

# **U.S. Department of Energy**

## **FY 2007**

Support Cost By Functional Activity



**Data from the 29 contributing  
Major Site Facility Contractor sites**

**Available online at:**

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

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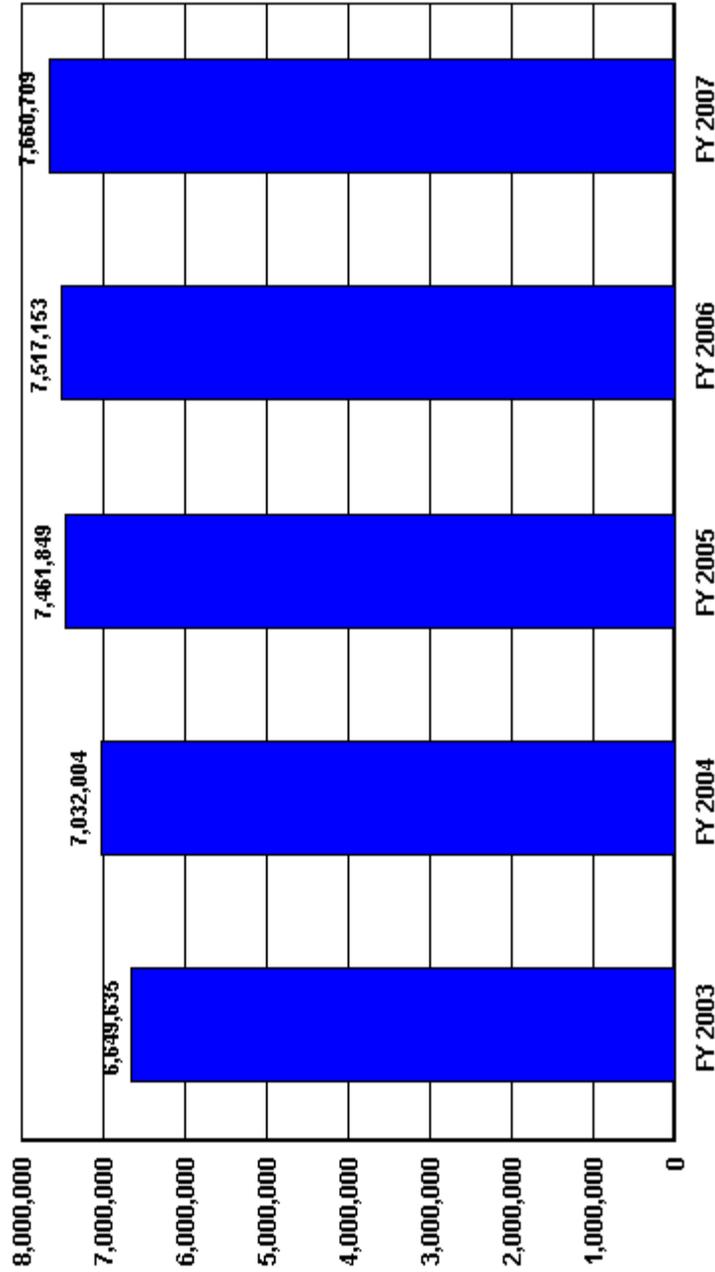
*\* These sites are not reflected in the EM/NNSA/SC cost roll-up summaries.*

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

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

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

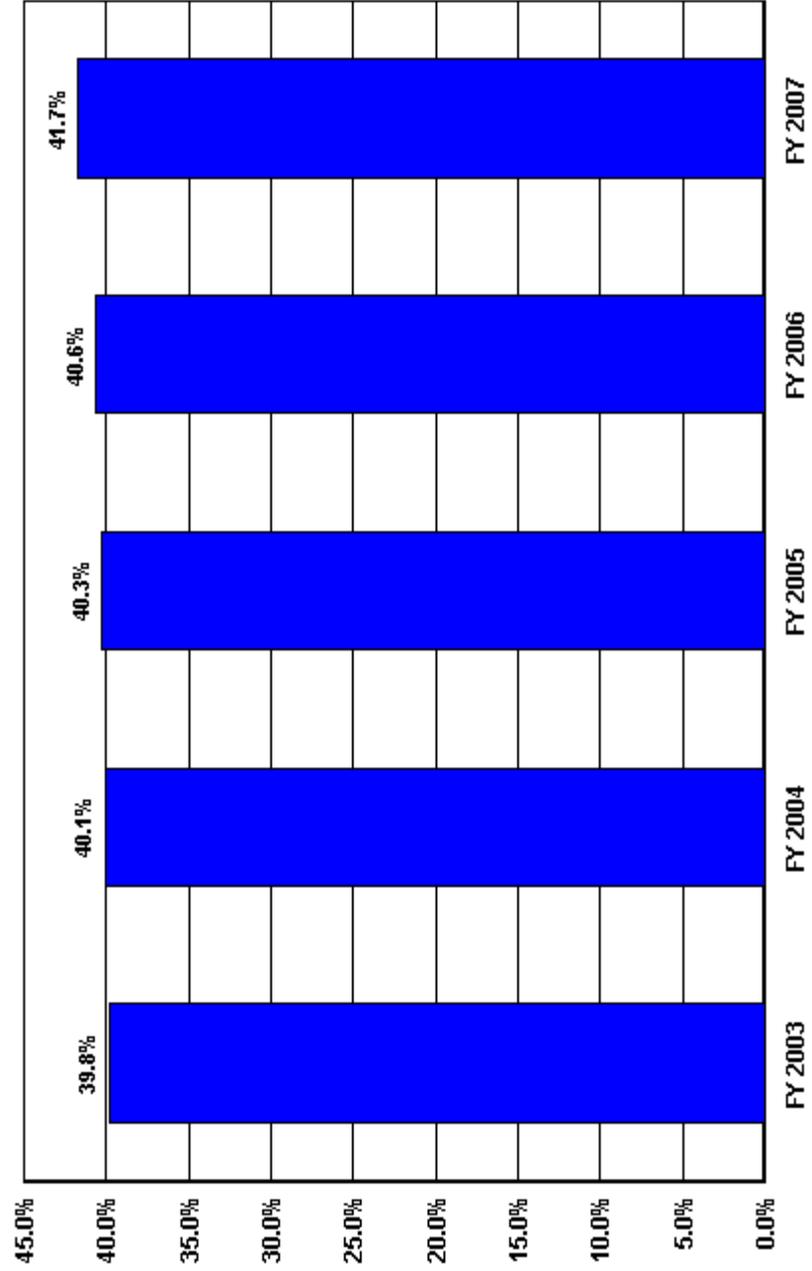
**US Department of Energy  
Total Functional Support  
TOTAL FOR ALL MAJOR SITE FACILITY CONTRACTORS**



■ Total Functional Support (\$ in 000's)

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

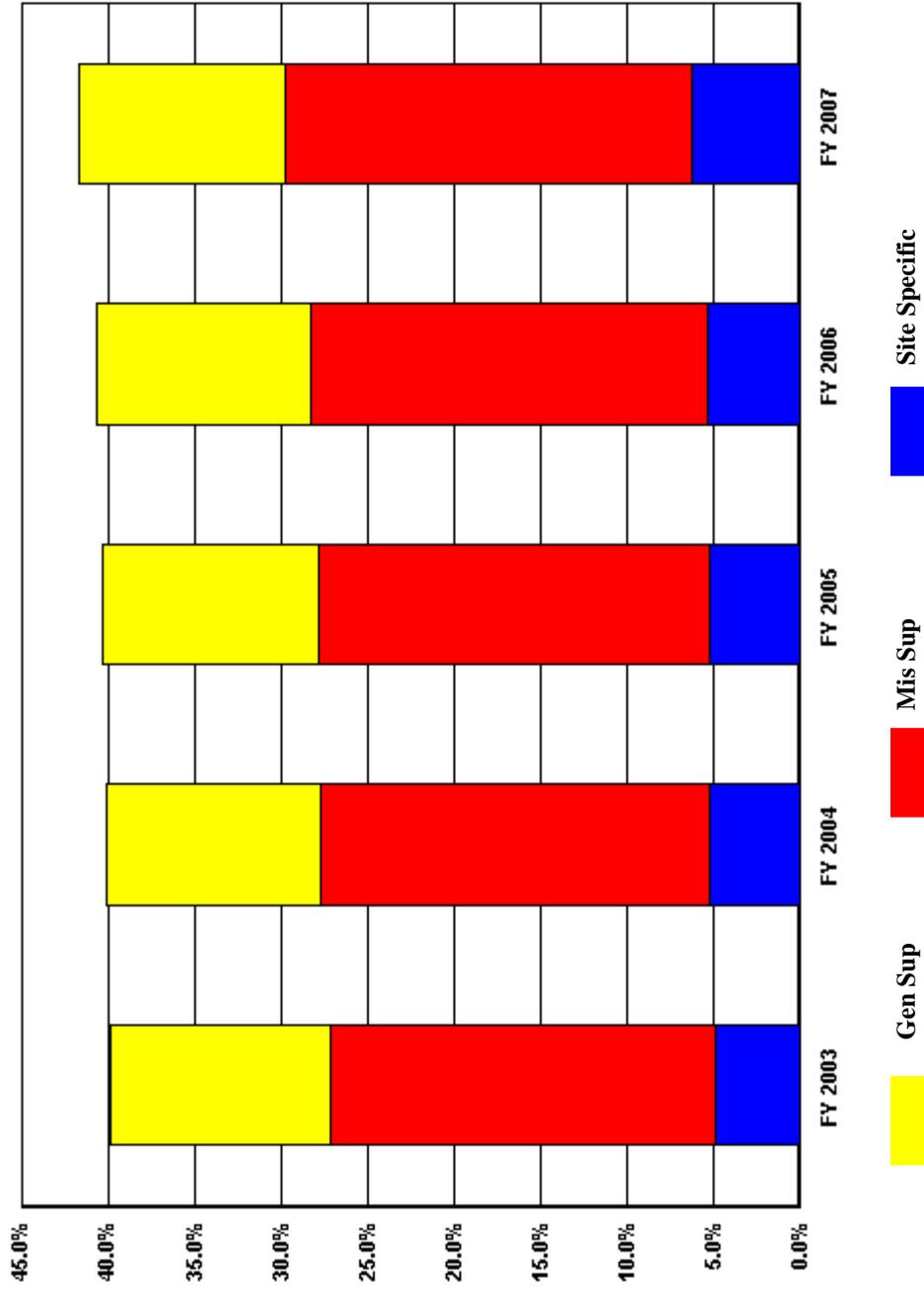
**US Department of Energy  
Total Functional Support as a % of Total Costs  
TOTAL FOR ALL MAJOR SITE FACILITY CONTRACTORS**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>39.8%</b>	<b>40.1%</b>	<b>40.3%</b>	<b>40.6%</b>	<b>41.7%</b>

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



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

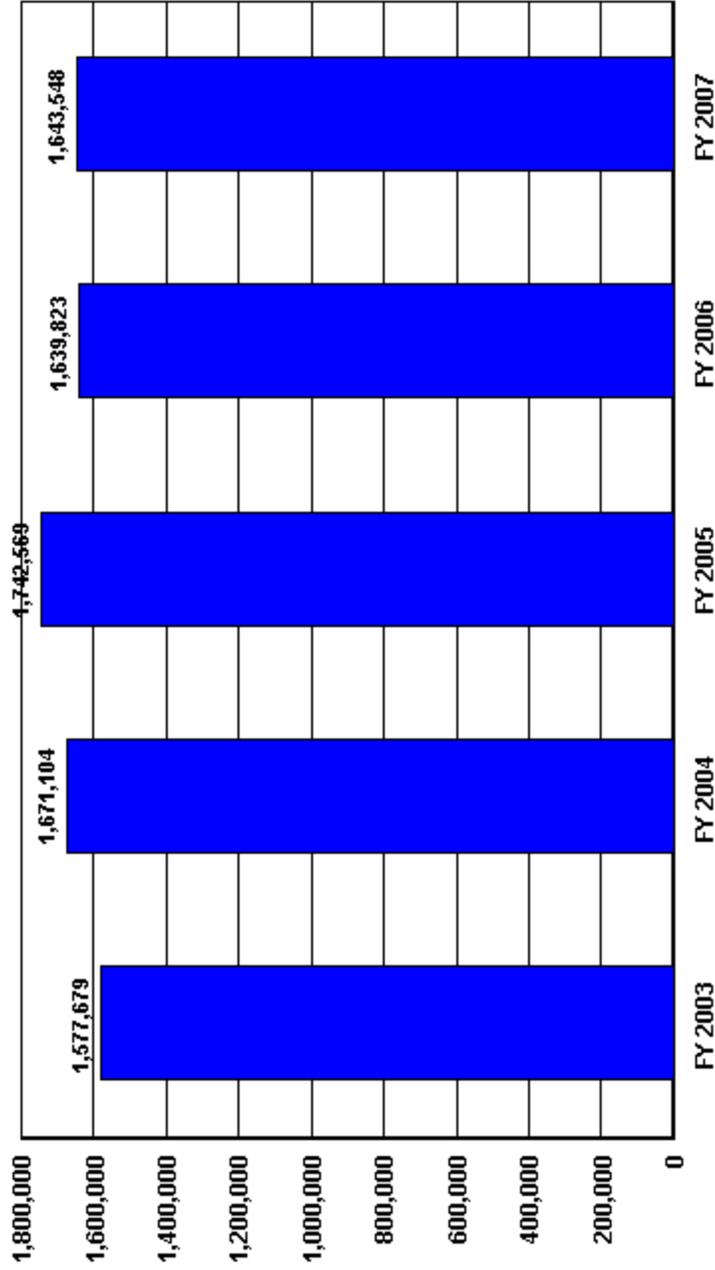
## Trends in Total Support Cost by Functional Categories

Total EM Sites (\$000)

FY 2007

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

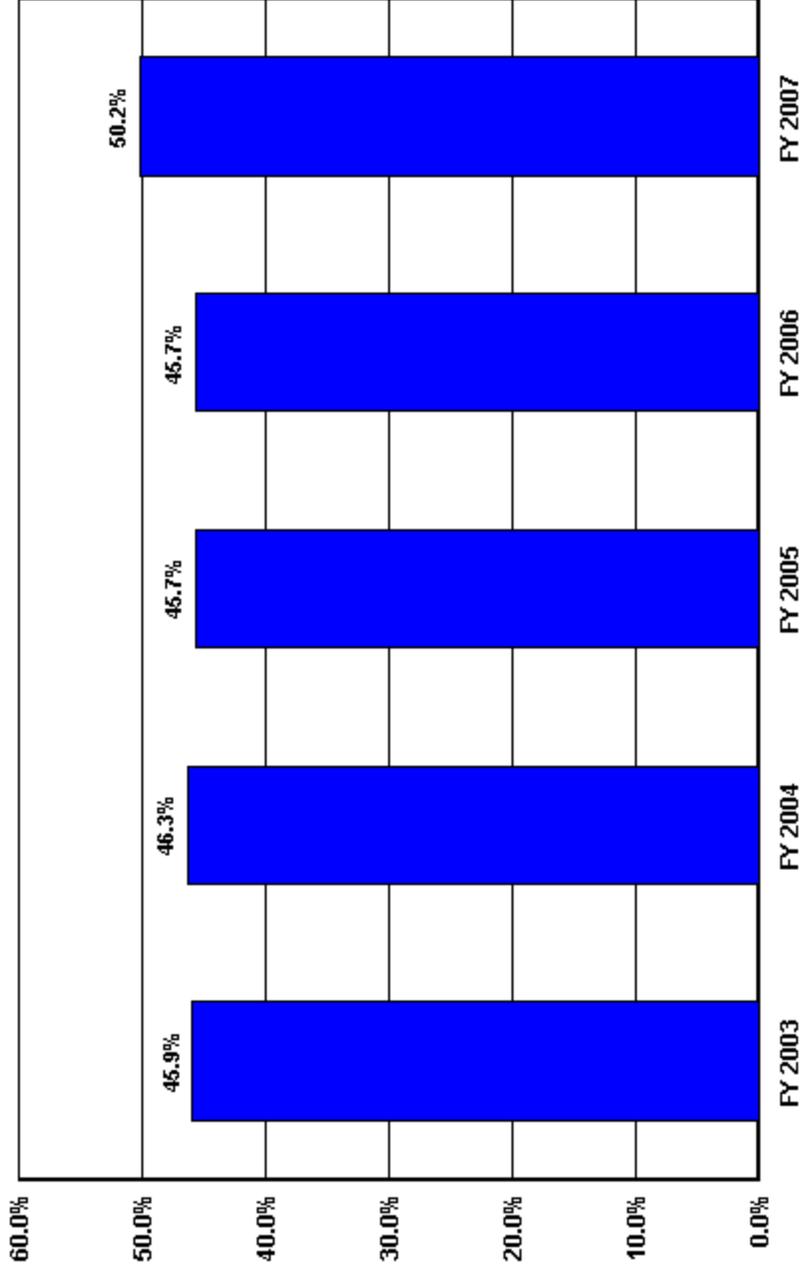
US Department of Energy  
 Total Functional Support  
 Total EM Sites



Total Functional Support (\$ in 000's)

