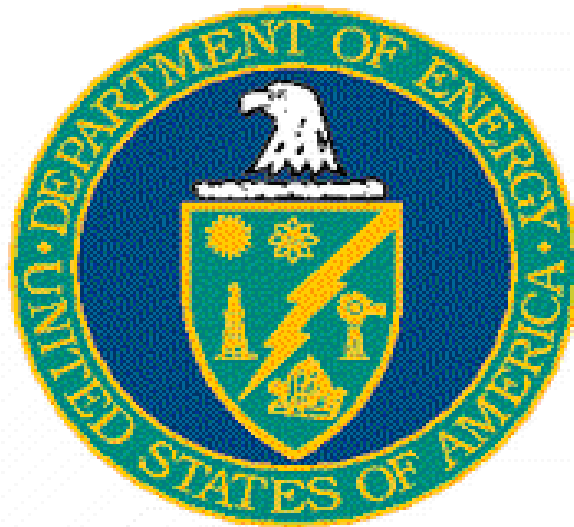


U.S. Department of Energy

Support Cost By Functional Activity Report



Fiscal Year Ending September 30, 2004

**FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
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*The entire report with details from the 28 contributing DOE sites is available online at:
<http://www.mbe.doe.gov/progliaison/scfa.htm>*

FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
INTRODUCTION

PURPOSE OF THE REPORT

The purpose of this report is to highlight the amounts of and trends in support costs incurred by 28 of the Department's largest contractors, classified by functional activity. These represent the majority of support costs for the Department. This report is issued in response to the House Report, 105-581, accompanying the Energy and Water Development Appropriations Act for FY 1999 commending the Department on the development of the Support Cost by Functional Activity (SCFA) System, and the annual report on Support Cost by Functional Activity. 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. Support costs do not include the costs of capital equipment or construction.

Support costs are simply the cost incurred by our major operating contractors in support of direct mission efforts conducted at 28 of the Department's sites. DOE budget and accounting systems do not provide visibility for these costs. These costs represent a substantial amount of money. Management of these costs is the responsibility of the predominant program at each site and represents 39.6 percent of the total cost of the 28 sites or approximately 30 percent of DOE's total \$23.3 billion budget.

The SCFA System provides DOE with the capability of identifying the magnitude and trends of these costs. This allows the Department the opportunity to analyze these costs to identify potential savings. Cost savings in these areas result in more dollars available for direct mission work. While support costs are not overhead, they do reflect trends in overhead. In September 2002, the Government Accountability Office (GAO) published a review of overhead incurred by DOE's management operating contractors. GAO accepted support cost as a proxy for overhead on the basis that controlling support costs automatically resulted in control of overhead.

BACKGROUND

Prior to FY 1997, Department-wide support cost data showing the nature of, amount of, and trends in these 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 receiving requests from Congress and the GAO, the Department's Chief Financial Officer implemented the SCFA System. In implementing the SCFA to track support-related costs, the Chief

**FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
INTRODUCTION**

Financial Officer developed consistent functions for 22 specific cost categories—such as facility management, safeguards and security, and site maintenance—that contractors use in reporting their support-related costs. These 22 specific categories fall into three broad 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.

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 effort between the Office of 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 level of each support cost was best determined at the levels closest to the activities, that is by the cognizant Departmental field offices and the contractors. It was never intended that the SCFA Report would be used primarily for one-to-one comparison purposes. There is significant disparity between the 28 sites and it could be misleading to compare maintenance costs at a 50-year-old manufacturing facility with those of a modern research facility.

GAO recommended in its September 2002 Report (GAO-02-1000) 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 addition to the SCFA Report, National Laboratory Improvement Council members have prepared summaries of their lab's progress (on the Web and published), and regularly shared lessons learned and best practices in these areas and more detailed information on costs. The institutional planning process reviews laboratory progress with site offices and laboratories, and further encourages initiatives and communication of successes. Site offices, through performance based management, review and validate laboratory results and further promote lessons learned and best practices across laboratories. As a result, we view the SCFA Report as one of several tools to help improve support costs. 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. The functional cost report is not the only driver of improvement.

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SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
INTRODUCTION

Definitions of support cost categories were developed jointly by the program offices, the Office of Chief Financial Officer, and FMSIC to ensure that contractors conform to standardized definitions and categories in reporting their support related costs. FMSIC is a Departmental financial management idea-sharing forum comprised of DOE Chief Financial Officer 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 members meet annually and discuss support costs and peer reviews of support costs. The peer review program was designed to ensure consistency and data integrity, which includes site reviews by teams from different organizations.

The Departmental Results and Trends section of this report includes specific cost category discussions. In addition, supporting detailed information has been and is always available to all Departmental and contractor participants electronically for further review and analysis as necessary.

FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
LIMITATIONS OF SUPPORT COST DATA

Functional support activities are operations required to be performed at DOE sites that benefit more than one program. These functions do not include the costs of capital equipment and construction. The purpose of this report is to quantify the cost of supporting program activities at DOE's major sites. This report is a cost management tool and is not intended for use in determining individual program funding requirements or for budget formulation purposes.

Instead of classifying costs as direct or indirect, they are classified as either mission direct or support costs. This recognizes that the classification of direct cost and indirect cost are not relevant to measuring the activity required to support direct mission programs in the Department.

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 system 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 reports 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 required 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 will result from differences 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. The accuracy of this data has not been verified by Headquarters. 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 90 to 95 percent. However, the current level of accuracy is sufficient for comparison of a given site over time, but not necessarily across sites.

FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY
DEPARTMENTAL RESULTS AND TRENDS

#2 – Information Services \$773.0M (10.8 percent of Total Support Costs)
(General Support) (Ranked #3 in FY 2003)

Los Alamos National Laboratory
Sandia National Laboratory
Lawrence Livermore National Laboratory
Savannah River
Hanford

These costs rose in response to the continuing need for support of computer-based systems that will integrate, unify, modernize, and streamline the way the Department handles administrative functions, including financial records, time-and-effort reporting, project management, property management, and facility maintenance. Costs rose as a result of increased customer demand for software and associated licenses, desktop services, and integrated computing network services.

#3 – Safety and Health \$762.4M (10.7 percent of Total Support Costs)
(Mission Support) (Ranked #2 in FY 2003)

Savannah River
Los Alamos National Laboratory
Hanford
Idaho National Engineering and Environmental Laboratory
Oak Ridge Environmental Management and Enrichment Facility

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, and management oversight.

II. Three Support Cost Categories with the Largest Percentage Increase

Overall, from FY 2000 to FY 2004, support costs increased by approximately \$1.3 billion. Here are the three categories (LDRD/PDRD/SDRD, Facilities Management, and Safeguards and Security) with the largest percentage increases in support costs from FY 2000 to FY 2004:

#1 – LDRD/PDRD/SDRD (105 percent increase from FY 2000 to FY 2004)
(Site Specific)

Kansas City
Nevada
Pantex
Y-12
Idaho National Engineering and Environmental Lab

FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY
DEPARTMENTAL RESULTS AND TRENDS

For FY 2000 Congress reduced the maximum allowable LDRD percentage from 6 percent to 4 percent of funds provided to laboratories. The percentage was restored in FY 2001 and has not changed. The PDRD (Plant Directed Research, Development and Demonstration Program) was initiated in FY 2001 and SDRD (Site Directed Research, Development and Demonstration Program) commenced in FY 2002. Both reflect costs incurred in accordance with legislative authority.

#2 – Facilities Management (55 percent increase from FY 2000 to FY 2004)
(Mission Support)

Oak Ridge National Laboratory
Pantex
Oak Ridge Environmental Management and Enrichment Facility
Nevada
Y-12

These costs are associated with facilities and their ability to function effectively, such as plant and maintenance engineering, facilities remodeling (if it does not meet the capitalization criteria), facilities utilization analysis, modification and upgrade analysis, facilities planning and condition determinations, and the rental of buildings/land.

#3 – Safeguards and Security (50 percent increase from FY 2000 to FY 2004)
(Mission Support)

Oak Ridge Environmental Management and Enrichment Facility
Oak Ridge National Laboratory
Lawrence Berkeley National Laboratory
Sandia National Laboratory
Y-12

The events of September 11, 2001, and increased emphasis on Homeland Security continue to drive safeguards and security costs higher. This category of costs accounted for the largest dollar increase from FY 2000 to FY 2004.

III. Two Support Cost Categories Decreased

Of the 22 support cost categories, two categories “Other” and “Legal” decreased in both dollars and as a percentage of total cost from FY 2000 to FY 2004. The “Other” category, which contains costs not identified in another support cost category, decreased by \$14.8 million (16.4 percent). And “Legal,” which includes costs associated with legal counsel and litigation support, decreased by \$0.8 million (1.5 percent) due to subcontract litigation support reductions.

FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY
DEPARTMENTAL RESULTS AND TRENDS

IV. Trends

The table below lists the 22 support cost categories and identifies how much each category changed as a percentage of total support cost between FY 2000 and FY 2004. Facilities Management, Safeguards and Security and LDRD/PDRD/SDRD were the three categories with the largest percentage increase. Maintenance, while dollar-wise the largest category, actually declined from FY 2000 to FY 2004 as a percentage of total support cost. (All dollars are in thousands.)

