basis, rather than fully distributed cost. Do not report fully loaded costs for either mission direct or support areas. Since most accounting systems lose the identity of distributed cost, it is essential to classify the cost in the defined categories prior to distributions.

Report FY 2006 actual costs by functional support cost element for each of the major categories using the exact structure and formats provided in the Functional Cost Web Page (https://scfa.doe.gov).

Functional support costs should be identified as much as possible using the contractors' existing accounting systems and overlaying financial structure. This structure may be organization, work breakdown structure, cost type or a combination. In any case, reported costs need to be traceable (through mapping) to the accounting records, either directly or by using standard reconciliation methods.

Costs are reported by functional classification regardless of fund source. For example, costs for Environmental Support and for Maintenance are reported in the respective functional support element and are not included in the Mission Direct category. Therefore, Mission Direct costs for the environmental program do not include costs for environmental support, maintenance, etc. Many direct funded activities may be classified in a support cost category rather than as mission direct cost.

Reported data should also be based on gross costs. Miscellaneous cash reimbursements or other collections should be ignored.

When reporting costs, please note that payroll taxes and benefits will follow labor dollars. Materials, travel, etc., should be reported in the functional support element that consumes the resource, and prime capital and construction costs will be reported as a separate category.

The contractors actually performing the work will report costs incurred for work performed between other field offices and DOE contractors. This includes work between contractors at a site and reimbursable inter-contractor work orders. Functional support costs that are normally paid by a contractor, but are actually being paid by a field office, are to be included in the report in the appropriate category(s).

Service Centers

Service Centers pose unique problems in reporting functional support costs because of their characteristics. There is no single best way to report them. Given that a consistent approach needs to be taken, please report all Service Center costs within the functional support element to which they most directly relate (even though many of these costs are subsequently charged directly to a program). Service center costs that do not fit one of the other 22 elements should be included in Laboratory/Technical Support.

Taxes

In the past, the amount reported for Taxes was significantly less than the true amount of the tax expenditure, and it was necessary to revise your submissions. We understand that sales and use taxes are spread through all cost categories and separating them for reclassification to the Taxes category might be an onerous task. Given increased outside interest in this category, please continue to review the amounts you have identified as taxes. If these amounts are not up to at least a 90 percent accuracy level, then it is assumed some taxes are being reflected in functional cost categories other than taxes and you are asked to do the following:

1. Non-Sales/Use Taxes: For all taxes except for sales and use taxes, provide as a part of your site profile an amount for all other taxes for each year that is at least at the 90 percent level of accuracy for these non-sales/use taxes. Furthermore, because the effect on total functional support costs should be zero, if you do have any of this type of tax included outside the tax category, it will be necessary to reduce some other categories by the same amount as that reclassified to taxes. Therefore, as a part of your site profile, provide the amounts by category, which must be reduced so that the net adjustment will equal zero. The HQ CFO will enter any prior-year adjustments.

2. Sales and Use Taxes: Please make a rough estimate of the total site amount of sales and use tax that was not previously reflected in the Tax category. Provide this information as a part of your site profile. We will not adjust the various categories for these sales and use tax amounts.

For FY 2006, please ensure that the tax line includes all non-sales/use taxes and that your site profile includes a rough estimate of total site sales/use tax. As with all the functional support cost categories, please be sure to fully explain any significant changes in the Tax category.

Data Collection

The FY 2006 functional cost data will again be collected through a web-based input form. The current link is https://scfa.doe.gov.

Richard Heller (301-903-4422) will control access to Log-on to the system at each site. A Log-on ID and password will be provided to each field site contact and additional IDs can be made available upon request.

Your electronic submission is to be completed by December 15, 2006. A certified hard copy is to be submitted to the Office of Internal Review (CF-1.2, GTN) by December 22, 2006.

Site Profiles

The purpose of the site profile is to assist in HQ understanding of the submissions and to help with the defense of department-wide total functional support costs before Congress. The site profile should be as succinct as possible (preferably not more than two pages) and should be understandable by a reader relatively unfamiliar with your site.

The site profile will include three sections: Background, Trends and Cost Saving Initiatives.

Background - In this section, provide a very brief description of the mission of the site and the physical characteristics of the site (such as size in square miles, approximate number of buildings, size of the workforce, etc.). This section may either be textual or a list of bullets.

Trends - Provide an explanation of:
1. The trend in total Functional Support Costs from FY 2002 to FY 2006.
2. The trend in total Functional Support Costs as a percentage of total site costs from FY 2002 to FY 2006.
3. Major anomalies in the year-to-year data for any of the categories.
4. Major cost drivers that may cause a site's costs to appear out of line with similar sites.

   For each of these explanations:
1. Always include in the text the dollar amount of the change or item being explained.
2. If a revision results in changing cost between categories, show the dollar amount of change for both the gaining and losing category.

Note: During data entry, you will be prompted for an explanation whenever the cost change from the previous year exceeds 20%. Any explanation included during the data entry process does not need to be repeated for the trending section.