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

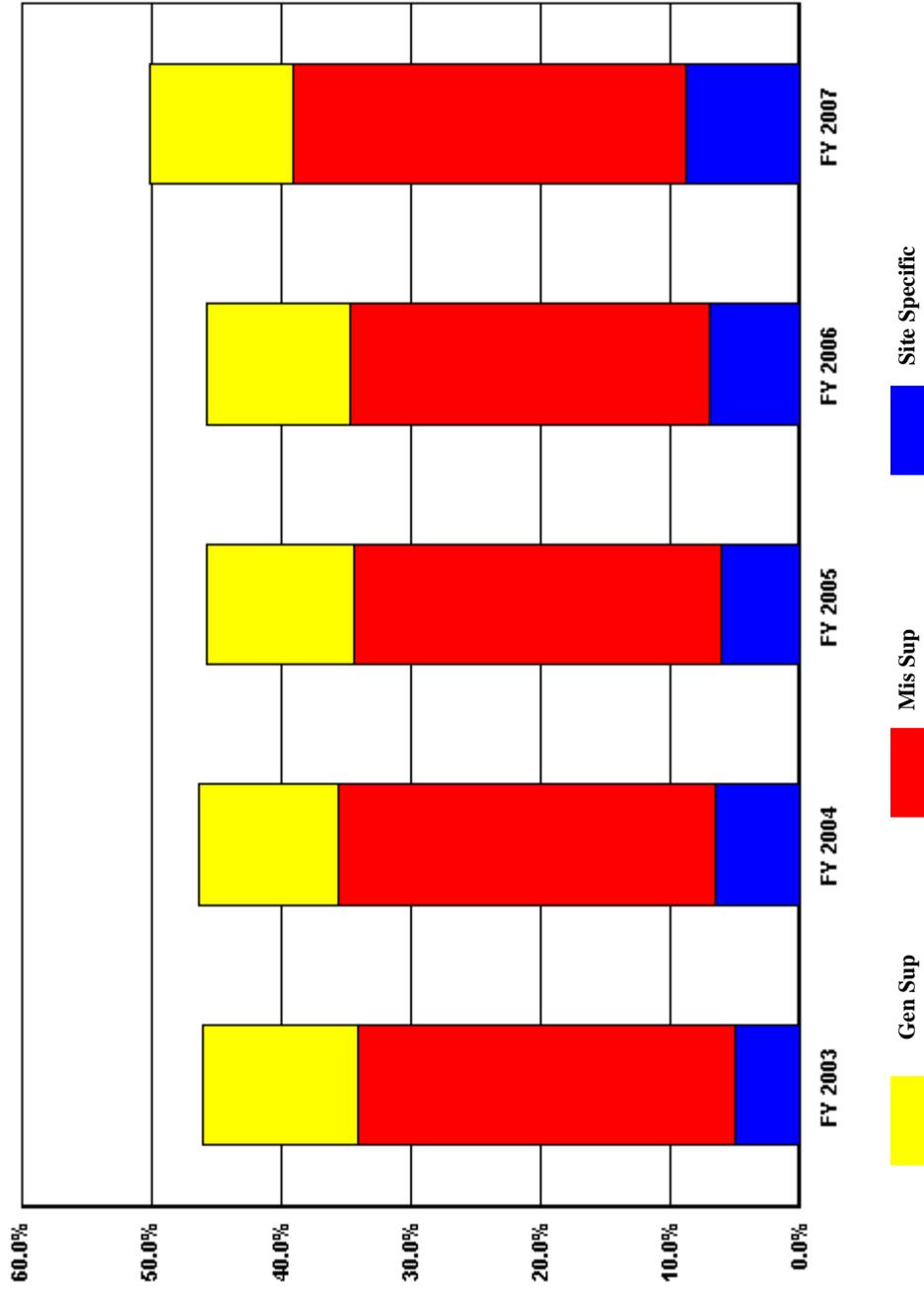
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Total EM Sites**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>45.9%</b>	<b>46.3%</b>	<b>45.7%</b>	<b>45.7%</b>	<b>50.2%</b>

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

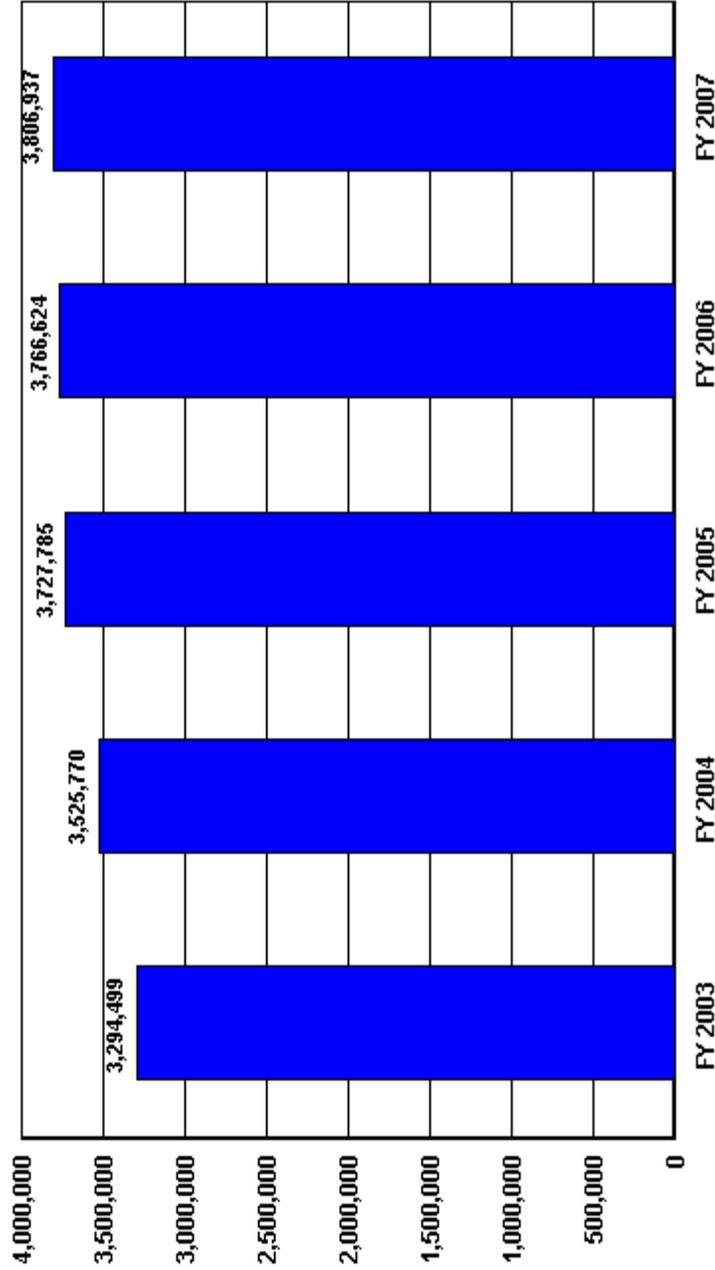


	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	11.9%	10.8%	11.3%	10.9%	11.1%
Mis Sup	29.1%	28.3%	27.8%	27.8%	30.3%
Site Specific	5.0%	6.5%	7.0%	7.0%	8.8%

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

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

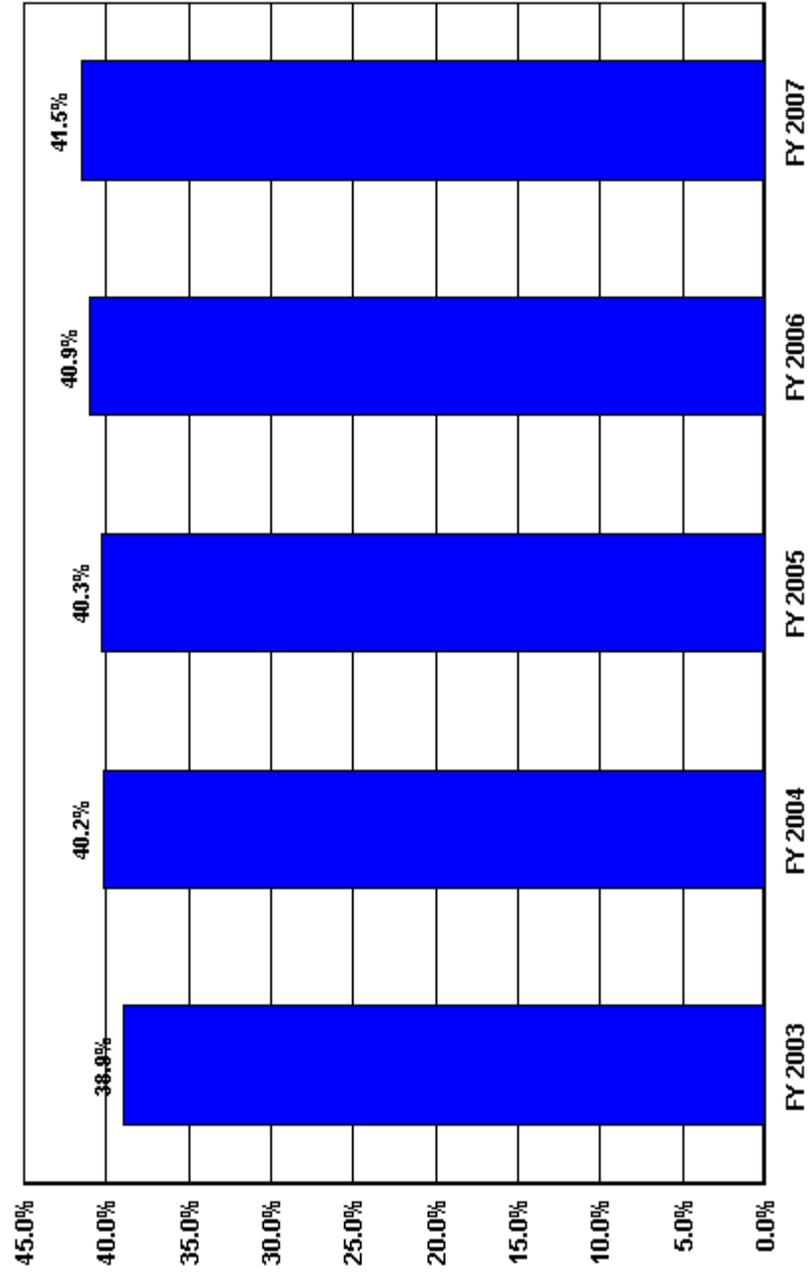
US Department of Energy  
 Total Functional Support  
 Total NNSA Sites



Total Functional Support (\$ in 000's)

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

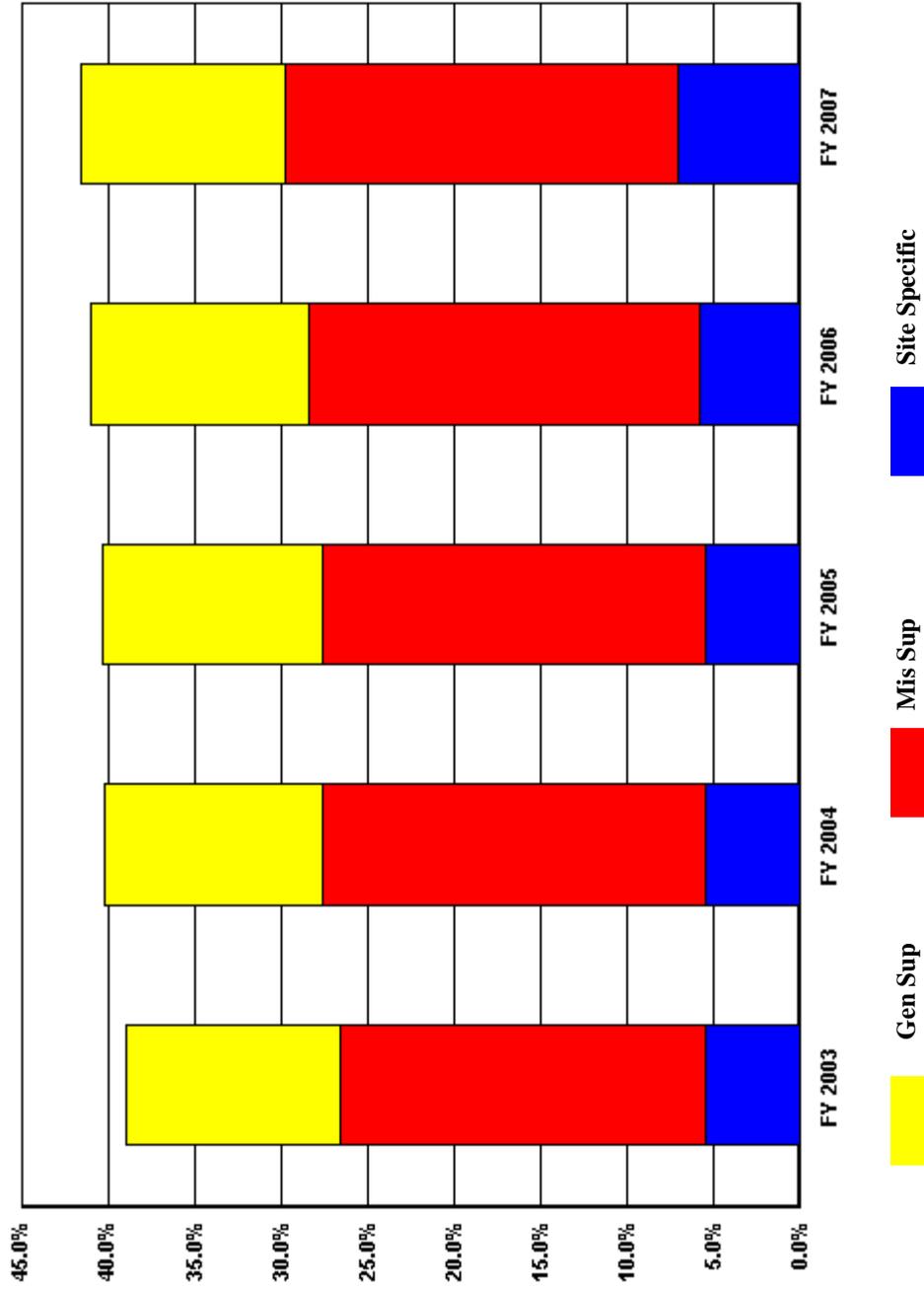
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Total NNSA Sites**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>38.9%</b>	<b>40.2%</b>	<b>40.3%</b>	<b>40.9%</b>	<b>41.5%</b>

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

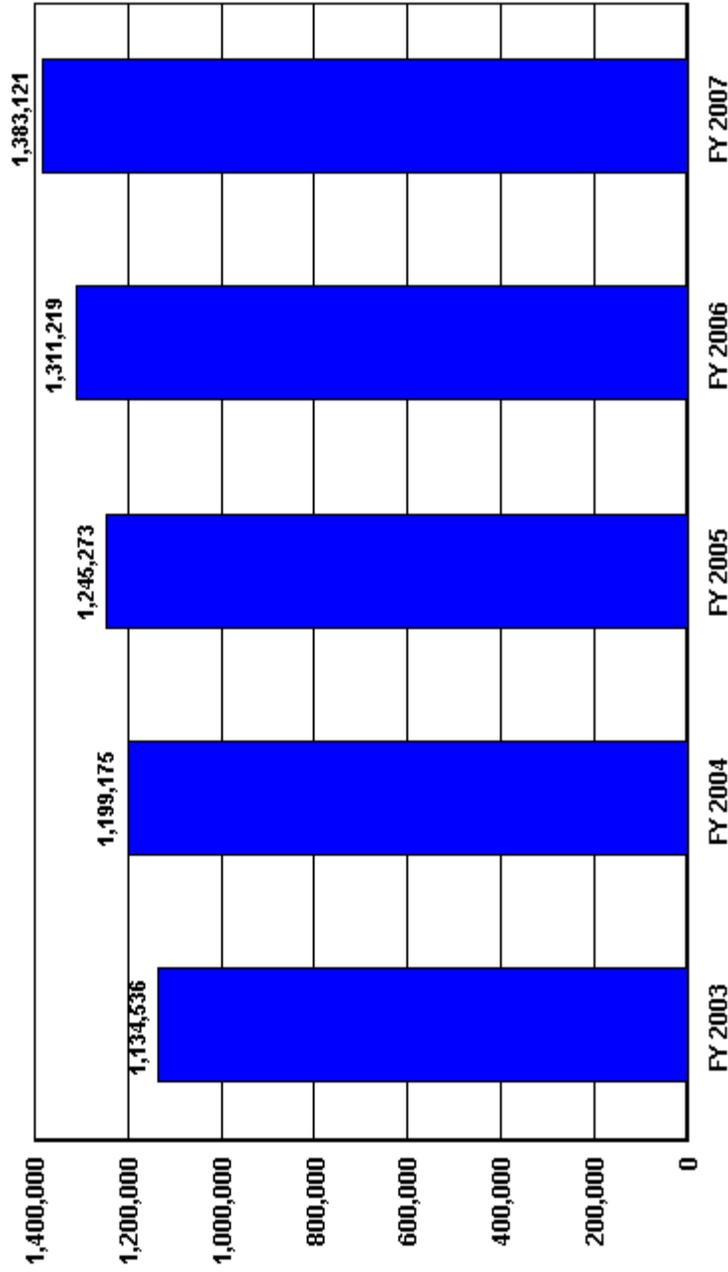


	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	12.3%	12.6%	12.7%	12.6%	11.8%
Mis Sup	21.2%	22.1%	22.0%	22.5%	22.7%
Site Specific	5.4%	5.5%	5.5%	5.8%	7.0%