	FY 2004 As a % of Support Cost	FY 2000 As a % of Support Cost	FY 2004 Support Cost \$	FY 2000 Support Cost \$	Change As a % of Support Cost FY 2000 - FY 2004	\$ Change FY 2000 - FY 2004
Safeguards and Sec.	9.86%	8.10%	705,417	471,173	1.76%	234,244
Facilities Mgmt	8.27%	6.56%	591,567	381,595	1.71%	209,972
LDRD/PDRD/SDRD	4.44%	2.66%	317,811	154,977	1.78%	162,834
Information Services	10.81%	10.82%	773,040	629,442	-0.01%	143,598
Safety and Health	10.66%	11.17%	762,440	650,259	-0.52%	112,181
Management Fee	7.20%	7.49%	514,964	436,060	-0.29%	78,904
Utilities	5.43%	5.61%	388,728	326,654	-0.18%	62,074
Executive Direction	2.68%	2.49%	191,424	145,113	0.18%	46,311
Program/Proj Control	3.15%	3.23%	225,678	188,025	-0.08%	37,653
Information Outreach	2.38%	2.35%	170,152	136,586	0.03%	33,566
Procurement	2.16%	2.12%	154,464	123,605	0.04%	30,859
Lab/Tech Support	2.56%	2.63%	183,021	152,838	-0.07%	30,183
Human Resources	2.87%	3.01%	205,081	175,081	-0.14%	30,000
Taxes	1.42%	1.24%	101,311	72,071	0.18%	29,240
Quality Assurance	2.07%	2.09%	147,798	121,472	-0.02%	26,326
Central Admin Serv.	2.89%	3.12%	207,018	181,438	-0.22%	25,580
CFO	2.14%	2.28%	153,405	132,525	-0.13%	20,880
Maintenance	12.05%	14.51%	861,869	844,607	-2.47%	17,262
Logistics Support	2.34%	2.59%	167,476	150,458	-0.24%	17,018
Environmental	2.78%	3.39%	198,755	197,494	-0.62%	1,261
Legal	0.79%	0.98%	56,405	57,257	-0.20%	-852
Other	1.06%	1.56%	75,896	90,756	-0.50%	-14,860
Total Support Cost	100.0%	100.0%	7,153,720	5,819,486	--	1,334,234

FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
COST SAVING INITIATIVES

As part of the FY 2004 submission for the Support Cost by Functional Activity Report, many of the Department's major contractors provided information related to initiatives implemented to manage and reduce functional support costs at their sites. The following initiatives have broad applicability and may provide opportunities that could be used by additional contractors across the Department.

Many of the Department's locations utilize Six Sigma, which is a rigorous, statistically based, customer-focused business methodology to improve work processes. Six Sigma allows for the design and monitoring of everyday business activities to minimize waste and maximize use of resources, while increasing customer satisfaction. Six Sigma is a methodology that applies advanced statistical tools to identify and eliminate defects, waste, rework, and non-value activities from business processes, resulting in improved customer satisfaction, employee satisfaction and cost savings. 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.

In addition, detailed below are five cost saving initiatives identified by the Department's contractors with claimed savings of \$14.9 million in FY 2004.

TEST AND SAMPLE REDUCTION

Initiative reported by Savannah River (\$5.6M).

This category represents improvement projects where Six Sigma tools were able to reduce the operating requirements for frequency, location, or methods with respect to the collection and analysis of samples or conduct of radiological and environmental surveys. The improvements and subsequent savings were developed by evaluating the process requirements, collecting and analyzing data and conducting statistical tests to determine the optimum sampling, survey, and analyses necessary to manage the respective processes. For reporting purposes, the savings for individual projects were rolled up. One project is highlighted below. A process improvement project at the Effluent Treatment Facility saved \$174,300 in FY 2004. The project resulted in lowered requirements for sample bottles, reduced waste, reduced labeling and less labor. In order to implement the changes it was necessary to revise procedures, and conduct training.

**FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
COST SAVING INITIATIVES**

TRAVEL SAVINGS

Initiative reported by Kansas City and Lawrence Berkeley National Lab. (\$3.4 M).

Travel Offices have aggressively negotiated with airline carriers for favorable rates with substantial savings on frequently traveled destinations within the U.S. and overseas. Savings also resulted from purchasing non-refundable tickets.

REDUCTION OF HAND HELD RADIOS AND LICENSED VEHICLES

Initiative reported by Y-12 (\$1.2 M).

Productivity Improvement Projects (PIP) reduced cost at Y-12.

One PIP reduced the number of handheld radios in an effort to minimize replacements required in response to upcoming federal regulation changes for portable radio frequencies. Over 300 radios were identified for reduction as a result of a review of utilization and specification of applicable response requirements for radio assignment.

Another PIP reviewed the utilization of Licensed Vehicles. The fleet manager established guidelines for the minimum usage under each vehicle category. The managers established a goal of 90 percent of vehicles in all categories will be in compliance with the established minimum mileage requirements. Monitoring and dispositioning systems/processes were established and costs were reduced.

SUPPLY CHAIN MANAGEMENT

Initiative reported by Bettis and Knolls Atomic Power Laboratories (\$3.7 M).

Bettis Atomic Power Laboratory/Bechtel and Knolls Atomic Power Laboratory/Lockheed Martin have worked together to place joint contracts to optimize pricing and to reduce administrative effort for procurement of materials and services needed at their sites. These efforts have helped increase the buying power of the Naval Nuclear Propulsion Program while achieving a net savings.

DECONTAMINATION AND DEMOLITION

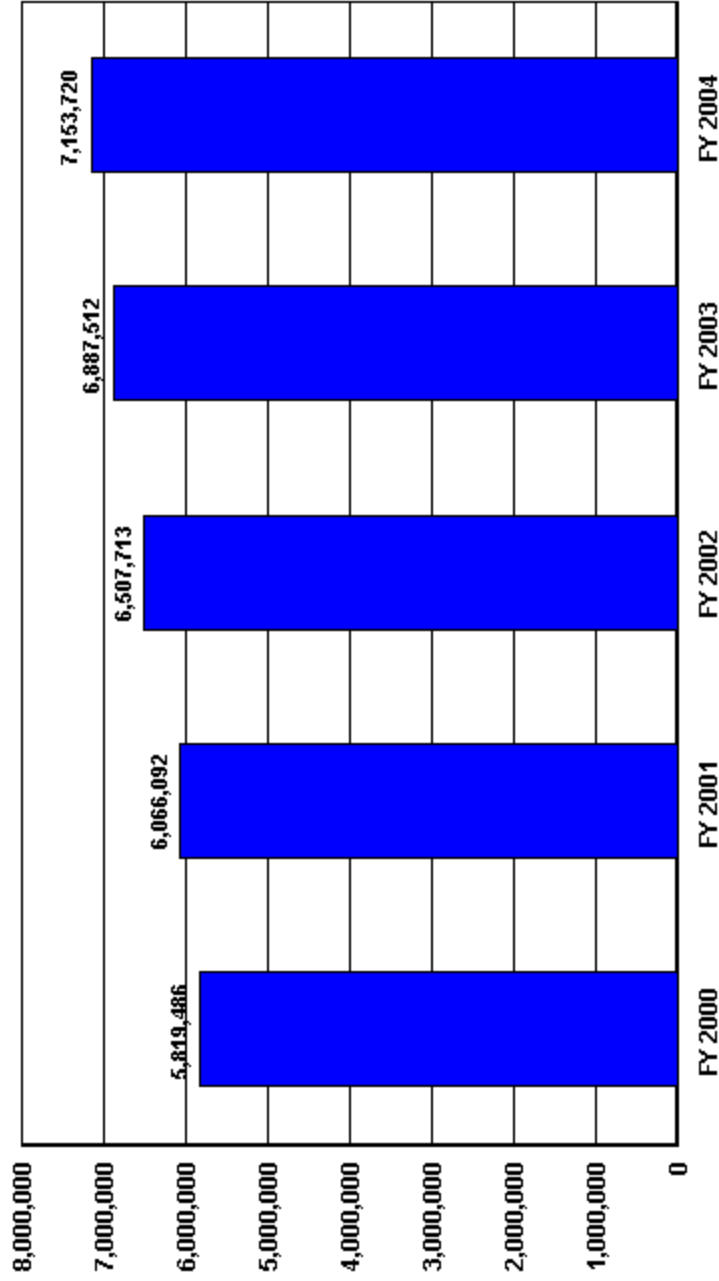
Initiative reported by Lawrence Livermore National Laboratory (\$1.0 M).

The Building 222 complex decontamination and demolition was completed at a cost of under \$200 per square foot, rivaling “best in class” for industry. The project opened up four acres of valuable space, eliminated over \$13 million of deferred maintenance and nearly \$1 million per year in annual maintenance, and avoided \$3 million in compliance upgrades.

Trends in Total Support Cost by Functional Categories
TOTAL FOR ALL 28 SITES (\$000)
FY 2004

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	\$ Change 2000 To FY 2004	% Change 2000 To FY 2004
Total Costs	14,394,608	15,251,152	16,393,387	17,405,368	18,085,767	3,691,159	25.6%
Capital Construction	1,113,415	1,347,050	1,447,954	1,536,512	1,443,083	329,668	29.6%
Total Costs Less Construction	13,281,193	13,904,102	14,945,433	15,868,856	16,642,684	3,361,491	25.3%
Total Support Costs	5,819,486	6,066,092	6,507,713	6,887,512	7,153,720	1,334,234	22.9%
Mission Direct Operation	7,461,707	7,838,010	8,437,720	8,981,344	9,488,964	2,027,257	27.2%
Mission Direct Operation as % of Total Cost	51.8%	51.4%	51.5%	51.6%	52.5%		
Capital Construction as % of Total Cost	7.7%	8.8%	8.8%	8.8%	8.0%		
Total Support Cost as % of Total Cost	40.4%	39.8%	39.7%	39.6%	39.6%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	40.4%	39.8%	39.7%	39.6%	39.6%		
TOTAL SUPPORT COST	5,819,486	6,066,092	6,507,713	6,887,512	7,153,720	1,334,234	22.9%
TOTAL GENERAL SUPPORT as % of TOTAL	12.9%	12.4%	12.1%	12.4%	12.2%		
TOTAL GENERAL SUPPORT	1,859,828	1,892,600	1,991,521	2,162,910	2,212,563	352,735	19.0%
EXECUTIVE DIRECTION	145,113	152,803	172,997	186,601	191,424	46,311	31.9%
HUMAN RESOURCES	175,081	178,723	185,541	203,197	205,081	30,000	17.1%
CFO	132,525	146,687	139,671	146,118	153,405	20,880	15.8%
PROCUREMENT	123,605	125,446	128,259	144,617	154,464	30,859	25.0%
LEGAL	57,257	58,404	59,034	65,104	56,405	-852	-1.5%
CENTRAL ADMIN SERVICES	181,438	185,916	198,764	211,307	207,018	25,580	14.1%
PROGRAM/PROJECT CONTROL	188,025	184,874	187,146	221,984	225,678	37,653	20.0%
INFORMATION OUTREACH	136,586	136,092	144,341	146,407	170,152	33,566	24.6%
INFORMATION SERVICES	629,442	629,748	701,418	749,295	773,040	143,598	22.8%
OTHER	90,756	93,907	74,350	88,280	75,896	-14,860	-16.4%
TOTAL MISSION SUPPORT as % of TOTAL	22.9%	22.6%	22.5%	22.2%	22.2%		
TOTAL MISSION SUPPORT	3,296,550	3,448,602	3,686,724	3,859,710	4,007,071	710,521	21.6%
ENVIRONMENTAL	197,494	201,760	199,881	201,512	198,755	1,261	0.6%
SAFETY AND HEALTH	650,259	683,442	729,138	755,875	762,440	112,181	17.3%
FACILITIES MANAGEMENT	381,595	425,807	485,316	540,751	591,567	209,972	55.0%
MAINTENANCE	844,607	817,884	821,381	843,643	861,869	17,262	2.0%
UTILITIES	326,654	366,504	390,424	385,671	388,728	62,074	19.0%
SAFEGUARDS AND SECURITY	471,173	508,706	608,987	677,717	705,417	234,244	49.7%
LOGISTICS SUPPORT	150,458	161,145	165,631	165,327	167,476	17,018	11.3%
QUALITY ASSURANCE	121,472	127,844	125,949	131,545	147,798	26,326	21.7%
LABORATORY/TECHNICAL SUPPORT	152,838	155,510	160,017	157,669	183,021	30,183	19.7%
TOTAL SITE SPECIFIC as % of TOTAL	4.6%	4.8%	5.1%	5.0%	5.2%		
TOTAL SITE SPECIFIC	663,108	724,890	829,468	864,892	934,086	270,978	40.9%
MANAGEMENT/INCENTIVE FEE	436,060	406,432	454,564	465,405	514,964	78,904	18.1%
TAXES	72,071	83,852	94,428	89,948	101,311	29,240	40.6%
LDRD / PDRD / SDRD	154,977	234,606	280,476	309,539	317,811	162,834	105.1%