Cost Saving Initiatives

In FY 2006, as requested by GAO, all sites are required to provide a summary of process improvement/cost saving studies performed during the year, as well as any resulting cost saving initiatives implemented and the savings achieved.

Describe major cost savings initiatives that have been undertaken to reduce support cost. Be sure to include only those initiatives that reduced cost in FY 2006. This information should be sufficient for a reader to fully understand the scope and magnitude of the initiative and the activities impacted. In addition, your response should be adequate to assess the possibility of migrating the initiative to other DOE sites.

Information may also be presented in the form of a chart to demonstrate the impact on current and/or future savings. For example:

During FY 2006, XYZ Site entered into a 3-year agreement with Fly Away Travel Agency to obtain a 15 percent discount on travel arrangements made through its agency. During FY 2006, XYZ achieved net savings of $500,000. Savings in FY 2006 were reduced by an investment of $10,000 in software necessary to develop travel itineraries compatible with Fly Away Travel Agency's travel system.

	2006
Savings	$510,000
Investment	10,000
Net Savings	$500,000

Peer Reviews

Peer reviews were designed by the Financial Management Systems Improvement Council (FMSIC) to enlist contractors from several DOE locations to review the functional cost methodology at another DOE site and verify that the data has been collected consistent with our established guidelines and definitions.

The GAO has questioned the Department regarding the fact that we have not gone out to all contractors and performed detailed reviews of their functional cost data. Our response has been that peer reviews are conducted within the Department and this provides us with an adequate comfort level that the data is being reviewed for accuracy, completeness and consistency across the 27 sites that submit functional cost data.

The Department expects full cooperation regarding participation in peer reviews and strongly supports FMSIC in their efforts to schedule and monitor functional support cost peer reviews as outlined to the GAO.

SUPPORT COST BY
FUNCTIONAL ACTIVITY REPORT

SUBMITTING LOCATIONS	MAJOR SITE CONTRACTORS
Ames Laboratory	Iowa State University
Argonne National Laboratory	University of Chicago
Bettis Atomic Power Laboratory (PNR)	Bechtel
Brookhaven National Laboratory	Brookhaven Science Associates
Fermi National Accelerator Laboratory	University Research Associates
Hanford Site	Fluor-Daniel
	Bechtel Hanford Incorporated
	CH2M Hill
Idaho National Lab	Bechtel BWXT Idaho LLC
Kansas City Plant	Honeywell, FM&T
Knolls Atomic Power Laboratory (SNR)	Lockheed Martin - KAPL
Lawrence Berkeley National Laboratory	University of California
Lawrence Livermore National Laboratory	University of California
Los Alamos National Laboratory	University of California
National Renewable Energy Lab	Midwest Research Institute
Nevada Test Site	Bechtel Nevada
Oak Ridge Environmental Management	
Enrichment Facility	Bethel Jacobs
Oak Ridge National Laboratory	UT-Battelle, LLC
Pacific Northwest National Laboratory	Battelle Memorial Institute
Pantex Plant	BWXT
Princeton Plasma Physics Laboratory	Princeton University
Sandia National Laboratories	Lockheed Martin Sandia Corp
Savannah River Site	Westinghouse Electrical Corp.
	Wachenhut Services, Inc.
Strategic Petroleum Reserve	Dyn McDermott Petroleum
Stanford Linear Accelerator	Stanford University
Waste Isolation Pilot Plant	Westinghouse Electric Corp.
West Valley Demonstration Project	West Valley Nuclear Services
Yucca Mountain	Bechtel-SAIC
Y-12 Plant	BWXT

TOTAL OF 27 SUBMISSIONS

FY 2006 Support Cost by Functional Activity Submission

Sites: _____

My staff and/or I have reviewed our final Support Cost by Functional Activity submission for the sites noted above and as entered and displayed on the DOE Web Page (https://scfa.doe.gov/).

We believe this accurately reflects our current support cost trends, within the attached "Limitations of Support Cost." In addition, we believe the cost saving initiatives and the claimed dollar savings to be accurate.

_____   _____
           CFO Signature   Date

Please return this signed response to:
Richard Heller, CF-1.2, Germantown (301-903-4422).
or (Richard.Heller@hq.doe.gov) if scanned into pdf format or signed copies may be faxed to 301-903-2550.

Thank you.

U.S. DEPARTMENT OF ENERGY
FY 2006 SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT 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 (GPP). This includes the cost of Institutional General Plant Projects and Capital Equipment that are paid for with indirect funds (IGPP/IGPE). 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.
   - 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.

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.

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. *<u>Information/Outreach Activities</u> - 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. <u>Information Services</u> - 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 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.

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. ***<u>Safety & Health</u>** - 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:

<u>Emergency Preparedness</u> – 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.

<u>Fire Protection</u> – 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.

<u>Industrial Hygiene (IH)</u> – 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 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 walling 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 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 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 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 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 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.