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

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

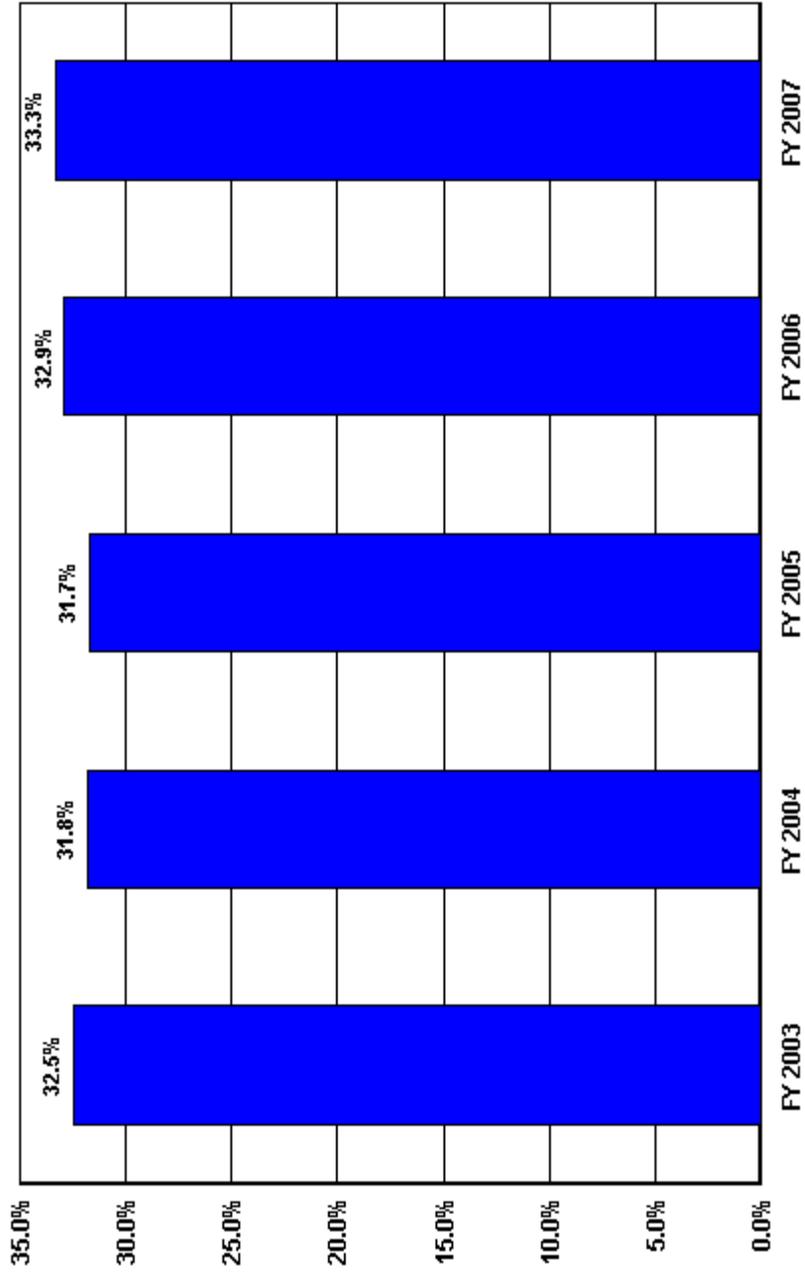
**US Department of Energy  
Total Functional Support  
Total SC Sites**



**Total Functional Support (\$ in 000's)**

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

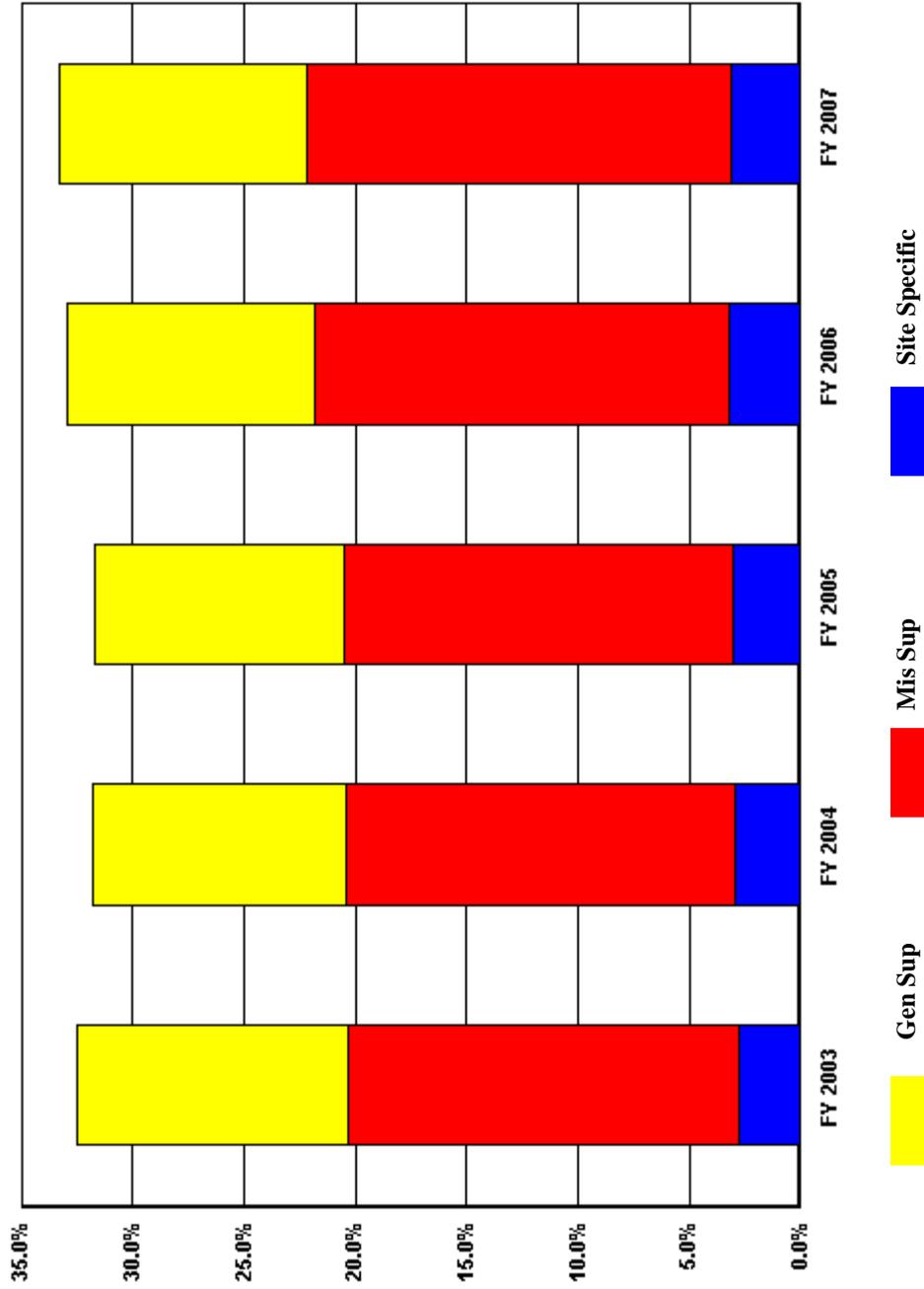
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Total SC Sites**



 Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>32.5%</b>	<b>31.8%</b>	<b>31.7%</b>	<b>32.9%</b>	<b>33.3%</b>

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

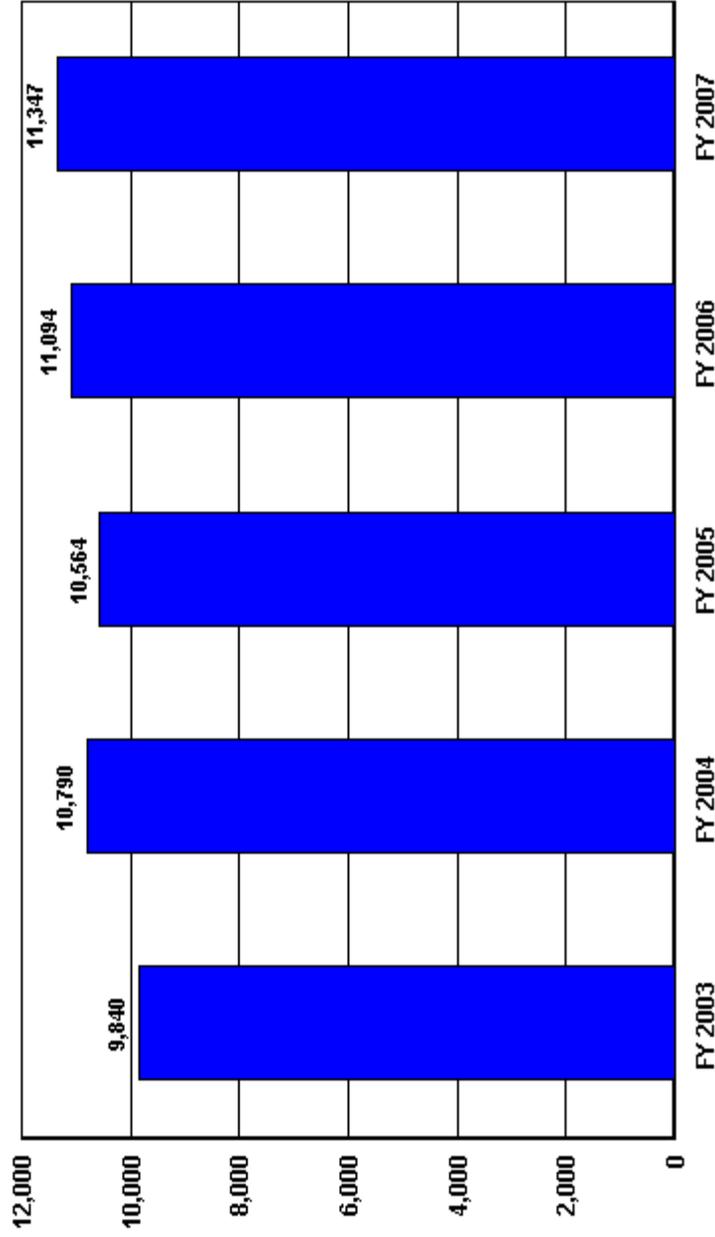


	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	12.1%	11.4%	11.2%	11.1%	11.1%
Mis Sup	17.5%	17.5%	18.6%	19.1%	19.1%
Site Specific	2.8%	3.0%	3.0%	3.2%	3.1%

**Trends in Total Support Cost by Functional Categories**  
**Ames National Lab/Iowa State University (\$000)**  
**FY 2007**

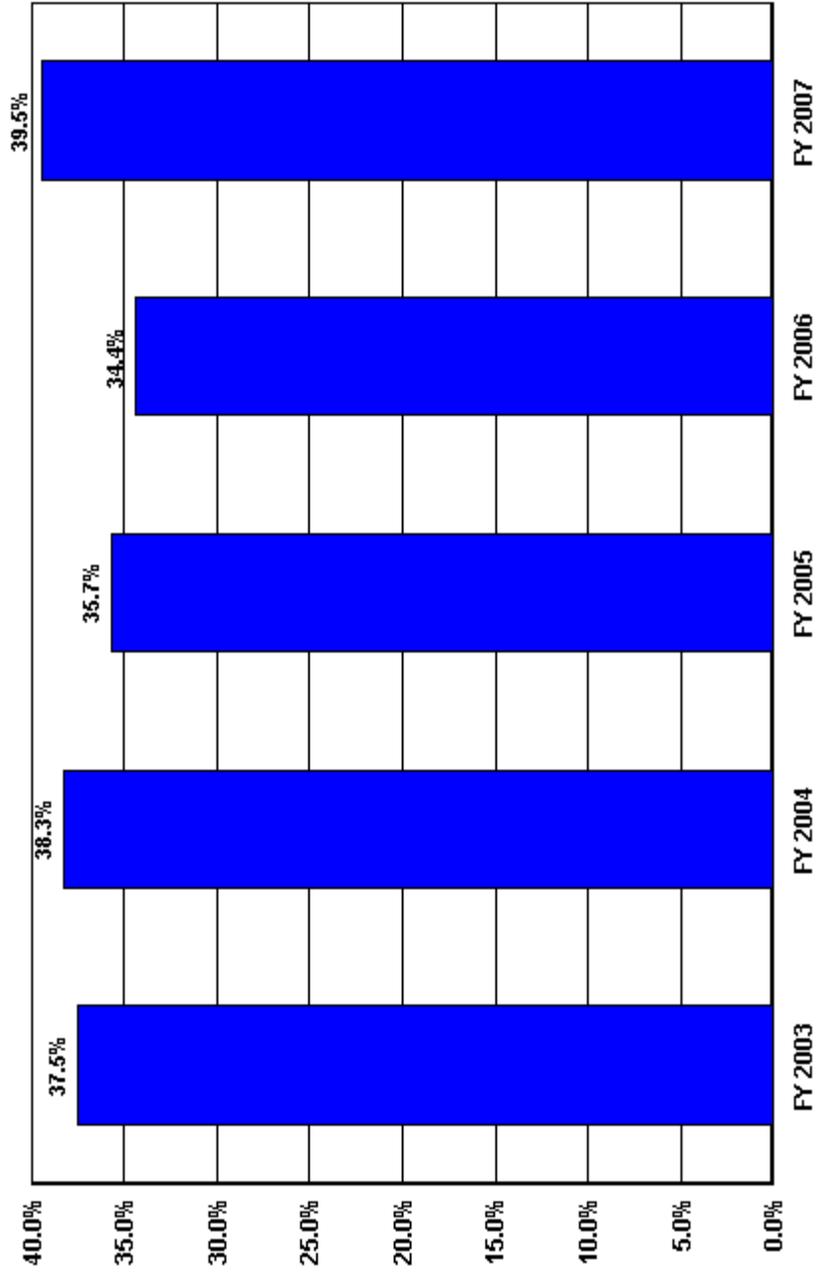
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	26,240	28,196	29,600	32,284	28,736	2,496	9.5%
<b>Capital Construction</b>	1,650	2,435	2,517	4,858	1,467	-183	-11.1%
<b>Total Costs Less Construction</b>	24,590	25,761	27,083	27,426	27,269	2,679	10.9%
<b>Total Support Costs</b>	<b>9,840</b>	<b>10,790</b>	<b>10,564</b>	<b>11,094</b>	<b>11,347</b>	<b>1,507</b>	<b>15.3%</b>
<b>Mission Direct Operation</b>	14,750	14,971	16,519	16,332	15,922	1,172	7.9%
<b>Mission Direct Operation as % of Total Cost</b>	<b>56.2%</b>	<b>53.1%</b>	<b>55.8%</b>	<b>50.6%</b>	<b>55.4%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>6.3%</b>	<b>8.6%</b>	<b>8.5%</b>	<b>15.0%</b>	<b>5.1%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>37.5%</b>	<b>38.3%</b>	<b>35.7%</b>	<b>34.4%</b>	<b>39.5%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>37.5%</b>	<b>38.3%</b>	<b>35.7%</b>	<b>34.4%</b>	<b>39.5%</b>		
<b>TOTAL SUPPORT COST</b>	<b>9,840</b>	<b>10,790</b>	<b>10,564</b>	<b>11,094</b>	<b>11,347</b>	<b>1,507</b>	<b>15.3%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>13.7%</b>	<b>15.0%</b>	<b>11.6%</b>	<b>11.3%</b>	<b>13.1%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>3,593</b>	<b>4,232</b>	<b>3,428</b>	<b>3,635</b>	<b>3,757</b>	<b>164</b>	<b>4.6%</b>
EXECUTIVE DIRECTION	654	678	744	732	870	216	33.0%
HUMAN RESOURCES	258	264	258	263	301	43	16.7%
CFO	932	1,335	1,214	1,207	1,147	215	23.1%
PROCUREMENT	188	231	206	204	207	19	10.1%
LEGAL	0	0	0	0	8	8	100.0%
CENTRAL ADMIN SERVICES	155	144	125	117	154	-1	-0.6%
PROGRAM/PROJECT CONTROL	1,195	1,332	199	195	213	-982	-82.2%
INFORMATION OUTREACH	362	342	354	365	398	36	9.9%
INFORMATION SERVICES	922	848	987	1,141	1,138	216	23.4%
OTHER	-1,073	-942	-659	-589	-679	394	36.7%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>20.2%</b>	<b>19.6%</b>	<b>19.9%</b>	<b>19.3%</b>	<b>23.3%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>5,297</b>	<b>5,523</b>	<b>5,886</b>	<b>6,234</b>	<b>6,684</b>	<b>1,387</b>	<b>26.2%</b>
ENVIRONMENTAL	37	39	43	37	45	8	21.6%
SAFETY AND HEALTH	1,128	1,114	1,267	1,252	1,311	183	16.2%
FACILITIES MANAGEMENT	436	278	329	362	323	-113	-25.9%
MAINTENANCE	1,335	1,527	1,620	1,728	1,791	456	34.2%
UTILITIES	962	930	1,034	1,142	1,109	147	15.3%
SAFEGUARDS AND SECURITY	219	211	271	344	526	307	140.2%
LOGISTICS SUPPORT	353	375	380	385	412	59	16.7%
QUALITY ASSURANCE	62	66	73	68	75	13	21.0%
LABORATORY/TECHNICAL SUPPORT	765	983	869	916	1,092	327	42.7%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>3.6%</b>	<b>3.7%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>3.2%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>950</b>	<b>1,035</b>	<b>1,250</b>	<b>1,225</b>	<b>906</b>	<b>-44</b>	<b>-4.6%</b>
MANAGEMENT/INCENTIVE FEE	950	1,035	1,250	1,225	906	-44	-4.6%
TAXES	0	0	0	0	0	0	0.0%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

**US Department of Energy**  
**Total Functional Support**  
 Ames National Lab/Iowa State University



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>9,840</b>	<b>10,790</b>	<b>10,564</b>	<b>11,094</b>	<b>11,347</b>