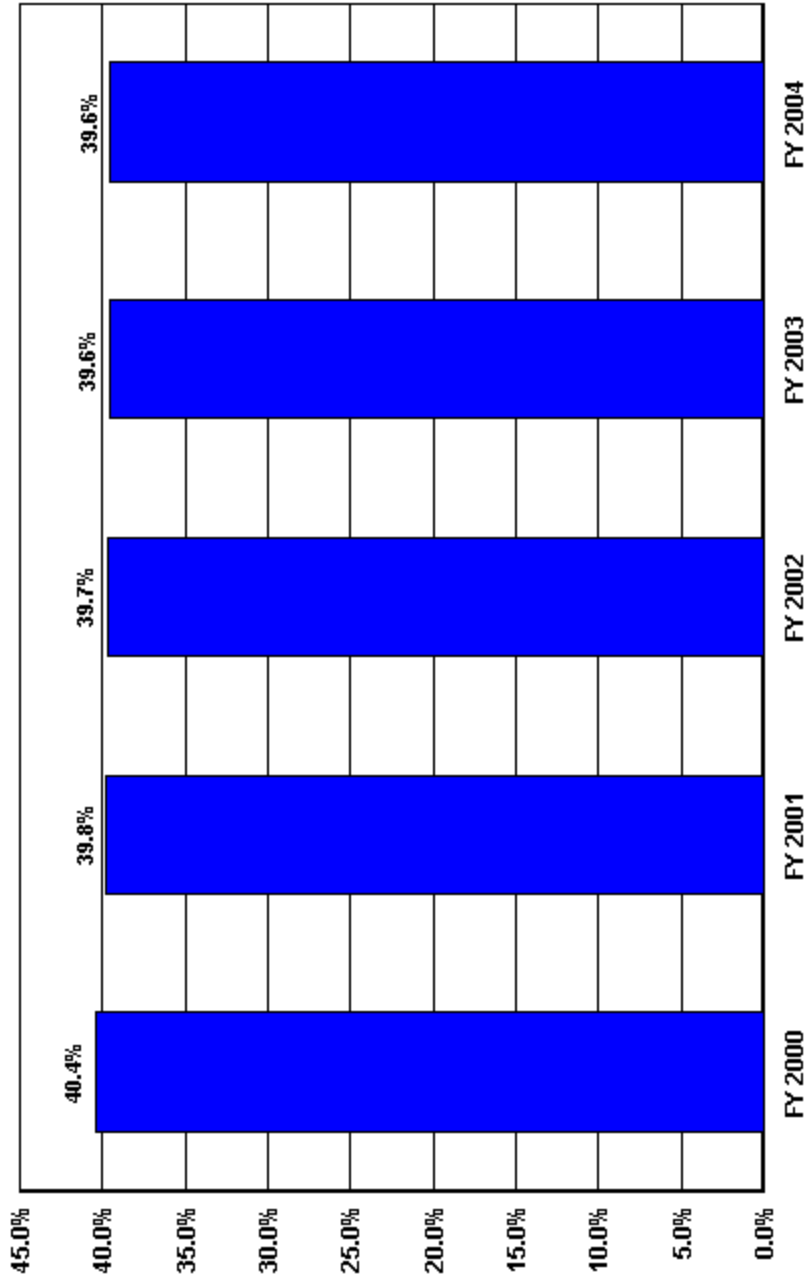
US Department of Energy
 Total Functional Support
 TOTAL FOR ALL 28 SITES



Total Functional Support (\$ in 000's)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	5,819,486	6,066,092	6,507,713	6,887,512	7,153,720

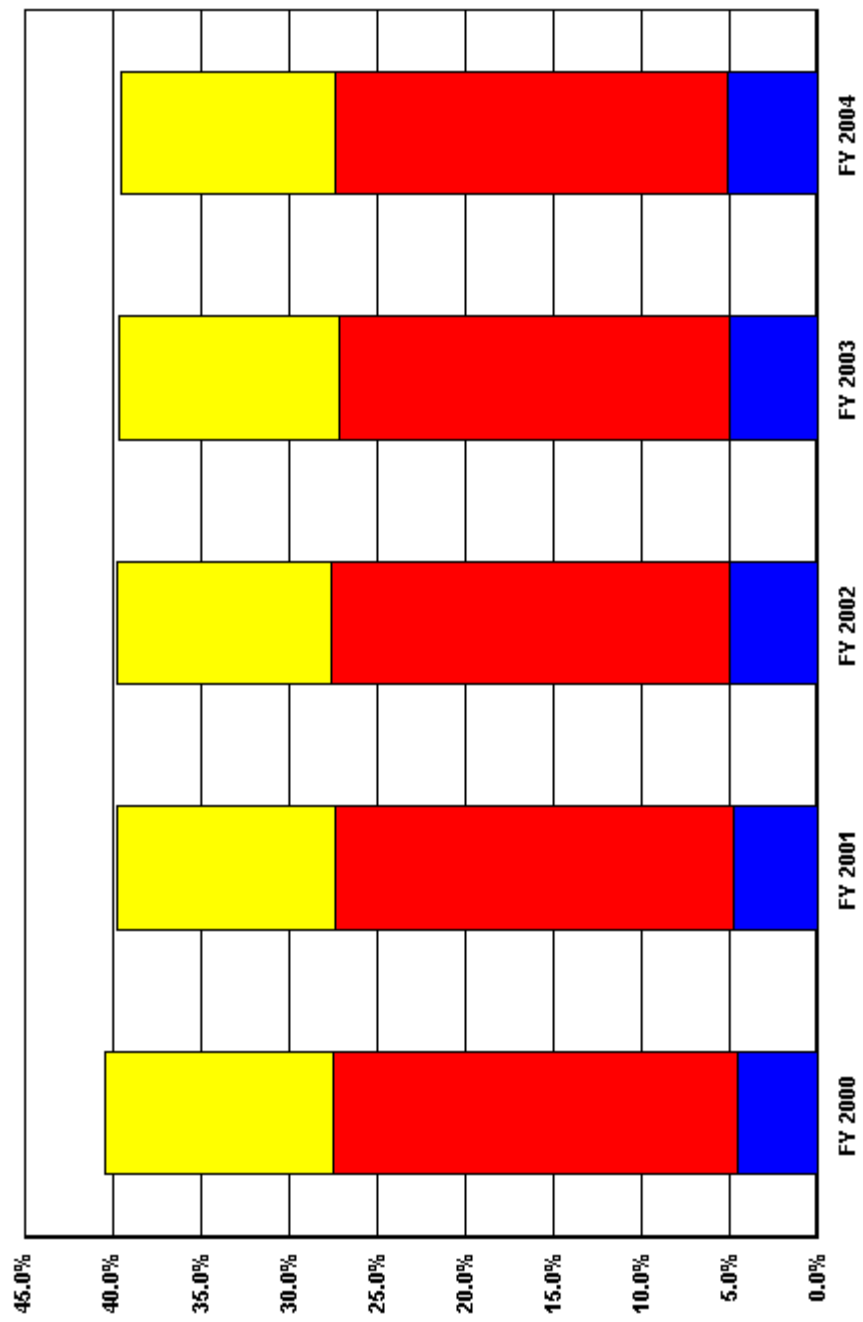
**US Department of Energy
Total Functional Support as a % of Total Costs
TOTAL FOR ALL 28 SITES**



■ Total Functional Support

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	40.4%	39.8%	39.7%	39.6%	39.6%

