



Department of Energy

Washington, DC 20585

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MEMORANDUM FOR DISTRIBUTION

FROM:

James T. Campbell
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ACTING DIRECTOR, OFFICE OF MANAGEMENT, BUDGET
AND EVALUATION/ACTING CHIEF FINANCIAL OFFICER

SUBJECT:

FY 2003 Support Cost by Functional Activity Report

Attached is the Department's FY 2003 Support Cost by Functional Activity Report. This report summarizes support costs reported by 28 of the Department's largest operating contractors over a 5-year period. These costs represent the contractors' cost of supporting direct mission activities. We are providing this information to assist in oversight of contractor operations and to assist in understanding the cost of supporting mission activities. This report has also been provided to the Senate and House Energy and Water Development Appropriations Subcommittees.

I am pleased that we have been successful in decreasing the amount of our budget expended on support activities. The percentage of support costs to total costs declined each year from 40.7 percent in FY 1999 to 39.6 percent in FY 2003. Also, as requested by the General Accounting Office (GAO), data regarding individual contractor initiatives to reduce support cost is included. GAO recommended that the Department share and promote any initiatives that have potential for application across all sites. Please consider all the initiatives included in the report and apply as appropriate at your sites.

This report is also available on the Office of Program Liaison and Financial Analysis Home Page <http://www.mbe.doe.gov/progliaison/scfa.htm>, or the data and detailed analysis can be accessed from the Support Cost by Functional Activity Web Page <https://scfa.doe.gov>. (Contact Richard Heller on 301-903-4422 for a user ID and password.) If you have any questions or if we can assist in your continued efforts toward managing the Department's support costs, please contact John Newell, Director, Office of Program Liaison and Financial Analysis at (301) 903-2551.

Attachment



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