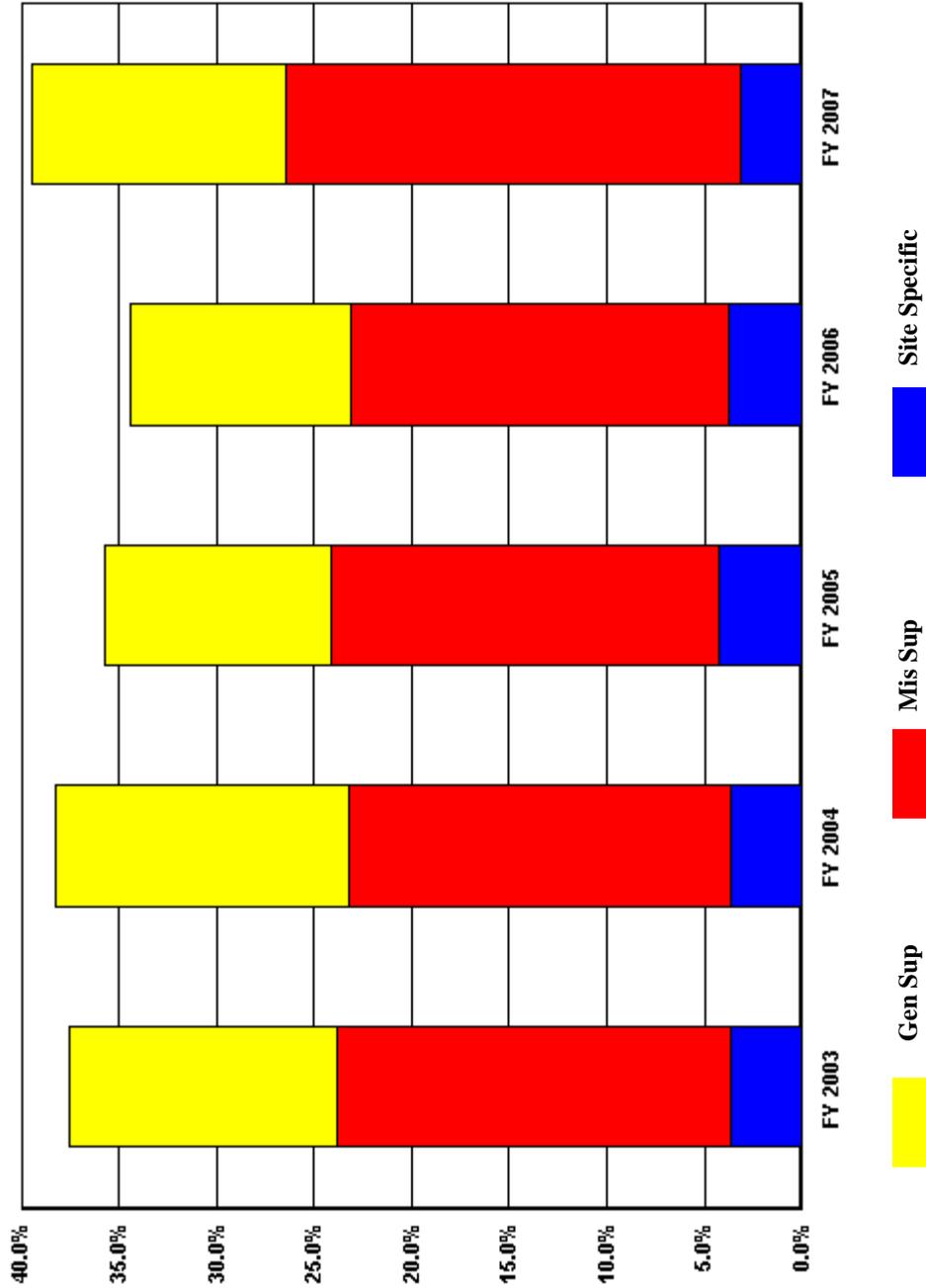
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Ames National Lab/Iowa State University**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>37.5%</b>	<b>38.3%</b>	<b>35.7%</b>	<b>34.4%</b>	<b>39.5%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Ames National Lab/Iowa State University**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	13.7%	15.0%	11.6%	11.3%	13.1%
Mis Sup	20.2%	19.6%	19.9%	19.3%	23.3%
Site Specific	3.6%	3.7%	3.8%	3.8%	3.2%

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## SITE PROFILE

### Ames National Lab/Iowa State University

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#### SITE OVERVIEW AND CHARACTERISTIC

Ames Laboratory is operated for the Department of Energy by Iowa State University. Ames is a single purpose laboratory engaged in basic research in a wide variety of scientific disciplines with a diverse customer base (EE, FE, NN, SC, and Work for Others). The Laboratory's mission is to conduct fundamental research in the physical, chemical, materials, and mathematical sciences and engineering which underlie energy generating, conversion, transmission and storage technologies, environmental improvement, and other technical areas essential to national needs. These efforts will be maintained so as to contribute to the achievement of the vision of the Department of Energy and, more specifically, to increase the general levels of knowledge and technical capabilities, to prepare engineering and physical sciences students for the future, and to develop new technologies and practical applications arising from our basic scientific programs. The Laboratory will approach all its operations with the safety and health of all workers as a constant objective and with genuine concern for the environment.

#### Recent Scientific Achievements include:

- **Metamaterials Found to Work for Visible Light** - For the first time ever, researchers at the Ames Laboratory have developed a material with a negative refractive index for visible light. Ames Laboratory senior physicist Costas Soukoulis, working with colleagues in Karlsruhe, Germany, designed a silver-based, mesh-like material that marks the latest advance in the rapidly evolving field of metamaterials, materials that could lead to a wide range of new applications as varied as ultrahigh-resolution imaging systems and cloaking devices. The discovery, detailed in the Jan. 5 issue of *Science* and the Jan. 1 issue of *Optic Letters*, and noted in the journal *Nature*, marks a significant step forward from existing metamaterials that operate in the microwave or far infrared — but still invisible — regions of the spectrum. The “fishnet” design developed by Soukoulis’ group and produced by researchers Stefan Linden and Martin Wegener at the University of Karlsruhe was made by etching an array of holes into layers of silver and magnesium fluoride on a glass substrate. The holes are roughly 100 nanometers wide. For some perspective, a human hair is about 100,000 nanometers in diameter.
- **Palladium Substitute Key to Fuel-cell Operation** - Researchers at Ames Laboratory are employing some modern day alchemy to find a material with properties of rare and high-priced palladium. Palladium acts as an "atomic filter" to remove impurities such as water vapor or carbon monoxide from the hydrogen gas to keep the proton exchange membrane in fuel cells from getting "gummed up." But at \$11,000 a kilogram, it's cost prohibitive to use it on a commercial scale, even if there was enough available. The team has one particularly promising alloy and several other possibilities from the more than 60 developed thus far.
- **Extending the Zinc (20) Family** - Not long ago Ames Laboratory physicists discovered an exciting family of zinc(20) compounds that can be manipulated to take on the properties and

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**SITE PROFILE**  
**Ames National Lab/Iowa State University**

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behavior of other materials. The highly tunable zinc(20) series,  $RT_2Zn_{20}$  (R=rare earth, T=transition metal, Zn=zinc), allows for many model compounds by substituting on either the rare-earth site or the transition metal site. Now, expanding on that work, the research team has placed ytterbium, Yb, on the rare-earth site, making a half dozen Yb  $T_2Zn_{20}$  compounds. By putting ytterbium on the rare-earth site in the R  $T_2Zn_{20}$  series, the group was able to make compounds that gradually lose their local moment magnetism at low temperatures.

- **Researchers Study Simulation, Modeling and Decision Science** - Engineers can look inside a power plant, adjust a row of processors and quickly see the results all with a few mouse clicks using virtual engineering tools developed by researchers at Ames Laboratory. Such tools are among software programs developed by the new Ames Lab Simulation, Modeling and Decision Science program designed to help engineers make faster and better design decisions. Simulation, modeling and decision science researchers create computer applications that convert large 3-D data sets into virtual models that perform just like real-world versions. Engineers view and interact with the models on their computer screens or in a virtual-reality room. Ames Laboratory program director Dr. Mark Bryden and his team have been studying simulation, modeling and decision science at Ames Lab for several years, and the virtual engineering tools are already in use in DOE projects. Researchers are developing software to model FutureGen, an experimental power plant planned to be the first coal-fueled, near-zero-emissions plant in the world. They also are using the software for turbine- and sensor-modeling research.
- **New Look of Superconductivity** - Through innovative research to relate the complex geometry of the equilibrium patterns to the macroscopic physical properties, such as magnetism, Ames Laboratory physicist Ruslan Prozorov has shown that the shape of the entire sample determines the pattern topology and overall magnetic behavior of the system — a significant finding that represents a major contribution to the field of superconductivity. Prozorov's discovery of the complex patterns in superconducting lead marks a noteworthy departure from the model first proposed by Russian physicist Lev Landau in the 1930s. Landau's model, which resembles a labyrinth or laminar pattern, has been the unchallenged standard in physics textbooks for 70 years.
- **New Ink Sampling Technique Takes A Bite Out Of Time** - Researchers at Ames Laboratory's Midwest Forensics Resource Center are building a library of ink profiles to help forensic scientists identify inks on fraudulent documents and other evidence. MFRC scientists will pair mass spectrometry with a new sampling technique called Direct Analysis in Real Time (DART) to reveal the chemical makeup of ink faster and in greater detail than ever before. In contrast to other types of ink analysis, like liquid chromatography, which require cutting a small sample from a questioned document, DART mass spectrometry is able to test documents without physically or visually altering them. The questioned document is open to the environment, and all sizes of materials may be tested in their original form.

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**SITE PROFILE**  
**Ames National Lab/Iowa State University**

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The Ames site is located on approximately 10 acres of land owned by Iowa State University in Ames, Iowa that is leased to the Federal government on a long-term (99 year) basis. DOE owned buildings include three research buildings; one building housing management, administration, and technical support groups; and several small auxiliary buildings housing material receiving areas, warehouse functions, and shop facilities. Some research space is also leased from Iowa State University. Ames Laboratory does not have a large noncost-recovery user facility, a nuclear criticality facility, or any production facilities. The Laboratory operates as a customer of the local utility providers and does not operate central heating/chilling/power plant operations, water supply/treatment facilities, or sewage systems. Nor does Ames have its own fire department, cafeteria, or library. Approximately 650 people (306 FTE's) worked at Ames Laboratory in FY2007.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**LEGAL**

Ames laboratory management has recognized the need for in house legal council.

**CENTRAL ADMIN SERVICES**

Central Administrative Services - replaced an old printer in the graphics department at a cost of \$36K in FY2007.

**ENVIRONMENTAL**

Environmental - In FY2006, a portion of the Environmental, Safety, Health, and Assurance (ESH&A) manager's effort and program assistant's efforts were redirected to other duties. Those efforts were redirected back to the management of ESH&A in FY2007, \$3K. Also in FY2007, Ames implemented a new financial system. The new system could not easily handle program burdens that were spread to both direct and indirect projects. Therefore, we had to direct charge program burden costs to the indirect cost centers. All ESH&A indirect program burden costs were charged to the ESH&A Management and Oversight project (since that function was in essence the same as program burden). This increased the cost of this category by an additional \$4K.

**SAFEGUARDS AND SECURITY**

Security efforts have increased over the past five years with the major cost impacts being: enhanced cyber security efforts with the implementation and monitoring of the laboratory firewall, upgrade of radios to new Federal Communications Commission regulations for bandwidths, and the badging of Ames Laboratory personnel after the attack of 9/11.

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**SITE PROFILE**  
**Ames National Lab/Iowa State University**

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**MANAGEMENT/INCENTIVE FEE**

A new contract was awarded to Iowa State University effective 1/1/07. Under the old contract, the management fee paid to the Ames Laboratory contractor consisted of two cost components. The first was a performance fee not to exceed \$100K. The upper threshold of the performance fee was increased to \$125K in FY2005. The second component was a percentage of the annual operating costs. As the total laboratory operating costs increased the 4.8% charged increased accordingly. Under the new contract, the management fee paid to the Ames Laboratory contractor consists of two components. The first is a performance fee not to exceed \$335K. The second is a flat \$500K base fee.

**CAPITAL CONSTRUCTION**

Ames received one time funding in FY2005 to procure a \$1.8M scanning transmission electron microscope that was delivered in FY2006. FY2007 costs reflect a more normalized level of costing.

**COST SAVINGS INITIATIVES**

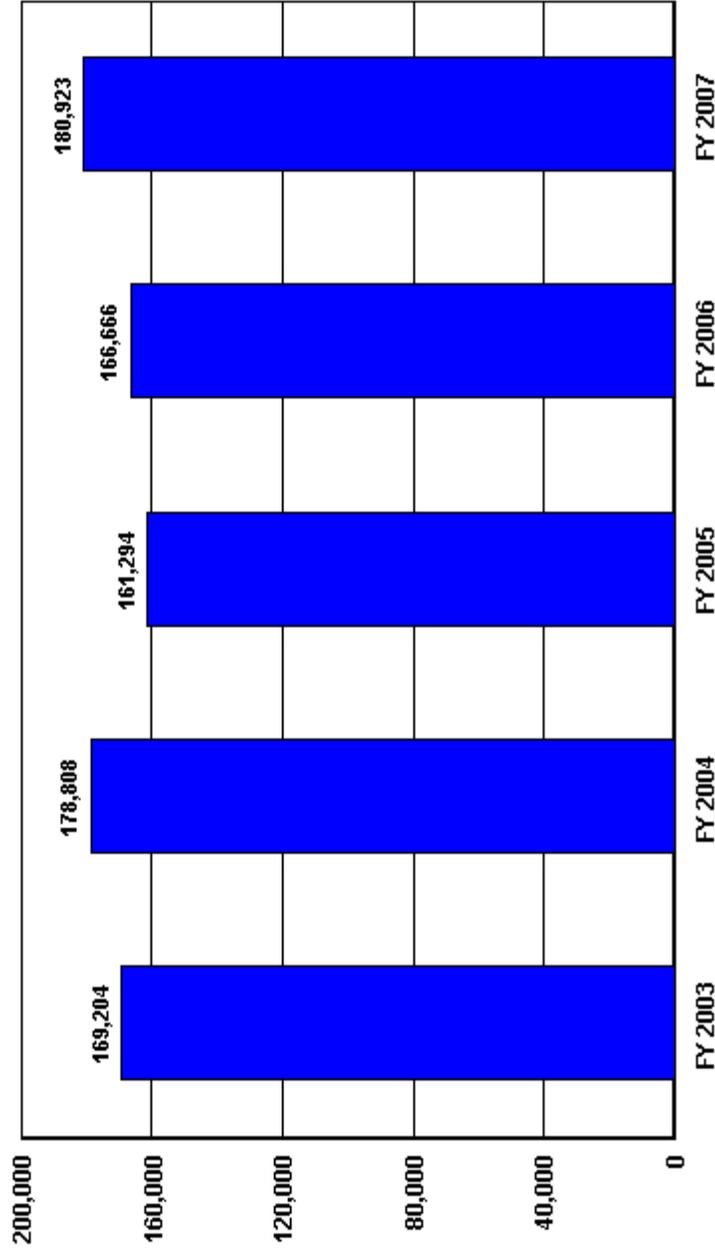
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Laboratory Occupancy Reduction	59	Space costs were reduced by \$59K as a result of the significant efforts made to reduce the Laboratory's occupancy of non-owned space.	Ila Haugen

**Trends in Total Support Cost by Functional Categories**  
**Argonne National Lab/University of Chicago (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	536,503	569,758	520,675	508,566	530,344	-6,159	-1.1%
<b>Capital Construction</b>	26,001	35,565	30,211	31,761	29,225	3,224	12.4%
<b>Total Costs Less Construction</b>	510,502	534,193	490,464	476,805	501,119	-9,383	-1.8%
<b>Total Support Costs</b>	<b>169,204</b>	<b>178,808</b>	<b>161,294</b>	<b>166,666</b>	<b>180,923</b>	<b>11,719</b>	<b>6.9%</b>
<b>Mission Direct Operation</b>	341,298	355,385	329,170	310,139	320,196	-21,102	-6.2%
<b>Mission Direct Operation as % of Total Cost</b>	<b>63.6%</b>	<b>62.4%</b>	<b>63.2%</b>	<b>61.0%</b>	<b>60.4%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>4.8%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>6.2%</b>	<b>5.5%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>31.5%</b>	<b>31.4%</b>	<b>31.0%</b>	<b>32.8%</b>	<b>34.1%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>31.5%</b>	<b>31.4%</b>	<b>31.0%</b>	<b>32.8%</b>	<b>34.1%</b>		
<b>TOTAL SUPPORT COST</b>	<b>169,204</b>	<b>178,808</b>	<b>161,294</b>	<b>166,666</b>	<b>180,923</b>	<b>11,719</b>	<b>6.9%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>11.1%</b>	<b>11.4%</b>	<b>11.1%</b>	<b>11.1%</b>	<b>11.4%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>59,534</b>	<b>65,181</b>	<b>57,694</b>	<b>56,495</b>	<b>60,447</b>	<b>913</b>	<b>1.5%</b>
EXECUTIVE DIRECTION	9,716	11,716	9,775	9,968	9,637	-79	-0.8%
HUMAN RESOURCES	4,021	4,069	3,668	3,360	3,848	-173	-4.3%
CFO	4,448	4,005	4,149	4,660	4,884	436	9.8%
PROCUREMENT	4,333	4,507	4,138	4,124	4,429	96	2.2%
LEGAL	2,664	3,572	3,751	2,767	2,744	80	3.0%
CENTRAL ADMIN SERVICES	10,532	9,964	8,991	8,775	9,418	-1,114	-10.6%
PROGRAM/PROJECT CONTROL	975	1,894	1,947	892	1,812	837	85.8%
INFORMATION OUTREACH	4,157	3,969	3,652	5,007	5,569	1,412	34.0%
INFORMATION SERVICES	17,925	20,857	18,308	18,465	19,928	2,003	11.2%
OTHER	763	628	-685	-1,523	-1,822	-2,585	-338.8%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>16.4%</b>	<b>15.6%</b>	<b>15.5%</b>	<b>17.3%</b>	<b>18.2%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>87,825</b>	<b>89,027</b>	<b>80,473</b>	<b>87,984</b>	<b>96,489</b>	<b>8,664</b>	<b>9.9%</b>
ENVIRONMENTAL	7,353	7,828	6,184	5,843	9,150	1,797	24.4%
SAFETY AND HEALTH	14,951	15,900	12,437	18,293	18,529	3,578	23.9%
FACILITIES MANAGEMENT	11,087	8,957	8,987	9,252	6,659	-4,428	-39.9%
MAINTENANCE	18,599	20,631	18,193	17,299	20,349	1,750	9.4%
UTILITIES	19,913	20,181	22,672	25,925	25,968	6,055	30.4%
SAFEGUARDS AND SECURITY	9,630	9,908	7,641	7,321	6,485	-3,145	-32.7%
LOGISTICS SUPPORT	5,849	5,355	4,298	4,051	4,281	-1,568	-26.8%
QUALITY ASSURANCE	443	267	61	0	5,068	4,625	1,044.0%
LABORATORY/TECHNICAL SUPPORT	0	0	0	0	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>4.1%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>4.5%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>21,845</b>	<b>24,600</b>	<b>23,127</b>	<b>22,187</b>	<b>23,987</b>	<b>2,142</b>	<b>9.8%</b>
MANAGEMENT/INCENTIVE FEE	5,834	6,145	7,140	7,036	7,738	1,904	32.6%
TAXES	0	0	0	0	0	0	0.0%
LDRD / PDRD / SDRD	16,011	18,455	15,987	15,151	16,249	238	1.5%