**US Department of Energy
Percent of Support Category to Total Costs
TOTAL FOR ALL 28 SITES**



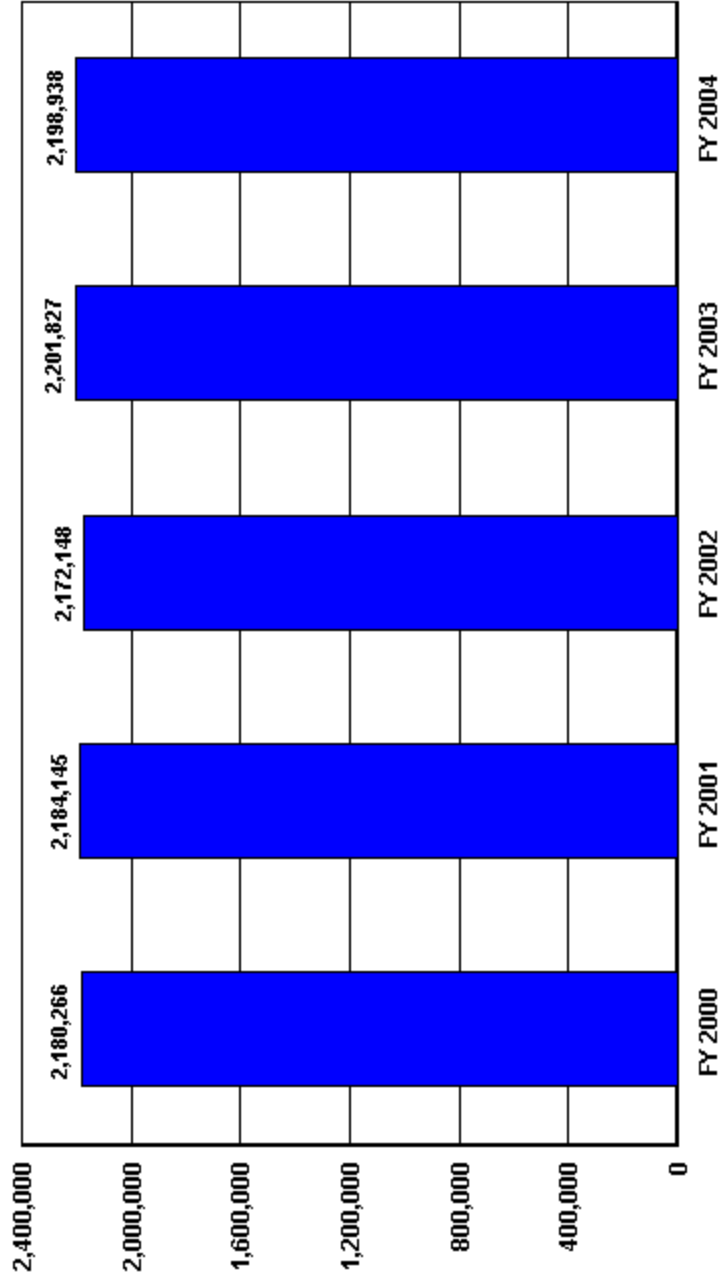
Gen Sup
 Mis Sup
 Site Specific

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Gen Sup	12.9%	12.4%	12.1%	12.4%	12.2%
Mis Sup	22.9%	22.6%	22.5%	22.2%	22.2%
Site Specific	4.6%	4.8%	5.1%	5.0%	5.2%

Trends in Total Support Cost by Functional Categories
Total EM Sites (\$000)
FY 2004

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	\$ Change 2000 To FY 2004	% Change 2000 To FY 2004
Total Costs	4,325,217	4,536,399	4,607,291	4,848,657	5,008,669	683,452	15.8%
Capital Construction	280,913	331,611	307,985	245,417	213,373	-67,540	-24.0%
Total Costs Less Construction	4,044,304	4,204,788	4,299,306	4,603,240	4,795,296	750,992	18.6%
Total Support Costs	2,180,266	2,184,145	2,172,148	2,201,827	2,198,938	18,672	0.9%
Mission Direct Operation	1,864,038	2,020,643	2,127,158	2,401,413	2,596,358	732,320	39.3%
Mission Direct Operation as % of Total Cost	43.1%	44.5%	46.2%	49.5%	51.8%		
Capital Construction as % of Total Cost	6.5%	7.3%	6.7%	5.1%	4.3%		
Total Support Cost as % of Total Cost	50.4%	48.1%	47.1%	45.4%	43.9%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	50.4%	48.1%	47.1%	45.4%	43.9%		
TOTAL SUPPORT COST	2,180,266	2,184,145	2,172,148	2,201,827	2,198,938	18,672	0.9%
TOTAL GENERAL SUPPORT as % of TOTAL	14.0%	13.0%	12.2%	11.9%	11.0%		
TOTAL GENERAL SUPPORT	607,658	589,206	561,845	575,904	549,459	-58,199	-9.6%
EXECUTIVE DIRECTION	38,437	35,307	36,173	33,594	33,549	-4,888	-12.7%
HUMAN RESOURCES	59,871	55,974	54,253	56,086	56,169	-3,702	-6.2%
CFO	39,847	51,980	40,540	40,550	39,979	132	0.3%
PROCUREMENT	40,156	41,558	39,939	42,938	42,530	2,374	5.9%
LEGAL	22,621	22,765	22,213	25,232	16,732	-5,889	-26.0%
CENTRAL ADMIN SERVICES	62,286	59,700	60,169	67,051	58,571	-3,715	-6.0%
PROGRAM/PROJECT CONTROL	94,701	97,473	96,626	93,838	96,536	1,835	1.9%
INFORMATION OUTREACH	36,202	29,958	27,861	24,685	20,601	-15,601	-43.1%
INFORMATION SERVICES	185,404	177,301	164,880	169,817	155,886	-29,518	-15.9%
OTHER	28,133	17,190	19,191	22,113	28,906	773	2.7%
TOTAL MISSION SUPPORT as % of TOTAL	30.3%	29.5%	29.0%	27.8%	26.7%		
TOTAL MISSION SUPPORT	1,312,126	1,340,284	1,337,161	1,349,021	1,339,797	27,671	2.1%
ENVIRONMENTAL	88,233	93,231	83,457	81,935	73,384	-14,849	-16.8%
SAFETY AND HEALTH	305,522	333,897	345,275	334,331	333,109	27,587	9.0%
FACILITIES MANAGEMENT	139,265	133,842	116,922	133,089	128,724	-10,541	-7.6%
MAINTENANCE	330,619	309,199	308,796	304,468	291,694	-38,925	-11.8%
UTILITIES	88,220	89,908	94,409	99,481	92,763	4,543	5.1%
SAFEGUARDS AND SECURITY	159,925	174,080	190,564	208,714	218,904	58,979	36.9%
LOGISTICS SUPPORT	61,283	66,276	61,799	60,786	59,404	-1,879	-3.1%
QUALITY ASSURANCE	62,346	60,422	56,553	51,171	53,313	-9,033	-14.5%
LABORATORY/TECHNICAL SUPPORT	76,713	79,429	79,386	75,046	88,502	11,789	15.4%
TOTAL SITE SPECIFIC as % of TOTAL	6.0%	5.6%	5.9%	5.7%	6.2%		
TOTAL SITE SPECIFIC	260,482	254,655	273,142	276,902	309,682	49,200	18.9%
MANAGEMENT/INCENTIVE FEE	244,375	212,651	231,932	238,698	278,122	33,747	13.8%
TAXES	11,868	21,385	21,913	19,642	20,681	8,813	74.3%
LDRD / PDRD / SDRD	4,239	20,619	19,297	18,562	10,879	6,640	156.6%

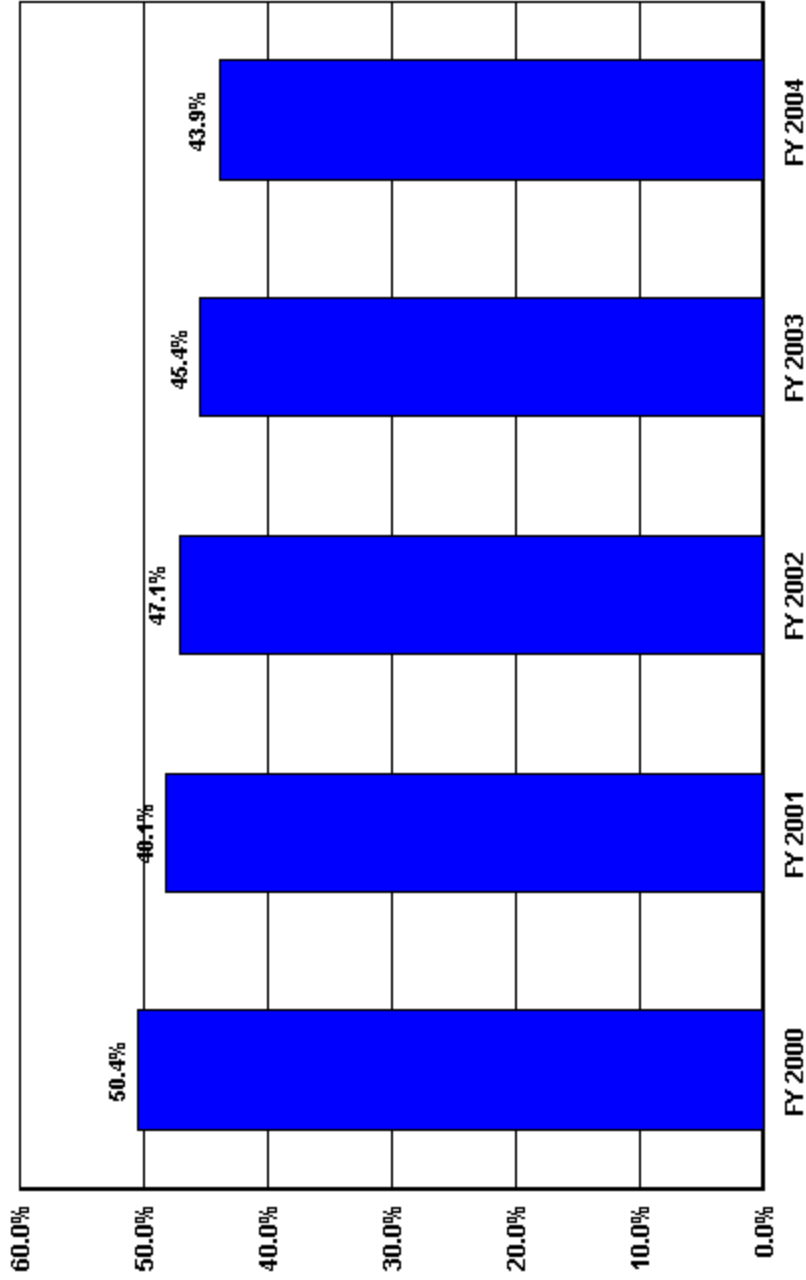
US Department of Energy
 Total Functional Support
 Total EM Sites



Total Functional Support (\$ in 000's)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	2,180,266	2,184,145	2,172,148	2,201,827	2,198,938