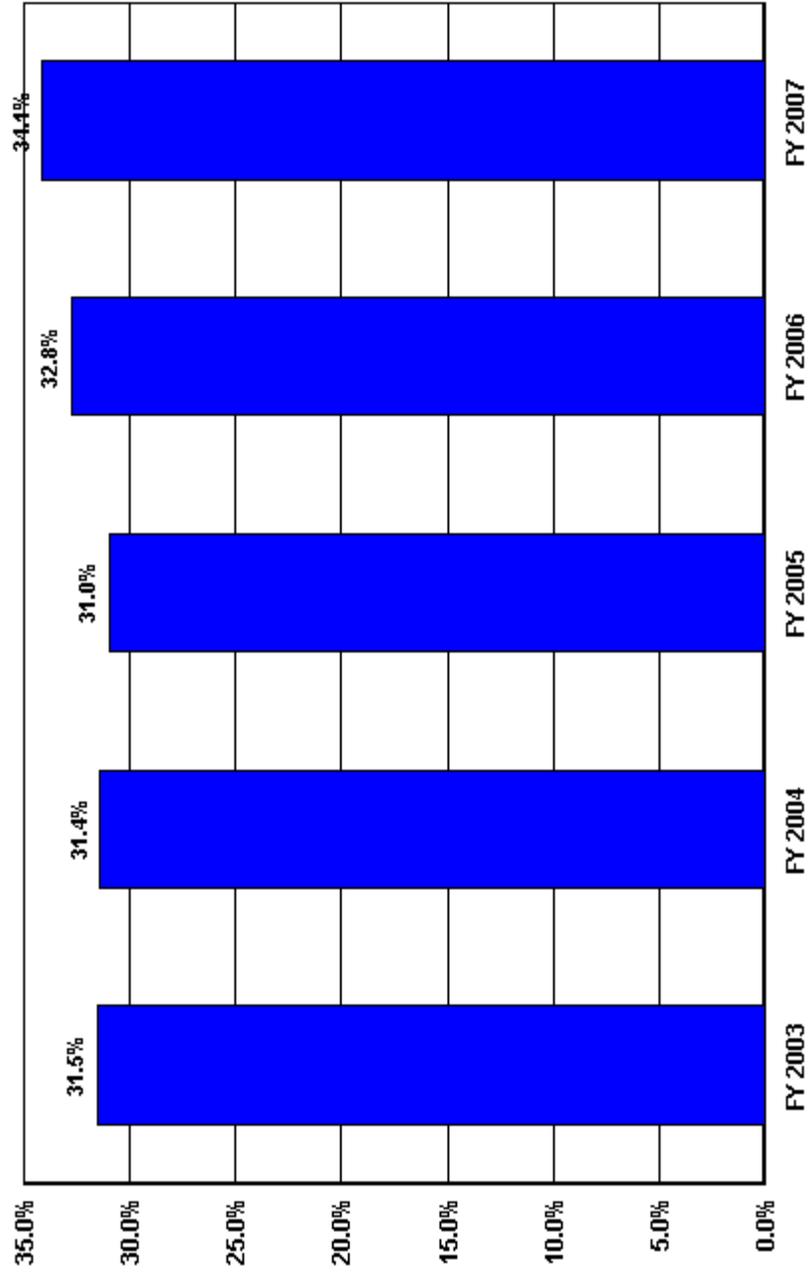
**US Department of Energy  
Total Functional Support  
Argonne National Lab/University of Chicago**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>169,204</b>	<b>178,808</b>	<b>161,294</b>	<b>166,666</b>	<b>180,923</b>

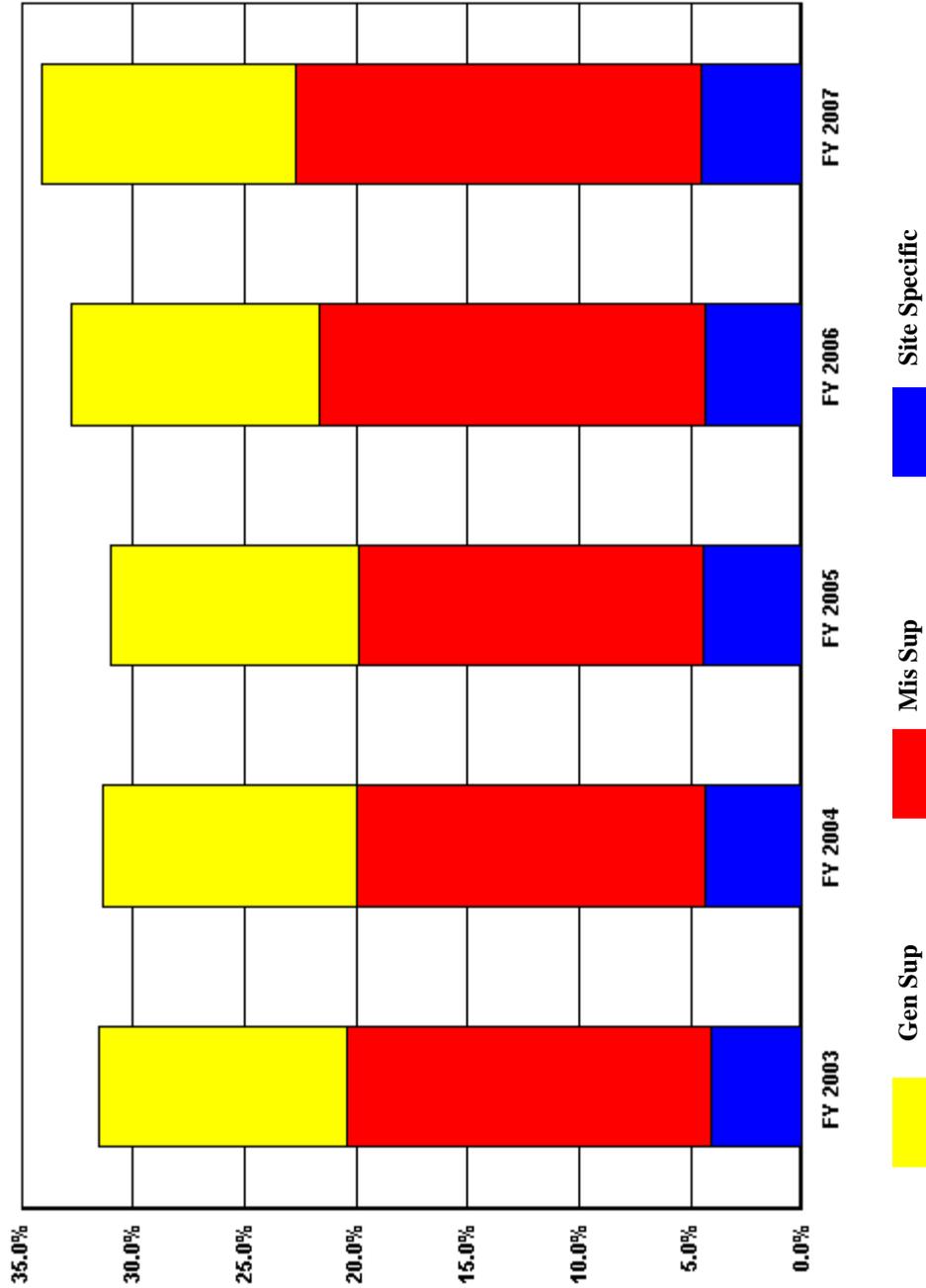
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Argonne National Lab/University of Chicago**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>31.5%</b>	<b>31.4%</b>	<b>31.0%</b>	<b>32.8%</b>	<b>34.1%</b>

**US Department of Energy  
 Percent of Support Category to Total Costs  
 Argonne National Lab/University of Chicago**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	11.1%	11.4%	11.1%	11.1%	11.4%
Mis Sup	16.4%	15.5%	17.3%	18.2%	18.2%
Site Specific	4.1%	4.3%	4.4%	4.4%	4.5%

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**SITE PROFILE**  
**Argonne National Lab/University of Chicago**

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**SITE OVERVIEW AND CHARACTERISTIC**

Argonne National Laboratory is one of the U.S. Department of Energy's largest research centers. It is also the nation's first national laboratory, chartered in 1946.

Argonne is a direct descendant of the University of Chicago's Metallurgical Laboratory, part of the World War II Manhattan Project. It was at the Met Lab where, on Dec. 2, 1942, Enrico Fermi and his band of about 50 colleagues created the world's first controlled nuclear chain reaction in a squash court at the University of Chicago. After the war, Argonne was given the mission of developing nuclear reactors for peaceful purposes. Over the years, Argonne's research expanded to include many other areas of science, engineering and technology.

At the end of FY2007, the laboratory employed about 2,900 regular employees, including about 1,000 scientists and engineers, of whom about 750 hold doctorate degrees. Argonne's annual operating budget of about \$517 million supports approximately 2,400 research projects, ranging from studies of the atomic nucleus to global climate change. Since 1990, Argonne has worked with more than 600 companies and numerous federal agencies and other organizations.

The 1,500 acre site is surrounded by forest preserve and is approximately 25 miles southwest of Chicago's Loop. The site also houses the U.S. Department of Energy's Chicago Operations Office and the New Brunswick Laboratory.

**Commitment to safety**

Argonne is dedicated to safety in all our activities. Every employee, visitor, facility user and research collaborator is expected to put safety above all other concerns. No job is important enough to compromise safety of our employees, guests or neighbors.

**Mission**

Argonne's mission is to serve DOE and national security by advancing the frontiers of knowledge, by creating and operating forefront scientific user facilities, and by providing innovative and effective approaches and solutions to energy, environmental, and security challenges to national and global well-being, in the near and long term, as a contributing member of the DOE laboratory system.

Argonne makes significant contributions to DOE's mission in science, energy resources, environmental stewardship, and national security, with lead roles in the areas of science, operation of scientific facilities, and energy. In accomplishing our mission, we partner with DOE, other federal laboratories and agencies, the academic community, and the private sector.

**Vision**

Argonne ensures U.S. scientific and technological leadership by creating – in the national interest – new knowledge and technologies that enhance energy security, national security, economic

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**SITE PROFILE**  
**Argonne National Lab/University of Chicago**

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productivity, and quality of life. The Laboratory is a full participant in the implementation of administration priorities set forth by the President's science advisor. In all its programs, Argonne is committed to managing its resources to maximize benefit to the taxpayer, with DOE's critical performance measures as its guide.

Argonne's leadership inspires cooperation to integrate the resources of other laboratories, agencies, and universities to solve the nation's most challenging problems. The Laboratory's scientific research supports every major DOE program. The management approach is to focus the Laboratory's attention on research that has the greatest promise and highest potential impact for the coming decade. To maximize benefit to the nation, we create alliances with industry that expedite application of new discoveries and technological innovations.

**Initiatives**

Argonne's major initiatives are:

- Exascale Computing Technology
- Large-scale Science User Facility Development
- National Security
- Particle and Nuclear Astrophysics and Cosmology
- Sustainable Energy Production and Use
- Systems and Computational Biology

**User facilities**

Argonne is home to five U.S. Department of Energy National User Facilities:

- Advanced Photon Source
- Argonne Tandem-Linac Accelerator System
- Center for Nanoscale Materials
- Electron Microscopy Center
- Intense Pulsed Neutron Source

In addition, Argonne manages the Atmospheric Radiation Monitoring Program, a national user facility with three permanent sites and one mobile site.

Argonne is a U.S. Department of Energy laboratory managed by UChicago Argonne, LLC.

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**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**PROGRAM/PROJECT CONTROL**

Several items contributed to the \$920K increase: the FMS-Office of Project Management increased costs due to increased staffing (\$311K) as well as several work projects to support Program/Project Planning & Control (\$609K).

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**SITE PROFILE**  
**Argonne National Lab/University of Chicago**

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**ENVIRONMENTAL**

The cost change of \$3,307K is primarily due to increased and realignment of costs from the Nuclear Operations Department (\$2,181K) and realignment of EQO-ESH cost from Safety & Health category (\$1,126K).

**FACILITIES MANAGEMENT**

This category experienced a decrease of \$2,593K, mainly due to the reorganization of FMS since Facilities Management & Services, Utility Services, Engineering, and various work projects to support Facilities Management were reduced (-\$1,821K) but other FMS groups such as Building Maintenance and Infrastructure Management had increased costs under the Maintenance category. Furthermore, there was a realignment of the Nuclear Operations Department cost to Environmental and Safety and Health (-\$933K), and increased building rental costs (\$161K).

**QUALITY ASSURANCE**

This category experienced an increase of \$5,068K primarily due to increased costs and realignment of EQO-ESH (\$4,653K) and OA corrective actions related to a Price Anderson Act violation (\$415K).

**COST SAVINGS INITIATIVES**

(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Contract Negotiations	3,937	Argonne takes an aggressive approach in contract negotiations for subcontracts and purchase orders. This has resulted in significant cost savings/cost avoidance each year. Savings in FY2007 totaled \$3,937K.	Connie Markiewicz

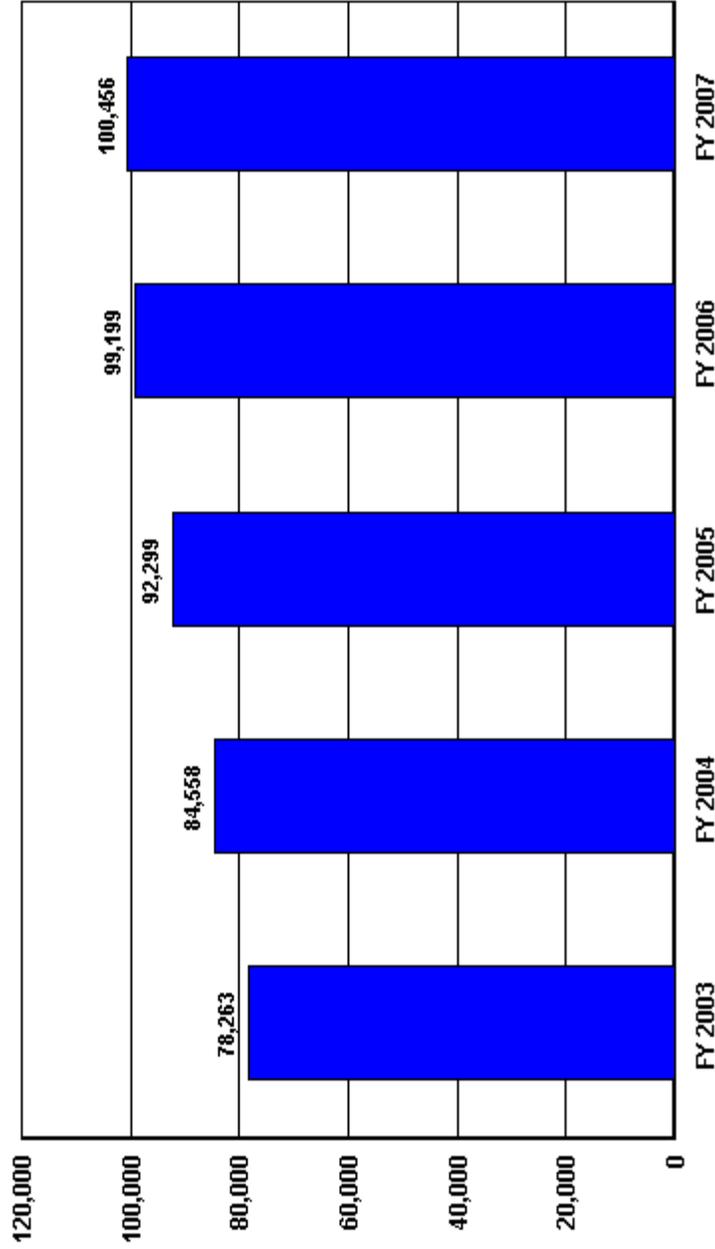
**SITE PROFILE**  
**Argonne National Lab/University of Chicago**

Fringe Benefits	726	<p>A couple of changes were made in the fringe benefits area that has resulted in approximately \$726K in direct savings to the Laboratory by consolidating costs, negotiating better terms or by reducing the benefit. A detailed list of the changes in FY2007 is provided below:</p> <p>Argonne changed prescription drug networks to save approximately \$375K.</p> <p>Argonne participated in the Midwest Business Group on Health, a health purchasing initiative. Membership in this coalition enabled Argonne to take advantage of a negotiated reduction in a planned fee increase. The annual membership fee of \$28K resulted in a net savings of \$351K in FY 2007.</p>	Connie Markiewicz
Travel Costs	641	Through better contract rates with carriers and lower fees associated with using the online booking tool versus traditional reservation calls with a live agent, Argonne realized savings in excess of \$641K in FY2007 travel cost.	Connie Markiewicz
PBX Equipment Maintenance Costs	390	Due to prior replacement of PBX equipment, Argonne realized a \$345K reduction in the FY2007 maintenance cost. There was an additional FY07 savings of \$45K resulting from prior negotiations in the lease-to-purchase cost.	Connie Markiewicz
Alternate Fuel Usage	493	Alternate fuel usage in 2007 resulted in 8,220 tons of coal burned, which displaced 1,972,800 therms of Natural Gas. This resulted in an estimated savings of \$493K.	Connie Markiewicz
Energy Usage	341	Energy use, normalized for weather and operating variances, was reduced by 3.3% from FY 2006 to FY 2007 that resulted in annual savings of \$341K.	Connie Markiewicz
Custodial Department	168	The Custodial Department successfully implemented a Lean 6 Sigma "Rapid Improvement Event" (RIE). The RIE recommendations allowed a staffing reduction of 5 FTE's and the FY2007 savings was \$168K.	Connie Markiewicz

**Trends in Total Support Cost by Functional Categories**  
**Bettis Atomic Power Lab/Bechtel (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	337,705	360,172	437,357	397,006	396,982	59,277	17.6%
<b>Capital Construction</b>	18,274	21,438	29,496	24,206	33,190	14,916	81.6%
<b>Total Costs Less Construction</b>	319,431	338,734	407,861	372,800	363,792	44,361	13.9%
<b>Total Support Costs</b>	<b>78,263</b>	<b>84,558</b>	<b>92,299</b>	<b>99,199</b>	<b>100,456</b>	<b>22,193</b>	<b>28.4%</b>
<b>Mission Direct Operation</b>	241,168	254,176	315,562	273,601	263,336	22,168	9.2%
<b>Mission Direct Operation as % of Total Cost</b>	<b>71.4%</b>	<b>70.6%</b>	<b>72.2%</b>	<b>68.9%</b>	<b>66.3%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>5.4%</b>	<b>6.0%</b>	<b>6.7%</b>	<b>6.1%</b>	<b>8.4%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>23.2%</b>	<b>23.5%</b>	<b>21.1%</b>	<b>25.0%</b>	<b>25.3%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>23.2%</b>	<b>23.5%</b>	<b>21.1%</b>	<b>25.0%</b>	<b>25.3%</b>		
<b>TOTAL SUPPORT COST</b>	<b>78,263</b>	<b>84,558</b>	<b>92,299</b>	<b>99,199</b>	<b>100,456</b>	<b>22,193</b>	<b>28.4%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>8.2%</b>	<b>7.8%</b>	<b>7.1%</b>	<b>9.2%</b>	<b>8.2%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>27,852</b>	<b>28,121</b>	<b>31,050</b>	<b>36,491</b>	<b>32,377</b>	<b>4,525</b>	<b>16.2%</b>
EXECUTIVE DIRECTION	3,330	3,487	4,090	4,462	4,080	750	22.5%
HUMAN RESOURCES	4,143	4,503	5,913	6,244	6,335	2,192	52.9%
CFO	2,785	2,881	2,123	2,137	2,224	-561	-20.1%
PROCUREMENT	2,012	2,262	2,410	2,265	2,307	295	14.7%
LEGAL	157	199	229	169	296	139	88.5%
CENTRAL ADMIN SERVICES	1,324	1,481	1,247	1,238	1,262	-62	-4.7%
PROGRAM/PROJECT CONTROL	559	644	698	1,767	1,617	1,058	189.3%
INFORMATION OUTREACH	0	0	0	0	0	0	0.0%
INFORMATION SERVICES	13,542	12,664	14,139	11,055	12,198	-1,344	-9.9%
OTHER	0	0	201	7,154	2,058	2,058	100.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>13.4%</b>	<b>14.2%</b>	<b>12.8%</b>	<b>14.5%</b>	<b>15.8%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>45,173</b>	<b>51,097</b>	<b>55,911</b>	<b>57,508</b>	<b>62,656</b>	<b>17,483</b>	<b>38.7%</b>
ENVIRONMENTAL	5,815	6,219	6,561	5,370	5,630	-185	-3.2%
SAFETY AND HEALTH	14,277	16,855	18,760	19,210	15,305	1,028	7.2%
FACILITIES MANAGEMENT	2,282	2,336	2,139	2,321	4,634	2,352	103.1%
MAINTENANCE	6,859	9,066	10,003	9,786	19,320	12,461	181.7%
UTILITIES	2,846	2,739	2,783	3,143	3,698	852	29.9%
SAFEGUARDS AND SECURITY	6,769	7,482	8,106	7,603	7,759	990	14.6%
LOGISTICS SUPPORT	2,423	2,026	2,038	2,062	2,331	-92	-3.8%
QUALITY ASSURANCE	3,902	4,374	5,521	8,013	3,979	77	2.0%
LABORATORY/TECHNICAL SUPPORT	0	0	0	0	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.4%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>5,238</b>	<b>5,340</b>	<b>5,338</b>	<b>5,200</b>	<b>5,423</b>	<b>185</b>	<b>3.5%</b>
MANAGEMENT/INCENTIVE FEE	4,531	4,605	4,712	4,590	4,738	207	4.6%
TAXES	707	735	626	610	685	-22	-3.1%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

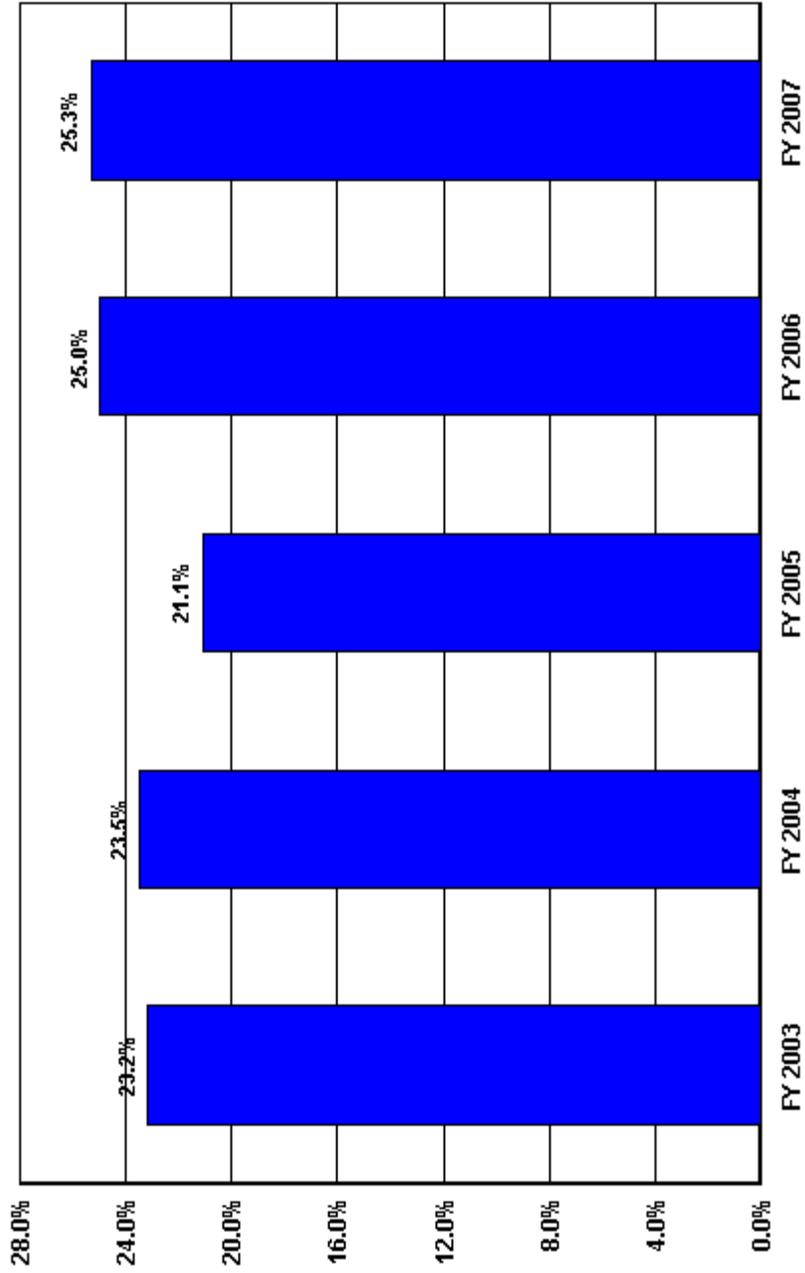
US Department of Energy  
 Total Functional Support  
 Bettis Atomic Power Lab/Bechtel



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	78,263	84,558	92,299	99,199	100,456

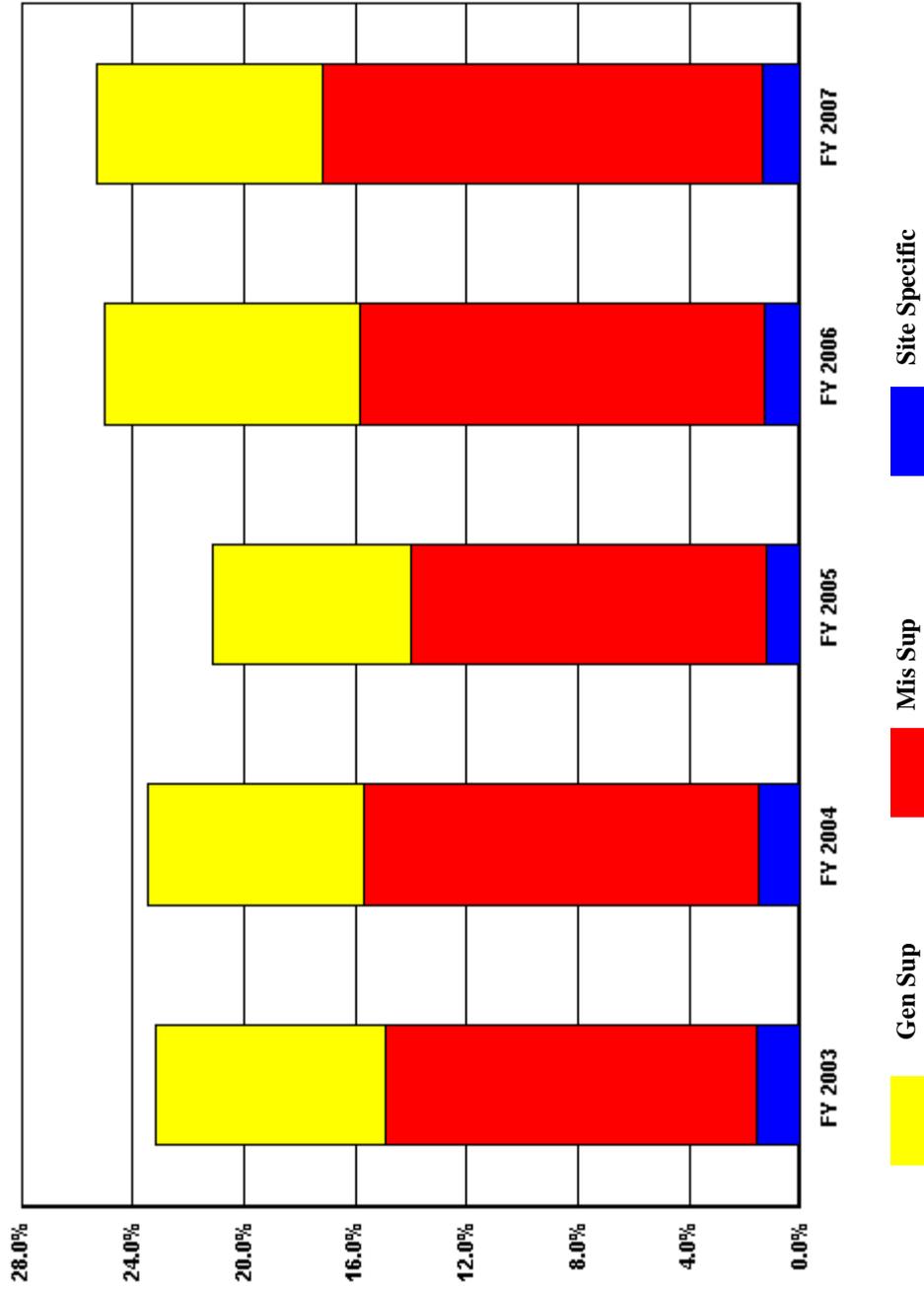
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Bettis Atomic Power Lab/Bechtel**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>23.2%</b>	<b>23.5%</b>	<b>21.1%</b>	<b>25.0%</b>	<b>25.3%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Bettis Atomic Power Lab/Bechtel**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	13.4%	14.2%	12.8%	14.5%	15.8%
Mis Sup	1.6%	1.5%	1.2%	1.3%	1.4%
Site Specific	8.2%	7.8%	9.2%	8.2%	8.2%

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**SITE PROFILE**  
**Bettis Atomic Power Lab/Bechtel**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Bettis Laboratory is a research and development laboratory operated by BBI, a subsidiary of Bechtel National, Inc. (BNI), for the Naval Nuclear Propulsion Program (NNPP), a joint United States Navy/ Department of Energy (DOE) organization. Bettis is primarily involved with the design, development, and operation follow of nuclear propulsion plants for naval vessels. Bettis Laboratory is located in the Borough of West Mifflin, Pennsylvania, approximately 7.5 miles southeast of Pittsburgh, Pennsylvania. The Laboratory is situated on approximately 209 acres of land. All land and buildings on the site are the property of the Federal government.

The present site of the Bettis Laboratory was originally developed as Pittsburgh's first airfield. The Pittsburgh-McKeesport Airdome opened there in August of 1925. A year later, the Airdome was renamed Bettis Airfield in honor of Lieutenant Cyrus Bettis, a famous aviator who had died in a plane crash in central Pennsylvania. In 1940, most commercial traffic moved to the nearby Allegheny County Airport because the Bettis Airfield could not handle the increasingly larger, modern aircraft. Private aviators used the field until 1948.

The newly-formed Westinghouse Atomic Power Division bought the Airfield tract early in 1949 and purchased adjacent properties in 1952. The land was acquired according to a contract between Westinghouse and the Atomic Energy Commission (AEC) whereby Westinghouse was assigned certain responsibilities for engineering, design, procurement, and construction work on the prototype of the first naval nuclear propulsion plant. Later, in 1957, the AEC (now DOE) exercised its contractual option to purchase the site and has held title since then. BNI replaced Westinghouse Electric Company as the operating contractor on February 1, 1999.

The site evolved into a large-scale development, engineering, and design facility. The initial efforts of Bettis led to the development of the power plant for USS NAUTILUS, the world's first nuclear-powered submarine.

Since USS NAUTILUS, Bettis has worked on many aspects of the development of the nuclear navy. Advanced technology for submarine and surface ship nuclear propulsion plants has constituted a major portion of the work program. Bettis' work on the prototype nuclear propulsion plant for a surface ship, and successful operation of the prototype at the Naval Reactors Facility (NRF) in Idaho Falls, Idaho, led to the development of the first nuclear-powered surface ship, the cruiser USS LONG BEACH, and the first nuclear-powered aircraft carrier, USS ENTERPRISE. Bettis currently provides design and engineering support for many of the Navy's operating propulsion plants including the propulsion plants in the NIMITZ class aircraft carriers and in the SEAWOLF class of attack submarines and is developing new technologies and designs for the Navy's future ships including the VIRGINIA class of submarines and the CVN 21 aircraft carrier program.

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**SITE PROFILE**  
**Bettis Atomic Power Lab/Bechtel**

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Bettis has also played a role in the development of land-based nuclear reactor plants. Under DOE's office of Naval Reactors, Bettis worked on the design and development of the first United States full-scale nuclear power plant for civilian use, the Shippingport Atomic Power Station. Shippingport was also the site of the first Light Water Breeder Reactor (LWBR) which was placed in operation in 1977 and operated until October 1982. This advanced reactor system was developed to improve significantly the utilization of fuel in light water reactors. The technology developed for the Shippingport program has been made available to industry for commercial application.

The broad spectrum of Bettis' activities has included work on core and component technology and design, thermal and hydraulic systems, materials, nuclear physics design, and training of naval personnel. Bettis currently employs approximately 3,300 people at all of its sites.

BBI also operates the NRF located in Idaho Falls, Idaho. The NRF examines Naval spent nuclear fuel and irradiated test specimens. The information derived from these examinations is used to develop new technology and to improve the cost-effectiveness of existing designs.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**CFO**

The increase is due to the reclassification of Bettis-Idaho Payroll staffing costs (\$75K) in the CFO category. Previously, Bettis-Idaho Payroll staffing costs were reported in the Program/Project Planning and Control category.

**LEGAL**

The change is due to increased payments for purchased outside legal services.

**PROGRAM/PROJECT CONTROL**

The decrease is due to the reclassification of Bettis-Idaho Payroll staffing costs (\$75K) to the CFO category.

**INFORMATION SERVICES**

The increase is due to higher distributed ADP and telecommunications costs.

**OTHER**

FY06 reflects costs associated with the Voluntary Separation Program related to the discontinuation of the Space Engineering Program. The FY07 amount reflects the costs associated with the Nonexempt Voluntary Separation Program.

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**SITE PROFILE**  
**Bettis Atomic Power Lab/Bechtel**

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**FACILITIES MANAGEMENT**

The increase is primarily due to two factors. (1) The reclassification of Bettis-Idaho Facility Management costs (\$1.6M), which previously were reported as Mission Direct costs and (2) the reclassification of Bettis-Pittsburgh rearrangement costs (\$0.6M), which previously were included in the Maintenance category.

**MAINTENANCE**

The change was caused primarily by two factors: (1) reclassification of Bettis-Idaho Maintenance Costs (\$8.6M), which previously were reported as Mission Direct costs, and (2) increased Bettis Pittsburgh maintenance staffing costs (\$0.9M).

**UTILITIES**

The increase is due to the reclassification of Bettis-Idaho Utility costs (\$0.7M), which previously were reported as Mission Direct, partially being offset by lower Bettis-Pittsburgh utility costs (\$0.2M).

**LOGISTICS SUPPORT**

The increase is due to additional Bettis-Idaho warehouse staffing costs.

**QUALITY ASSURANCE**

The decrease includes the reclassification of Bettis-Idaho's FY07 Nuclear Material Management costs, which were moved to the Safeguard and Security category.

**TAXES**

The increase reflects the proposed Pennsylvania state sales and use tax settlement.