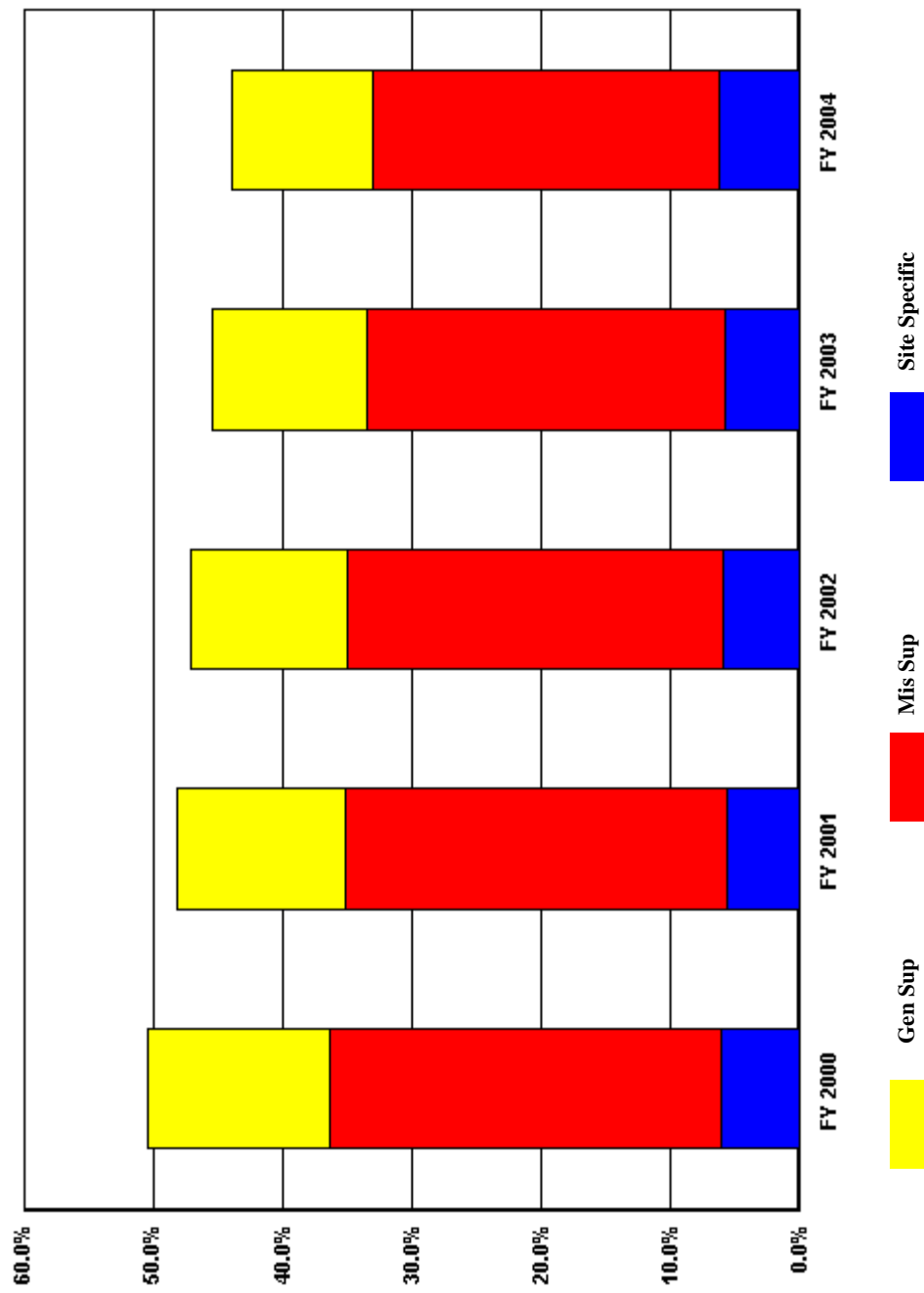
**US Department of Energy
Total Functional Support as a % of Total Costs
Total EM Sites**



■ Total Functional Support

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	50.4%	48.1%	47.1%	45.4%	43.9%

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

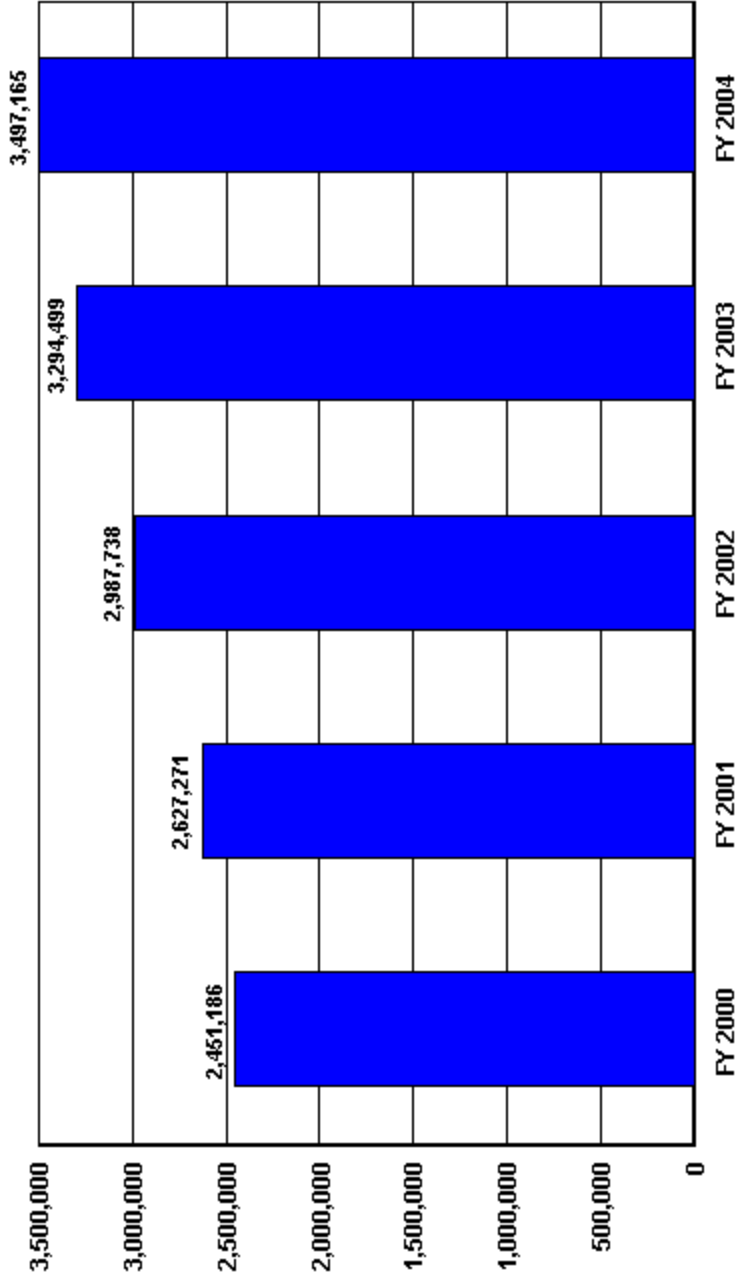


	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Gen Sup	14.0%	13.0%	12.2%	11.9%	11.0%
Mis Sup	30.3%	29.5%	29.0%	27.8%	26.7%
Site Specific	6.0%	5.6%	5.9%	5.7%	6.2%

Trends in Total Support Cost by Functional Categories
Total NNSA Sites (\$000)
FY 2004

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	\$ Change 2000 To FY 2004	% Change 2000 To FY 2004
Total Costs	6,574,787	7,012,121	7,828,446	8,462,837	8,683,649	2,108,862	32.1%
Capital Construction	549,330	673,316	725,250	867,559	773,737	224,407	40.9%
Total Costs Less Construction	6,025,457	6,338,805	7,103,196	7,595,278	7,909,912	1,884,455	31.3%
Total Support Costs	2,451,186	2,627,271	2,987,738	3,294,499	3,497,165	1,045,979	42.7%
Mission Direct Operation	3,574,271	3,711,534	4,115,458	4,300,779	4,412,747	838,476	23.5%
Mission Direct Operation as % of Total Cost	54.4%	52.9%	52.6%	50.8%	50.8%		
Capital Construction as % of Total Cost	8.4%	9.6%	9.3%	10.3%	8.9%		
Total Support Cost as % of Total Cost	37.3%	37.5%	38.2%	38.9%	40.3%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	37.3%	37.5%	38.2%	38.9%	40.3%		
TOTAL SUPPORT COST	2,451,186	2,627,271	2,987,738	3,294,499	3,497,165	1,045,979	42.7%
TOTAL GENERAL SUPPORT as % of TOTAL	12.0%	11.7%	11.7%	12.3%	12.8%		
TOTAL GENERAL SUPPORT	790,146	821,262	914,502	1,041,699	1,108,136	317,990	40.2%
EXECUTIVE DIRECTION	66,915	76,710	87,114	91,919	90,692	23,777	35.5%
HUMAN RESOURCES	83,213	88,278	94,814	106,969	107,785	24,572	29.5%
CFO	53,351	52,690	55,212	56,317	61,594	8,243	15.5%
PROCUREMENT	52,681	55,128	58,320	69,829	76,261	23,580	44.8%
LEGAL	24,175	24,326	24,400	27,097	24,503	328	1.4%
CENTRAL ADMIN SERVICES	80,117	80,302	88,861	95,421	96,698	16,581	20.7%
PROGRAM/PROJECT CONTROL	48,715	47,484	49,864	86,190	105,388	56,673	116.3%
INFORMATION OUTREACH	53,923	56,990	60,209	63,009	64,036	10,113	18.8%
INFORMATION SERVICES	300,421	304,760	377,959	419,544	454,288	153,867	51.2%
OTHER	26,635	34,594	17,749	25,404	26,891	256	1.0%
TOTAL MISSION SUPPORT as % of TOTAL	20.8%	20.7%	21.1%	21.2%	22.0%		
TOTAL MISSION SUPPORT	1,366,927	1,449,443	1,652,982	1,791,833	1,906,794	539,867	39.5%
ENVIRONMENTAL	77,307	73,969	83,114	80,177	83,305	5,998	7.8%
SAFETY AND HEALTH	236,405	239,448	278,483	310,907	310,606	74,201	31.4%
FACILITIES MANAGEMENT	176,295	210,956	274,355	300,763	343,463	167,168	94.8%
MAINTENANCE	323,468	322,556	316,305	351,713	376,126	52,658	16.3%
UTILITIES	145,395	172,320	189,894	175,314	182,835	37,440	25.8%
SAFEGUARDS AND SECURITY	265,612	279,663	346,474	396,448	411,734	146,122	55.0%
LOGISTICS SUPPORT	57,586	62,337	70,003	70,500	72,398	14,812	25.7%
QUALITY ASSURANCE	44,977	47,888	51,093	58,954	72,482	27,505	61.2%
LABORATORY/TECHNICAL SUPPORT	39,882	40,306	43,261	47,057	53,845	13,963	35.0%
TOTAL SITE SPECIFIC as % of TOTAL	4.5%	5.1%	5.4%	5.4%	5.6%		
TOTAL SITE SPECIFIC	294,113	356,566	420,254	460,967	482,235	188,122	64.0%
MANAGEMENT/INCENTIVE FEE	129,745	127,853	143,976	157,538	163,930	34,185	26.3%
TAXES	56,174	60,126	68,537	68,278	73,725	17,551	31.2%
LDRD / PDRD / SDRD	108,194	168,587	207,741	235,151	244,580	136,386	126.1%

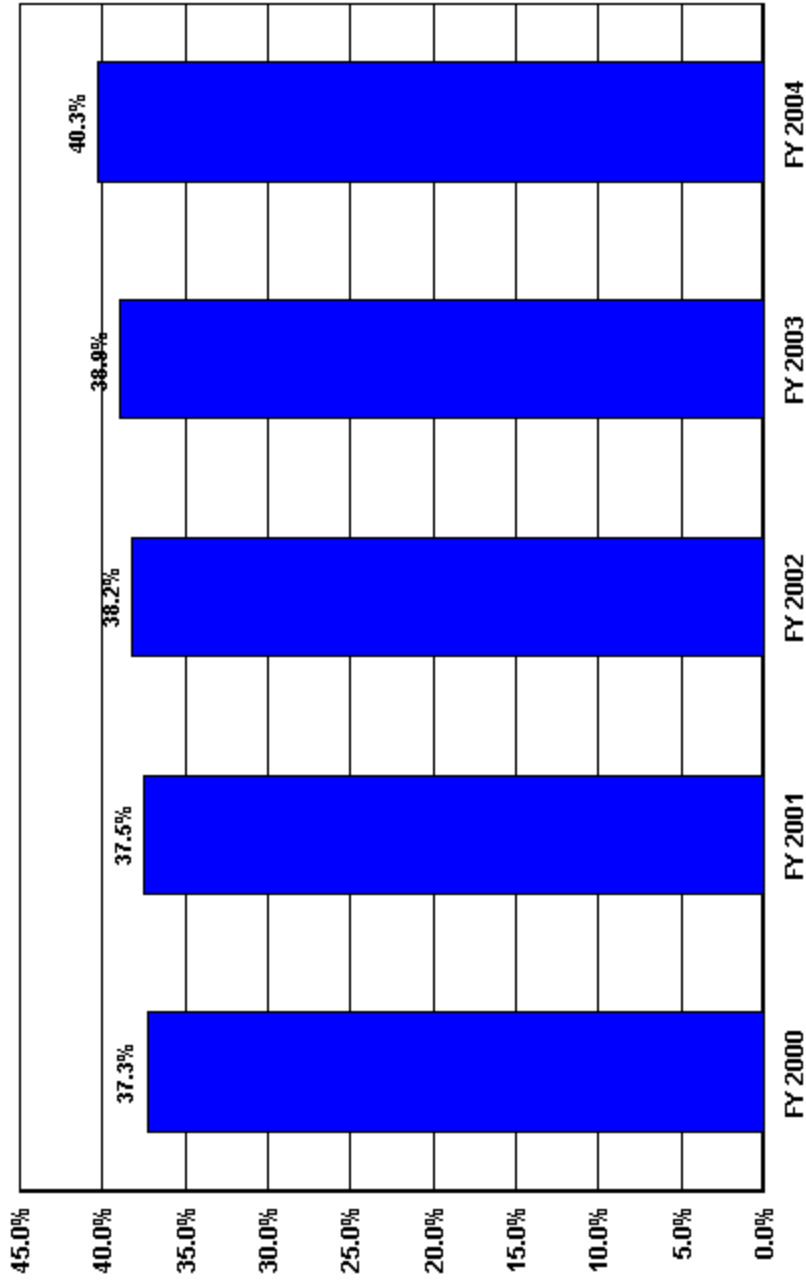
US Department of Energy
 Total Functional Support
 Total NNSA Sites



Total Functional Support (\$ in 000's)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	2,451,186	2,627,271	2,987,738	3,294,499	3,497,165

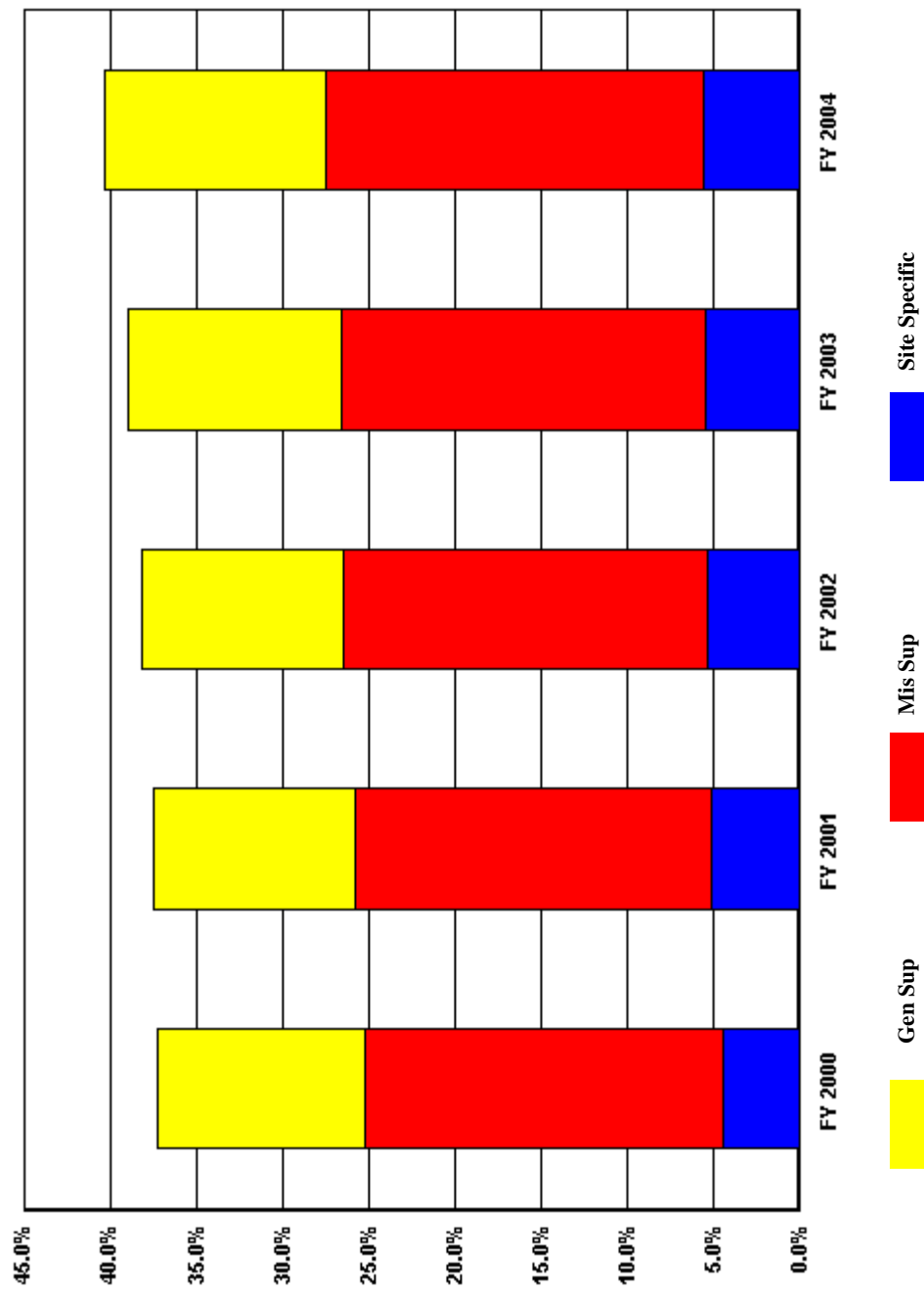
**US Department of Energy
Total Functional Support as a % of Total Costs
Total NNSA Sites**



■ Total Functional Support

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	37.3%	37.5%	38.2%	38.9%	40.3%