**COST SAVINGS INITIATIVES**  
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Extension of Computer Hardware Lifecycle	1,000	Bettis extended the Personal Computer procurement lifecycle time period by 1 year to a 5 year replacement plan.  Savings     \$   1,000,000 Investment   \$        0 Net Savings     \$   1,000,000	

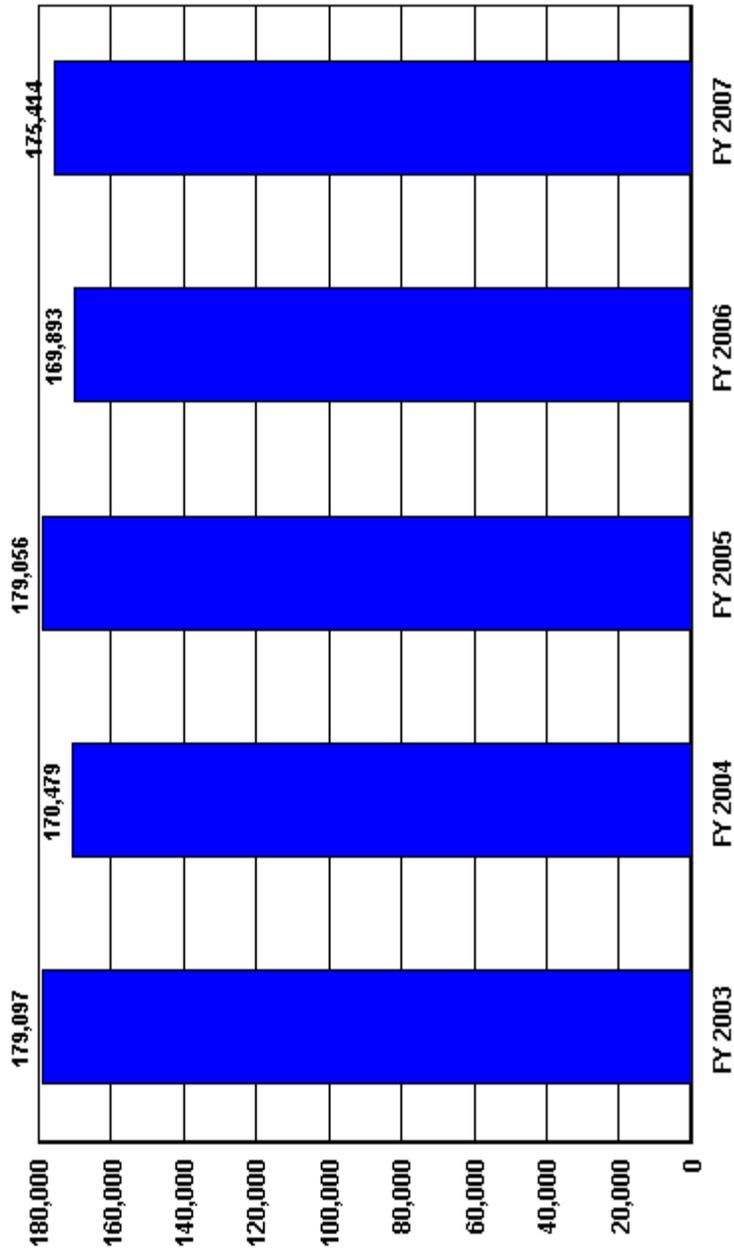
**SITE PROFILE**  
**Bettis Atomic Power Lab/Bechtel**

Information Technology Shared Services and Process	650	<p>Bettis achieved savings by the implementation of electronic signature and an electronic (paperless) document issuance process. Additionally, savings were achieved by the placement of a joint Asset Management contract.</p> <p>Savings           \$ 650,000  Investment       \$     0  Net Savings       \$ 650,000</p>	
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**Trends in Total Support Cost by Functional Categories**  
**Brookhaven National Lab/Brookhaven Science Assoc. (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	446,464	454,425	469,974	476,367	499,949	53,485	12.0%
<b>Capital Construction</b>	32,622	30,439	28,071	59,294	58,239	25,617	78.5%
<b>Total Costs Less Construction</b>	413,842	423,986	441,903	417,073	441,710	27,868	6.7%
<b>Total Support Costs</b>	<b>179,097</b>	<b>170,479</b>	<b>179,056</b>	<b>169,893</b>	<b>175,414</b>	<b>-3,683</b>	<b>-2.1%</b>
<b>Mission Direct Operation</b>	234,745	253,507	262,847	247,180	266,296	31,551	13.4%
<b>Mission Direct Operation as % of Total Cost</b>	<b>52.6%</b>	<b>55.8%</b>	<b>55.9%</b>	<b>51.9%</b>	<b>53.3%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>7.3%</b>	<b>6.7%</b>	<b>6.0%</b>	<b>12.4%</b>	<b>11.6%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>40.1%</b>	<b>37.5%</b>	<b>38.1%</b>	<b>35.7%</b>	<b>35.1%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>40.1%</b>	<b>37.5%</b>	<b>38.1%</b>	<b>35.7%</b>	<b>35.1%</b>		
<b>TOTAL SUPPORT COST</b>	<b>179,097</b>	<b>170,479</b>	<b>179,056</b>	<b>169,893</b>	<b>175,414</b>	<b>-3,683</b>	<b>-2.1%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>15.4%</b>	<b>11.9%</b>	<b>11.9%</b>	<b>10.3%</b>	<b>10.3%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>68,535</b>	<b>54,106</b>	<b>55,905</b>	<b>49,242</b>	<b>51,566</b>	<b>-16,969</b>	<b>-24.8%</b>
EXECUTIVE DIRECTION	7,665	7,725	11,599	8,624	8,826	1,161	15.1%
HUMAN RESOURCES	3,856	3,927	4,028	3,848	3,993	137	3.6%
CFO	2,187	2,390	2,484	2,711	2,538	351	16.0%
PROCUREMENT	1,592	2,087	2,106	2,396	2,347	755	47.4%
LEGAL	1,063	1,090	1,606	1,322	2,168	1,105	104.0%
CENTRAL ADMIN SERVICES	5,944	6,209	6,270	6,025	6,200	256	4.3%
PROGRAM/PROJECT CONTROL	20,283	2,571	2,995	2,853	2,284	-17,999	-88.7%
INFORMATION OUTREACH	4,397	5,139	7,536	5,411	5,628	1,231	28.0%
INFORMATION SERVICES	16,852	16,712	17,019	15,944	16,433	-419	-2.5%
OTHER	4,696	6,256	262	108	1,149	-3,547	-75.5%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>21.9%</b>	<b>22.2%</b>	<b>22.7%</b>	<b>22.2%</b>	<b>21.9%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>97,712</b>	<b>101,082</b>	<b>106,911</b>	<b>105,613</b>	<b>109,612</b>	<b>11,900</b>	<b>12.2%</b>
ENVIRONMENTAL	2,671	3,989	4,442	7,511	8,432	5,761	215.7%
SAFETY AND HEALTH	17,457	18,154	17,236	18,766	20,218	2,761	15.8%
FACILITIES MANAGEMENT	4,980	5,130	4,745	4,799	5,470	490	9.8%
MAINTENANCE	28,035	27,726	29,532	33,081	35,189	7,154	25.5%
UTILITIES	21,691	24,223	29,335	28,575	26,874	5,183	23.9%
SAFEGUARDS AND SECURITY	7,099	7,548	7,628	8,185	8,836	1,737	24.5%
LOGISTICS SUPPORT	3,190	3,304	3,487	3,365	3,341	151	4.7%
QUALITY ASSURANCE	731	739	1,044	1,331	1,252	521	71.3%
LABORATORY/TECHNICAL SUPPORT	11,858	10,269	9,462	0	0	-11,858	-100.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>2.9%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.2%</b>	<b>2.8%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>12,850</b>	<b>15,291</b>	<b>16,240</b>	<b>15,038</b>	<b>14,236</b>	<b>1,386</b>	<b>10.8%</b>
MANAGEMENT/INCENTIVE FEE	6,719	6,908	6,992	6,575	6,401	-318	-4.7%
TAXES	0	2,089	2,000	1,000	1,110	1,110	100.0%
LDRD / PDRD / SDRD	6,131	6,294	7,248	7,463	6,725	594	9.7%

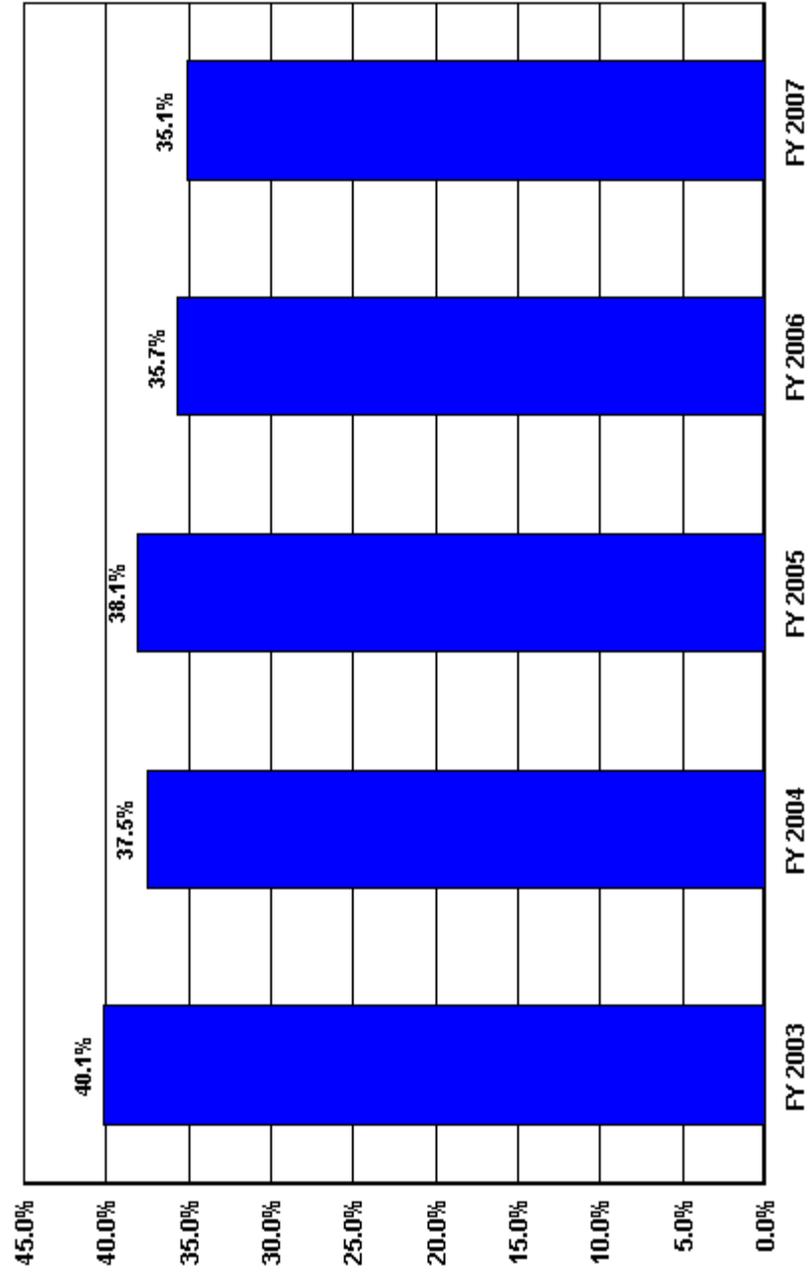
**US Department of Energy**  
**Total Functional Support**  
 Brookhaven National Lab/Brookhaven Science Assoc.



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>179,097</b>	<b>170,479</b>	<b>179,056</b>	<b>169,893</b>	<b>175,414</b>

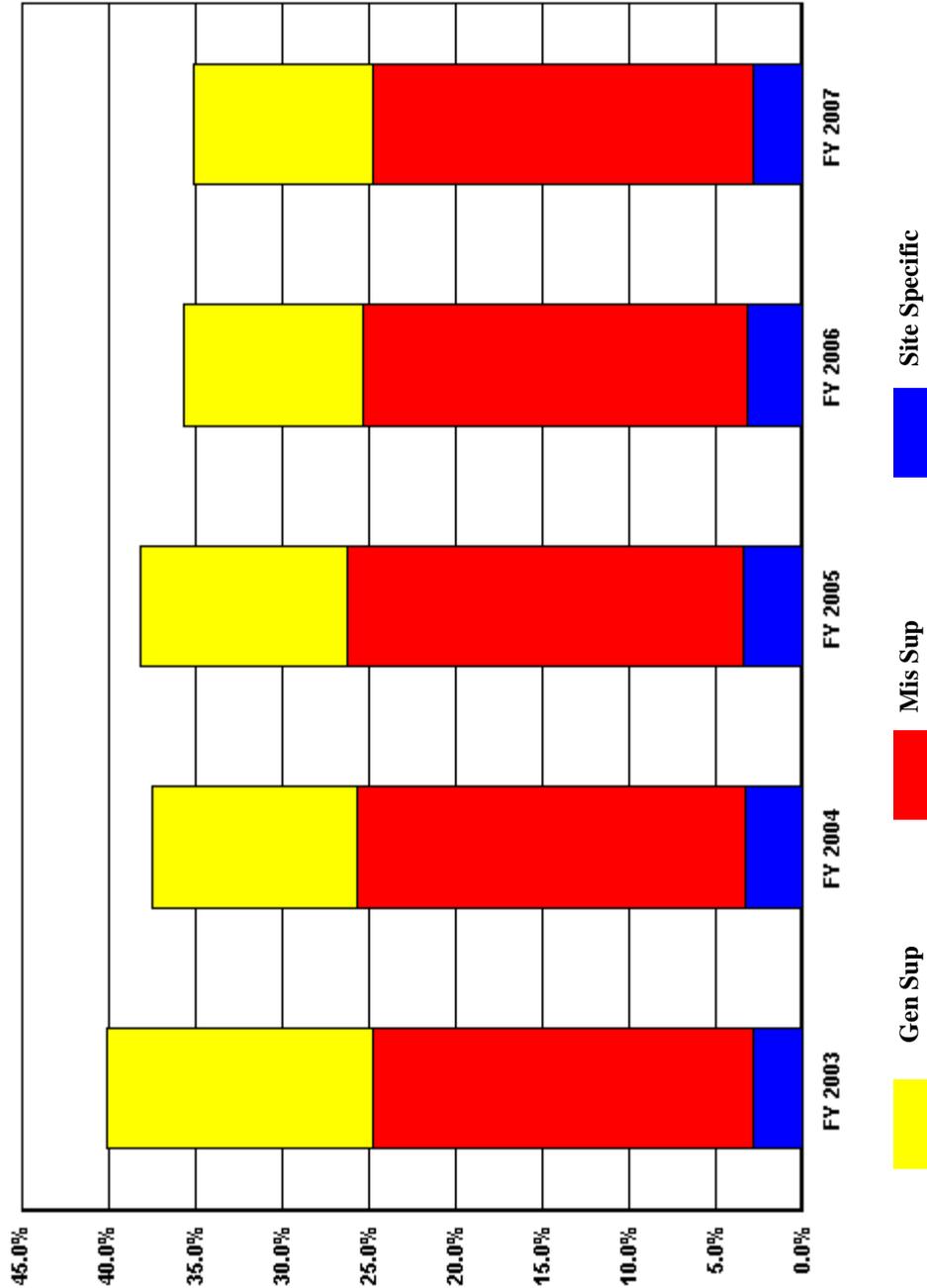
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Brookhaven National Lab/Brookhaven Science Assoc.**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>40.1%</b>	<b>37.5%</b>	<b>38.1%</b>	<b>35.7%</b>	<b>35.1%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Brookhaven National Lab/Brookhaven Science Assoc.**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	15.4%	11.9%	11.9%	10.3%	10.3%
Mis Sup	21.9%	22.2%	22.7%	22.2%	21.9%
Site Specific	2.9%	3.4%	3.2%	3.2%	2.8%

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**SITE PROFILE**  
**Brookhaven National Lab/Brookhaven Science Assoc.**

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**SITE OVERVIEW AND CHARACTERISTIC**

Brookhaven National Laboratory (BNL) is a multi-program National Laboratory founded in 1947 and currently operated by Brookhaven Science Associates for the U.S. Department of Energy. Six Nobel Prizes have been awarded for discoveries based on research conducted at the Lab.

The Laboratory's broad mission is to produce excellent science and advanced technology in a safe, environmentally benign manner with the cooperation, support and appropriate involvement of our many communities.

Specifically, the mission of BNL, which supports the U.S. Department of Energy's strategic missions, is to:

- Conceive, design, construct and operate complex, “leading edge”, user-oriented facilities in a safe and environmentally friendly manner that is responsive not only to the DOE, but also to the needs of the international community of users.
- Carry out basic and applied research in long-term, high-risk programs at the frontier of science that supports DOE missions and the needs of the Laboratory's user community
- Develop advanced technologies that address national needs and initiate their transfer to other organizations and to the commercial sector.
- Disseminate technical knowledge to educate new generations of scientists and engineers, to maintain technical capabilities in the nation’s workforce, and to encourage scientific awareness in the general public.

**Large Research Facilities located at BNL:**

Alternating Gradient Synchrotron  
Relativistic Heavy Ion Collider  
National Synchrotron Light Source

**BioMedical Facilities located at BNL:**

Brookhaven Center for Translational Neuroimaging  
High-Field MRI Facility  
Brookhaven Linear Isotope Production Facility  
Scanning Transmission Electron Microscope  
Transmission Electron Microscope  
Positron Emission Tomography (PET)

**Other Facilities and Centers located at BNL:**

Laser-Electron Accelerator Facility (LEAF)  
Tandem Van De Graaff Facility

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**SITE PROFILE**  
**Brookhaven National Lab/Brookhaven Science Assoc.**

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Accelerator Test Facility  
Center for Radiation Chemistry Research  
NASA Space Radiation Laboratory (NSRL)  
Center for Accelerator Physics  
Computational Science Center  
Center for Spectroscopy in Molecular Science  
Environmental and Waste Technology Center  
RIKEN BNL Research Center  
National Nuclear Data Center

**Facilities Under Construction at BNL:**

Center for Functional Nanomaterials  
Electron Beam Ion Source

**Background**

Brookhaven National Laboratory (BNL) is a U.S. Department of Energy (DOE) research facility located on Long Island, New York (which is east of New York City), on a 5,300-acre campus. Approximately 30% of the total area is developed. BNL categorizes salary into Scientific, Professional, Technical, Management and Union categories. For FYE 2007, the Laboratory reported 2,540 FTE's.