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

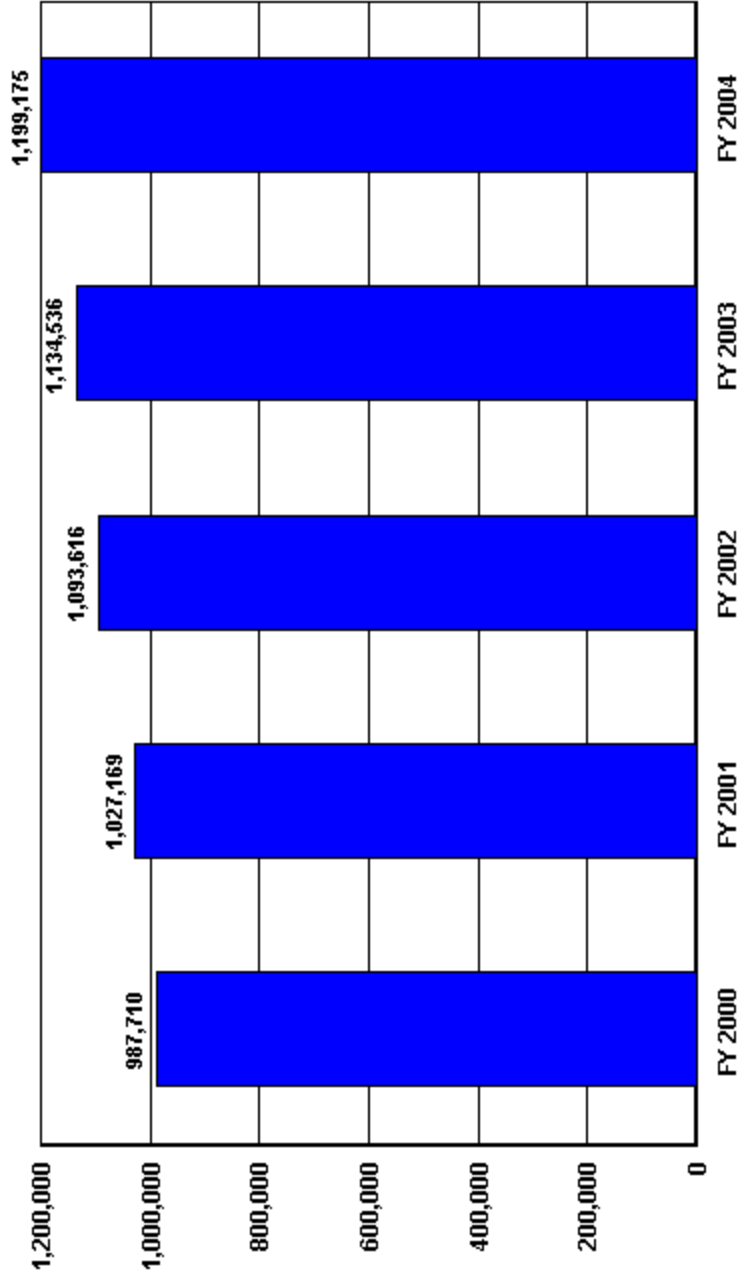


	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Gen Sup	12.0%	11.7%	11.7%	12.3%	12.8%
Mis Sup	20.8%	21.1%	21.2%	21.2%	22.0%
Site Specific	4.5%	5.1%	5.4%	5.4%	5.6%

Trends in Total Support Cost by Functional Categories
Total SC Sites (\$000)
FY 2004

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	\$ Change 2000 To FY 2004	% Change 2000 To FY 2004
Total Costs	2,987,102	3,161,664	3,403,677	3,494,621	3,767,686	780,584	26.1%
Capital Construction	278,649	335,901	404,320	414,893	442,388	163,739	58.8%
Total Costs Less Construction	2,708,453	2,825,763	2,999,357	3,079,728	3,325,298	616,845	22.8%
Total Support Costs	987,710	1,027,169	1,093,616	1,134,536	1,199,175	211,465	21.4%
Mission Direct Operation	1,720,743	1,798,594	1,905,741	1,945,192	2,126,123	405,380	23.6%
Mission Direct Operation as % of Total Cost	57.6%	56.9%	56.0%	55.7%	56.4%		
Capital Construction as % of Total Cost	9.3%	10.6%	11.9%	11.9%	11.7%		
Total Support Cost as % of Total Cost	33.1%	32.5%	32.1%	32.5%	31.8%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%		
TOTAL SUPPORT COST as % of TOTAL COST	33.1%	32.5%	32.1%	32.5%	31.8%		
TOTAL SUPPORT COST	987,710	1,027,169	1,093,616	1,134,536	1,199,175	211,465	21.4%
TOTAL GENERAL SUPPORT as % of TOTAL	12.2%	11.9%	11.8%	12.1%	11.4%		
TOTAL GENERAL SUPPORT	363,764	376,752	402,677	424,090	429,345	65,581	18.0%
EXECUTIVE DIRECTION	34,279	35,001	42,820	51,517	55,702	21,423	62.5%
HUMAN RESOURCES	26,611	27,223	28,459	30,851	32,289	5,678	21.3%
CFO	33,712	34,997	36,541	42,056	44,732	11,020	32.7%
PROCUREMENT	24,591	22,371	23,147	24,691	28,635	4,044	16.4%
LEGAL	7,559	9,044	9,725	10,361	11,486	3,927	52.0%
CENTRAL ADMIN SERVICES	31,557	34,761	34,617	34,730	36,095	4,538	14.4%
PROGRAM/PROJECT CONTROL	29,612	28,511	28,649	29,945	12,499	-17,113	-57.8%
INFORMATION OUTREACH	30,432	35,012	37,797	42,160	68,346	37,914	124.6%
INFORMATION SERVICES	112,233	118,083	125,258	121,072	122,758	10,525	9.4%
OTHER	33,178	31,749	35,664	36,707	16,803	-16,375	-49.4%
TOTAL MISSION SUPPORT as % of TOTAL	18.0%	17.8%	17.4%	17.5%	17.5%		
TOTAL MISSION SUPPORT	536,916	563,614	593,058	612,933	657,837	120,921	22.5%
ENVIRONMENTAL	23,255	27,609	26,191	33,293	35,963	12,708	54.6%
SAFETY AND HEALTH	101,803	102,848	99,691	102,366	110,166	8,363	8.2%
FACILITIES MANAGEMENT	50,661	65,229	76,991	88,843	99,914	49,253	97.2%
MAINTENANCE	162,258	151,535	163,537	154,139	165,324	3,066	1.9%
UTILITIES	90,003	100,226	102,147	107,163	108,243	18,240	20.3%
SAFEGUARDS AND SECURITY	33,664	42,016	50,075	51,543	56,017	22,353	66.4%
LOGISTICS SUPPORT	27,397	25,994	27,943	28,967	30,743	3,346	12.2%
QUALITY ASSURANCE	11,870	12,654	9,374	11,339	11,078	-792	-6.7%
LABORATORY/TECHNICAL SUPPORT	36,005	35,503	37,109	35,280	40,389	4,384	12.2%
TOTAL SITE SPECIFIC as % of TOTAL	2.9%	2.7%	2.9%	2.8%	3.0%		
TOTAL SITE SPECIFIC	87,030	86,803	97,881	97,513	111,993	24,963	28.7%
MANAGEMENT/INCENTIVE FEE	40,472	39,191	40,795	40,109	43,085	2,613	6.5%
TAXES	4,014	2,212	3,648	1,578	6,556	2,542	63.3%
LDRD / PDRD / SDRD	42,544	45,400	53,438	55,826	62,352	19,808	46.6%

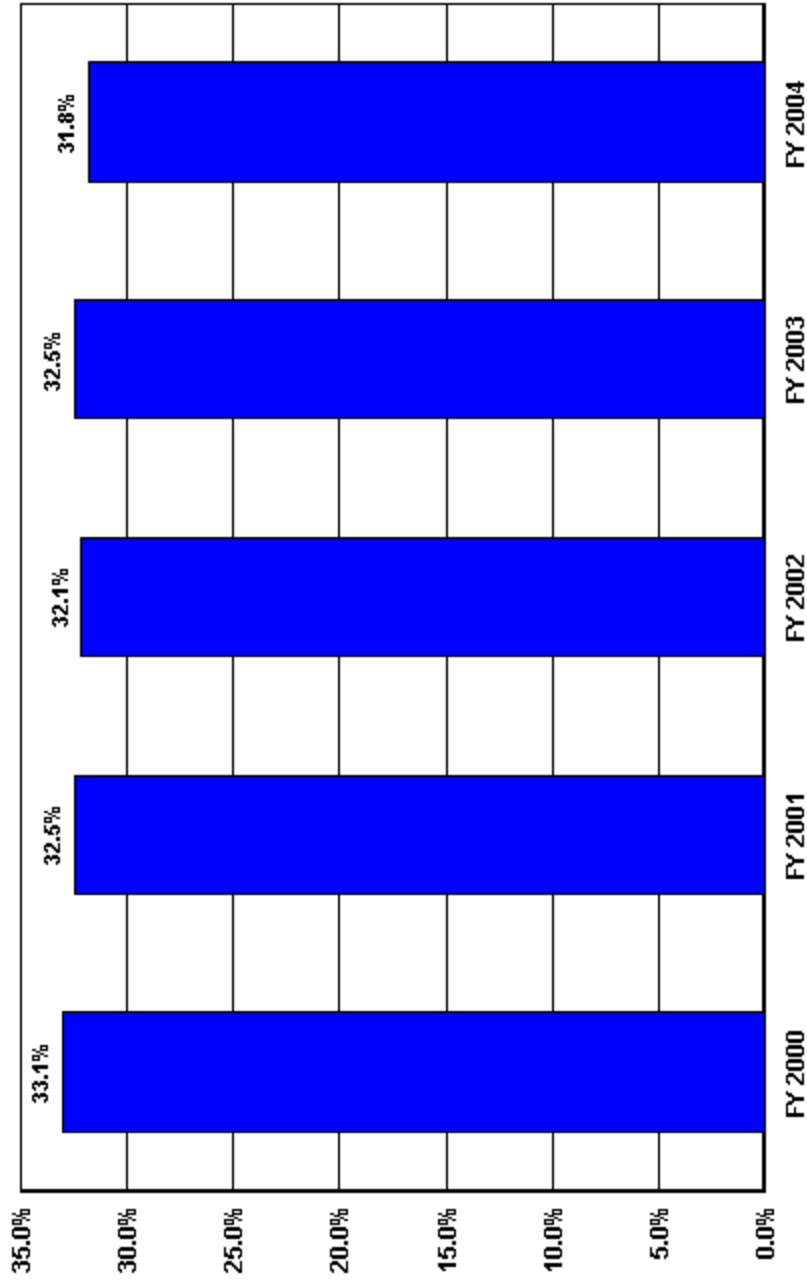
US Department of Energy
 Total Functional Support
 Total SC Sites



Total Functional Support (\$ in 000's)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	987,710	1,027,169	1,093,616	1,134,536	1,199,175

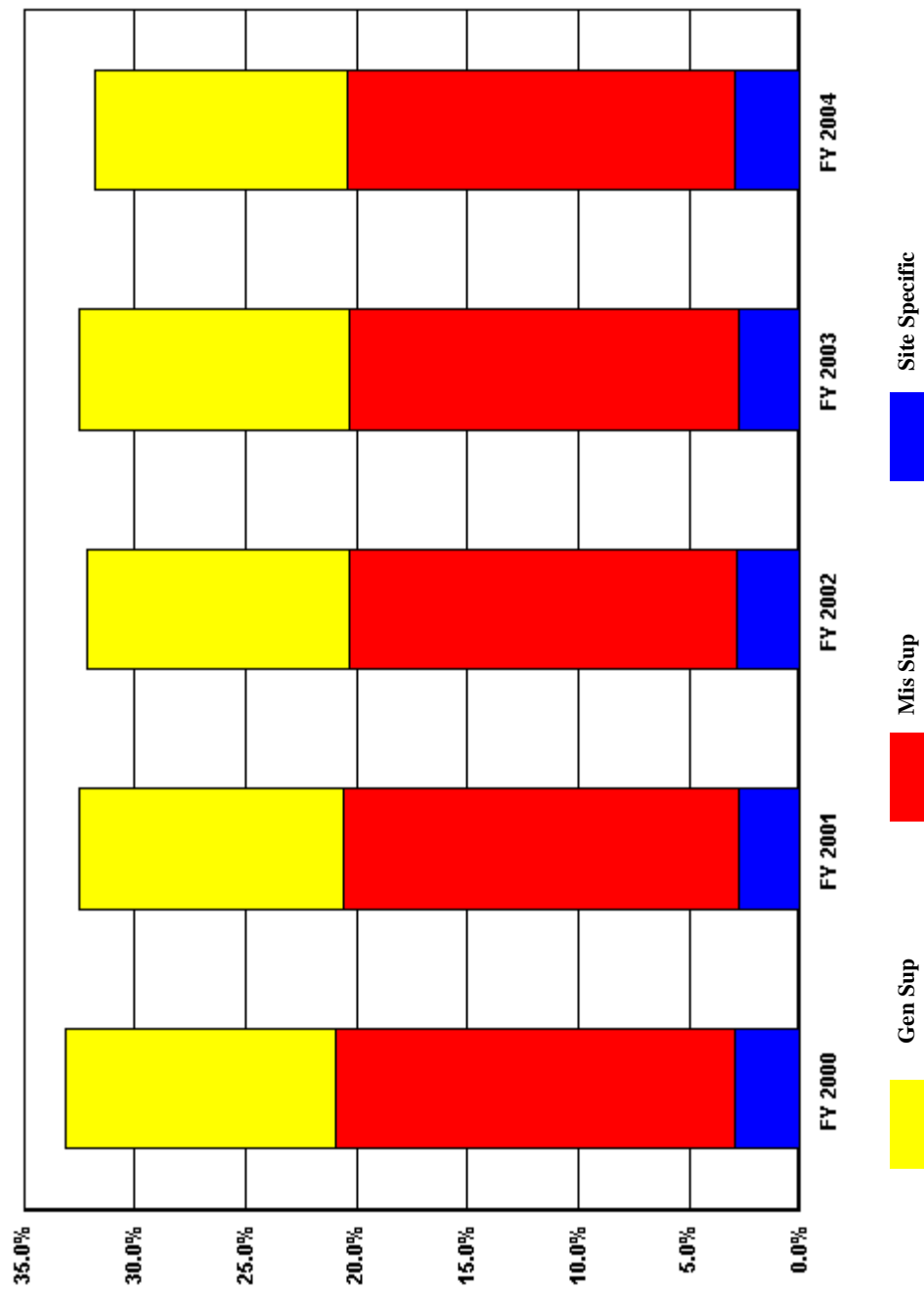
**US Department of Energy
Total Functional Support as a % of Total Costs
Total SC Sites**



 Total Functional Support

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Functional Support	33.1%	32.5%	32.1%	32.5%	31.8%

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



	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Gen Sup	12.2%	11.9%	11.8%	12.1%	11.4%
Mis Sup	18.0%	17.8%	17.4%	17.5%	17.5%
Site Specific	2.9%	2.7%	2.8%	3.0%	3.0%

SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT

DEFINITIONS

A. 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 (TQM) type activities such as the development and administration of Total Quality Improvement Plans, Cost Savings and Reengineering Programs administration, etc.; 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, 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 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 clerical support pools, travel reservation support, food service, printing and graphic support services, records management, and all library-related activities. Also includes cost-per-copy contracts (convenience copiers). Does not include secretarial and clerical costs; these are in the respective category they support.

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, reporting and analysis which is program specific). Also includes master scheduling, project management system administration, and baseline pricing and validation efforts. Does not include actual program/project management functions. These costs should be reported in the specific mission or support categories they relate to.

8. **Information/Outreach Activities** - Costs associated with media communication, public relations, technology transfer, 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, DC, liaison activities. This category includes:

Information Outreach Activities

Public Relations/Information - Includes all costs 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 - Includes all costs 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 effecting the introduction of technologies into the marketplace.

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

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

Other Information Outreach Activities - Includes all costs 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). Include

paggers and related systems, but not the maintenance of these systems. Also include computer leases. Do 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 - Costs which are not identified in another functional cost category. This includes legal settlements, workforce restructuring activities (severance, benefits, and outplacement services) and general company liability insurance expenditures. Specifically identify significant cost activities and provide footnotes.

B. Mission Support:

11. Environmental 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:

- **Auditing and Evaluation** - These audits are done as a routine mechanism to assure 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.
- **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 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 and/or discharges. (Note: Environmental Impact Statement costs and related activities are to be included in the appropriate category they support.)

- **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. 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. Activities in this area include maintenance inspection of emergency facilities and equipment; emergency response team personnel training, drills, and exercises; maintaining and updating of current emergency plans based on site specific safety analyses; coordination with State and local authorities and Federal Agencies. Plant and equipment that are part of safety systems relied upon to prevent or mitigate accidents (heating ventilation air conditioning process monitors, etc.) are not included in this area, but are addressed in Industrial Safety or Nuclear Safety. The physical plant and equipment provided for normal and emergency egress are addressed in Industrial Safety.

Fire Protection - Fire Protection includes all those activities that are intended to prevent, detect, alert, and suppress fires. Activities in this area include fire prevention; fire detection; fire suppression systems; related inspections and testing; 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; training certification to National Fire Protection Association, state and local requirements; review of construction and design plans for fire hazards; 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 - Industrial Hygiene includes all those activities that are intended to provide protection to workers from physical and physiological hazards. Activities in this area include engineered/redesign of tasks,

ventilation, substitution of less hazardous materials (such as asbestos abatement program administration, but not removal), written and verbal communication of real and perceived hazards, personnel protection, radiological and non-radiological laundry services, laser protection, and physiological stress. This area does not include medical surveillance, employee medical records, and exposure of workers to radioactivity (note that non-ionizing radiation is included).

Industrial Safety - Industrial Safety includes all those activities that are intended for the protection of workers from physical trauma. Activities in this area include electrical safety; machinery and machine guarding; personnel protection; accident investigation; 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.

Occupational Medical Services - Occupational Medical Services includes all those activities that are intended to provide a comprehensive occupational medical program, including employee health examinations such as pre-placement and qualification, periodic, return to work, fitness for duty, and termination 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 subcritical limits, and use of systems, procedures, equipment, analyses, programs, and personnel to ensure safe nuclear reactor and nuclear non-reactor operations.

Radiation Protection - The Radiation Protection includes all those activities that are intended to control exposures of workers and the public to radioactivity. Activities in this area include control equipment and procedures for radiation sources; interlocks, instrumentation, and shielding for radiation-generating devices; equipment and procedures used to minimize or mitigate external exposure; personnel dosimetry, bioassay program, and ALARA (As Low As Reasonably Achievable) programs; control of paths for inhalation or ingestion of radiation; radiation exposure records; fixed and portable instrumentation for radiation detection and measurement; and contamination control; effluent monitoring and release; and environmental monitoring and remediation.

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; 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 - Costs associated with facilities and their ability to function effectively, such as plant and maintenance engineering, facilities remodeling (if it does not meet the capitalization criteria), facilities utilization analysis, modification and upgrade analysis, facilities planning and condition determinations, rental of buildings/land. Facilities Management includes:

Engineering - Activities including facility engineering such as HVAC systems, facility electrical/mechanical activities, and repair and maintenance analysis.

Rental of Buildings/Land - Activities including leases, rental, and any real property third party financing agreements. Lease costs should be footnoted since they materially affect year to year trends. (Note: Include trailer leases in this category; include set-up and tear down in maintenance.)

Other - Includes all other activities involving facilities management/plant engineering not defined above.

(Note: Leases for facilities and land are to be included, all other leases should be reported in the appropriate category.)

14. Maintenance - Costs associated with day-to-day work that is required to sustain property, plant, and equipment in a condition suitable for it to be used for its

designated purpose and includes preventive, predictive, 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 a significant extension of the expected useful life. Includes asbestos removal and material replacement.

Maintenance - Functions include supervision; planning and scheduling storage and staging of materials and supplies; calibration, care, repair, and storage of equipment used in monitoring or for the performance of maintenance work; and similar activities.

General Maintenance - Includes roads and grounds activities; regularly scheduled custodial services, such as cleaning and preserving facilities and equipment, and pest control.

(Note: Also includes computer hardware maintenance, vehicle maintenance, and utility maintenance. Cost for relocation of personnel is included in the respective category they support.)

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 the 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, 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 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

C. 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 G&A 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. PDRD and SDRD portion reflect costs incurred in accordance with the legislative authority for these activities.

D. Mission Direct:

23. **Mission Direct** - All costs not included in General Support, Mission Support or Site Specific categories. This section captures program activities which include scientific, engineering, production operations, decommissioning, decontamination, remediation, etc.
24. **Capital/construction** - Prime capital and construction costs related to line items. Capital equipment (CE) and General Plant Projects (GPP). Does not include costs that more appropriately belong in a general support, mission support or site specific categories.

**FISCAL YEAR 2004
SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT
APPENDIX A**

All 28 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 Engineering & Environmental Lab/Bechtel BWXT Idaho, LLC
Kansas City/Honeywell, FM&T
Knolls Atomic Power Laboratory/Lockheed Martin
Los Alamos National Laboratory/University of California
Lawrence Berkeley National Laboratory/University of California
Lawrence Livermore National Laboratory/University of California
National Renewable Energy Laboratory/Midwest Research Institute
Nevada/Bechtel Nevada
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
Rocky Flats/Kaiser-Hill
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 available online at:
<http://www.mbe.doe.gov/progliaison/scfa.htm>*