BNL is managed and operated for DOE by Brookhaven Science Associates in partnership with the Research Foundation of the State University of New York and the Battelle Memorial Institute.

BNL specializes in building and operating large research facilities that are used by our own staff and visiting scientists from academia, government and industry.

BNL has hundreds of research programs going on in fields such as high-energy and nuclear physics, physics and chemistry of materials, homeland security, environmental and energy research, nonproliferation, structural biology and neurosciences and medical imaging. BNL contributes significantly to programs at other DOE laboratories, federal agencies, institutions, and industry. The work done for other agencies derives from our unique facilities and our core competencies. In FY07, the Laboratory received \$67.0m from Work for Others (WFO), which includes \$6.0M from other DOE laboratories/operations offices.

More than 4,500 visiting scientists come from all over the world each year to do scientific research at our research facilities and work with our staff. To support these researchers, there are 422 on-site housing units. They are comprised of 66 family-style apartments, 46 efficiency apartments, 265

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## SITE PROFILE

### Brookhaven National Lab/Brookhaven Science Assoc.

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dormitory rooms, 30 seasonal houses, 2 all year round private houses and 13 guest-house rooms. A part time off-site housing coordinator assists visitors in finding accommodations in the local area. Residents may be housed for periods from one day to several years. Many of the apartment units are over 60 years old and have outlived their projected life. Replacement studies are looking at the possibility of third party financing as well as the use of local developers. Subcontractors operate food service facilities and provide on-site food and snack services. A Quality of Life Office provides a link between visitors and support services.

Safeguards & Security supports the basic scientific mission of DOE and the Laboratory by protecting DOE's Special Nuclear Materials, Classified Matter and property against theft, diversion or destruction, preventing the loss of information or sabotage of programs that could have significant financial impact and preventing radiological or toxicological sabotage that would endanger employees, the public or the environment. Safeguards & Security staff establishes guidelines, plans and strategies to protect sensitive or classified information, Cooperative Research and Development agreements, protocol visits, and Work for Others. Employee\Visitor badges are required to gain access to the site.

Because of the nature of the Laboratory's missions, BNL generates a wide range of wastes. BNL generates some of the same waste streams common to many business and industries, such as aerosol cans, batteries, paint and oils; however, due to our scientific mission BNL also generates waste streams requiring more restrictions, such as compatible radioactive waste, chemicals and solvents. The Environmental Services and Waste Management Division provides a variety of waste management services to facilitate laboratory clean-outs by documenting, characterizing, and segregating wastes in preparation for removal. They also manage problem or non-routine wastes to reduce management and disposal costs.

There are approximately 350 buildings and 207 portable structures in use with a total area of 4.35 million square feet. The average age of BNL's buildings is 44 years with approximately 74% of BNL's building space over 30 years old, 45% over 50 years old (including World War II Army base structures). The new 65,000 sq ft Research Support building was completed in FY2007 allowing BNL to consolidate out of 50+ year old space.

The 94,500 sq ft Center of Functional Nanomaterials received beneficial occupancy in the latter part of FY07 and the project will be completed in FY08. The Electron Beam Ion Source (EBIS) project should receive beneficial occupancy in early FY08. Conceptual planning for a new "Interdisciplinary Science Building I" is underway to support a project start in FY 2009. This building will have approximately 90,000 square feet. A National Synchrotron Light Source II project has successfully completed all reviews toward CD-2. The new Blue Gene computer, funded by New York State, was installed and began operations this fiscal year.

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**SITE PROFILE**  
**Brookhaven National Lab/Brookhaven Science Assoc.**

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Site-wide electrical, steam, sanitary sewer, storm sewer, and potable water utility systems serve the site. There are limited distribution chilled water and compressed air systems. The buildings served by these utilities are disbursed through out the campus site thereby requiring maintenance of an extensive distribution network.

Maintenance and energy costs for the older, wood frame buildings are higher than those for structures that are considered permanent. Retrofitting older facilities to comply with current ES&H standards is extremely costly.

The large research facilities consume extraordinary amounts of electricity for their operation. Even with continued increases in energy costs in FY07, the Laboratory's average unit price for electricity was only \$0.058 per kWh for the year. This was even lower than FY06, and lower than rates 20 years ago. This was attributable to several factors, including energy conservation, load scheduling, lower than anticipated energy usage, and a favorable energy contract.

For 26 years, the Laboratory has benefited from an agreement between the New York Power Authority (NYPA) and the local electrical utility. This agreement continues to provide power from upstate at a substantial savings to the Laboratory and is projected to save \$18 to \$20 million per year compared to the local utility for FY08. At the present time, it is anticipated the average price for FY08 will be approximately \$0.075 per kWh. While higher than FY 07, substantially less than the local utility price of over \$0.15 per kWh.

The costs reported on the functional cost report reflect the direct charges to DOE programs (operating, capital equipment, AIP, GPP and line items), work for others (B&R 40xxxxxxx series), non-federal agencies (B&Rs in the 60xxxxxxx, 65xxxxxxx and WNxxxxxxx series), other DOE labs (B&R YN19) and indirect and other intermediate costs collected in B&R YN0100000 that are fully distributed.

In addition, BNL's reported Functional Costs includes a Payment in lieu of Taxes (PILT) amount of \$1,105,774.

## **II. Highlights of Trends from FY 2003 to FY 2007**

BNL's Percent of Functional Support Costs to Total Site Cost has declined from 40.1% to 34.9%. BNL's support costs reflect Laboratory management actions to move the Laboratory in a direction that provides excellent science along with excellent standards for safety, health, environment, infrastructure and business operations. Since FY 2003, the laboratory has made significant efforts

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**SITE PROFILE**  
**Brookhaven National Lab/Brookhaven Science Assoc.**

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to control support costs through the adoption of best business practices and operations. This has been successful in spite of unfunded mandates on the laboratory for Cyber Security, ES&H, Emergency Management and Maintenance Improvement Initiatives.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**LEGAL**

Legal fees vary from year to year depending on the number of cases being tried and/or actively litigated.

**OTHER**

Actual Legal settlements in the amount of \$44k and accrual in the amt of \$1,105k for large litigations to be tried in FY 2008.

**TAXES**

Amount entered in FY 2006 should have been \$1,000, not \$1 since the taxes paid in FY 2006 were \$1,050,000. The same holds true for FY 2005 when the taxes paid by the Laboratory were \$2,000,000.

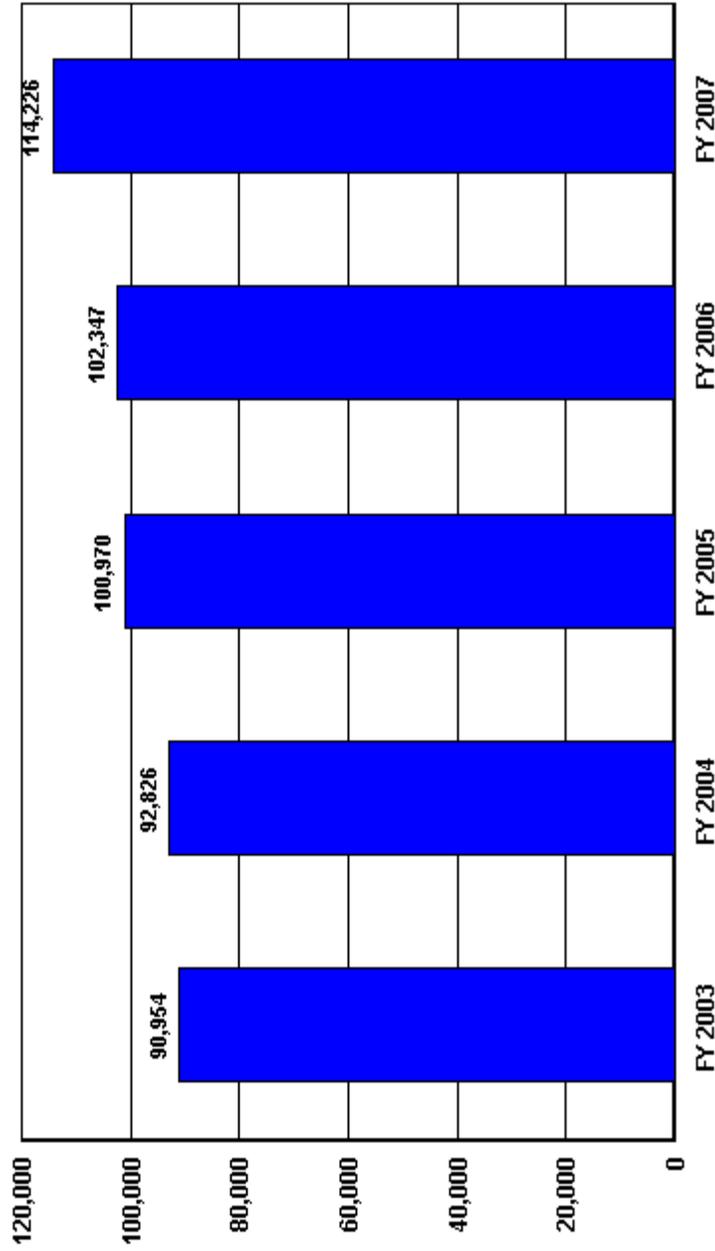
**COST SAVINGS INITIATIVES**  
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Water usage reduction	15	Water usage reduction of 49 million gallons equating to \$15K	Donna Chiosonne
Fuel Oil	100	Fuel Oil strategic purchasing plan saved the laboratory \$100K	Donna Chiosonne
Natural gas purchase	100	A spot market purchase of natural gas during the summer season saved BNL approximately \$100,000 compared to firing residual fuel oil in the steam plant. This was accomplished through competing the gas supply and negotiation of an advantageous transportation arrangement with the local gas utility.	Donna Chiosonne

**Trends in Total Support Cost by Functional Categories**  
**Fermi National Accelerator Lab/University Research (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	302,734	318,041	318,468	328,986	335,402	32,668	10.8%
<b>Capital Construction</b>	54,529	59,326	45,132	36,456	25,881	-28,648	-52.5%
<b>Total Costs Less Construction</b>	248,205	258,715	273,336	292,530	309,521	61,316	24.7%
<b>Total Support Costs</b>	<b>90,954</b>	<b>92,826</b>	<b>100,970</b>	<b>102,347</b>	<b>114,226</b>	<b>23,272</b>	<b>25.6%</b>
<b>Mission Direct Operation</b>	157,251	165,889	172,366	190,183	195,295	38,044	24.2%
<b>Mission Direct Operation as % of Total Cost</b>	<b>51.9%</b>	<b>52.2%</b>	<b>54.1%</b>	<b>57.8%</b>	<b>58.2%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>18.0%</b>	<b>18.7%</b>	<b>14.2%</b>	<b>11.1%</b>	<b>7.7%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>30.0%</b>	<b>29.2%</b>	<b>31.7%</b>	<b>31.1%</b>	<b>34.1%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>30.0%</b>	<b>29.2%</b>	<b>31.7%</b>	<b>31.1%</b>	<b>34.1%</b>		
<b>TOTAL SUPPORT COST</b>	<b>90,954</b>	<b>92,826</b>	<b>100,970</b>	<b>102,347</b>	<b>114,226</b>	<b>23,272</b>	<b>25.6%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>9.1%</b>	<b>9.5%</b>	<b>10.4%</b>	<b>9.8%</b>	<b>10.3%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>27,651</b>	<b>30,181</b>	<b>32,971</b>	<b>32,181</b>	<b>34,663</b>	<b>7,012</b>	<b>25.4%</b>
EXECUTIVE DIRECTION	4,825	4,969	4,960	4,550	4,717	-108	-2.2%
HUMAN RESOURCES	3,484	3,468	3,567	3,568	3,416	-68	-2.0%
CFO	2,058	2,169	2,262	2,745	3,150	1,092	53.1%
PROCUREMENT	1,738	1,824	1,806	1,645	1,769	31	1.8%
LEGAL	1,994	2,175	715	653	716	-1,278	-64.1%
CENTRAL ADMIN SERVICES	1,734	1,923	1,800	1,819	1,936	202	11.6%
PROGRAM/PROJECT CONTROL	301	288	250	39	697	396	131.6%
INFORMATION OUTREACH	2,449	2,743	3,188	3,467	3,548	1,099	44.9%
INFORMATION SERVICES	9,051	10,603	14,402	13,657	14,676	5,625	62.1%
OTHER	17	19	21	38	38	21	123.5%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>19.9%</b>	<b>18.6%</b>	<b>20.3%</b>	<b>20.2%</b>	<b>22.7%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>60,172</b>	<b>59,030</b>	<b>64,616</b>	<b>66,530</b>	<b>76,147</b>	<b>15,975</b>	<b>26.5%</b>
ENVIRONMENTAL	1,466	1,265	1,040	1,147	1,148	-318	-21.7%
SAFETY AND HEALTH	9,341	10,080	10,732	10,494	10,474	1,133	12.1%
FACILITIES MANAGEMENT	2,275	2,706	1,897	1,469	1,716	-559	-24.6%
MAINTENANCE	18,319	19,517	22,391	22,514	24,656	6,337	34.6%
UTILITIES	17,196	16,078	19,429	22,001	25,558	8,362	48.6%
SAFEGUARDS AND SECURITY	2,835	2,984	3,305	3,399	3,817	982	34.6%
LOGISTICS SUPPORT	4,657	4,126	3,936	3,990	3,953	-704	-15.1%
QUALITY ASSURANCE	41	17	31	39	727	686	1,673.2%
LABORATORY/TECHNICAL SUPPORT	4,042	2,257	1,855	1,477	4,098	56	1.4%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>1.0%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.0%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>3,131</b>	<b>3,615</b>	<b>3,383</b>	<b>3,636</b>	<b>3,416</b>	<b>285</b>	<b>9.1%</b>
MANAGEMENT/INCENTIVE FEE	3,131	3,615	3,383	3,636	3,416	285	9.1%
TAXES	0	0	0	0	0	0	0.0%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

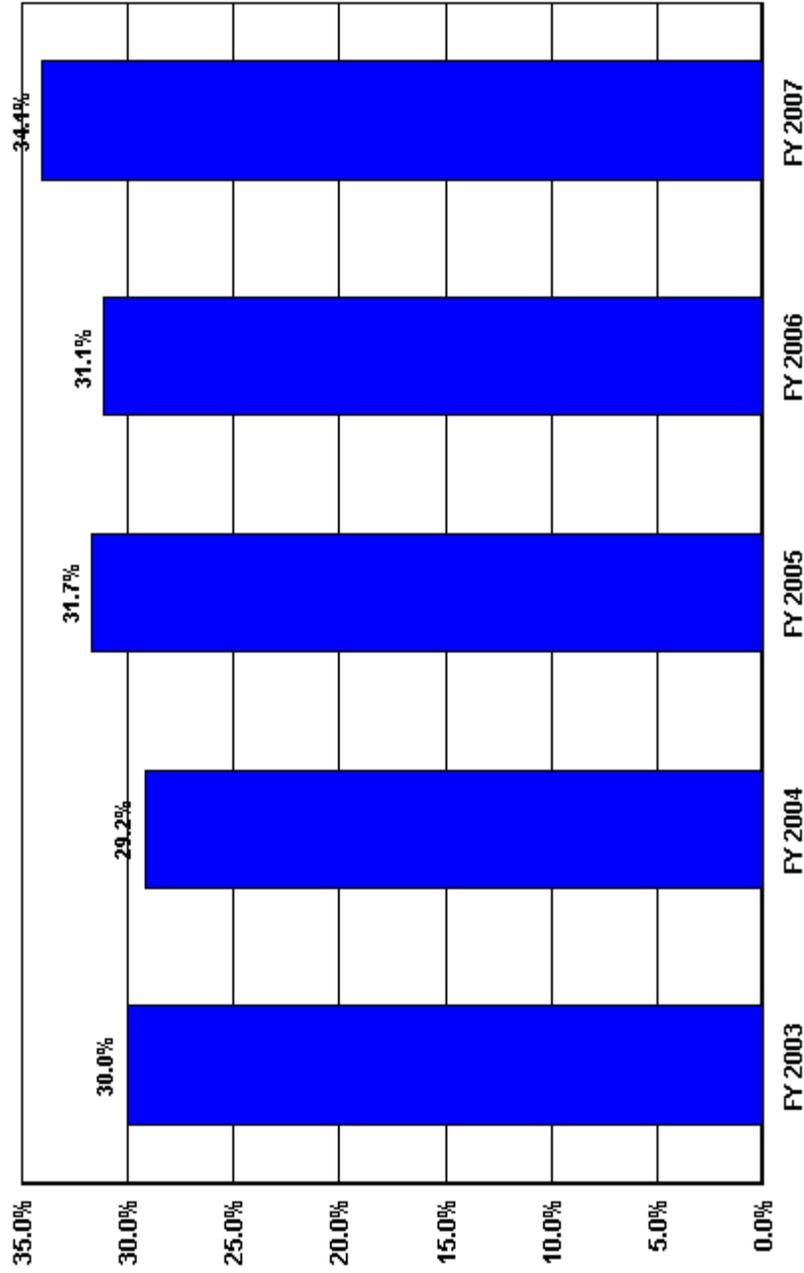
**US Department of Energy  
Total Functional Support  
Fermi National Accelerator Lab/University Research**



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>90,954</b>	<b>92,826</b>	<b>100,970</b>	<b>102,347</b>	<b>114,226</b>

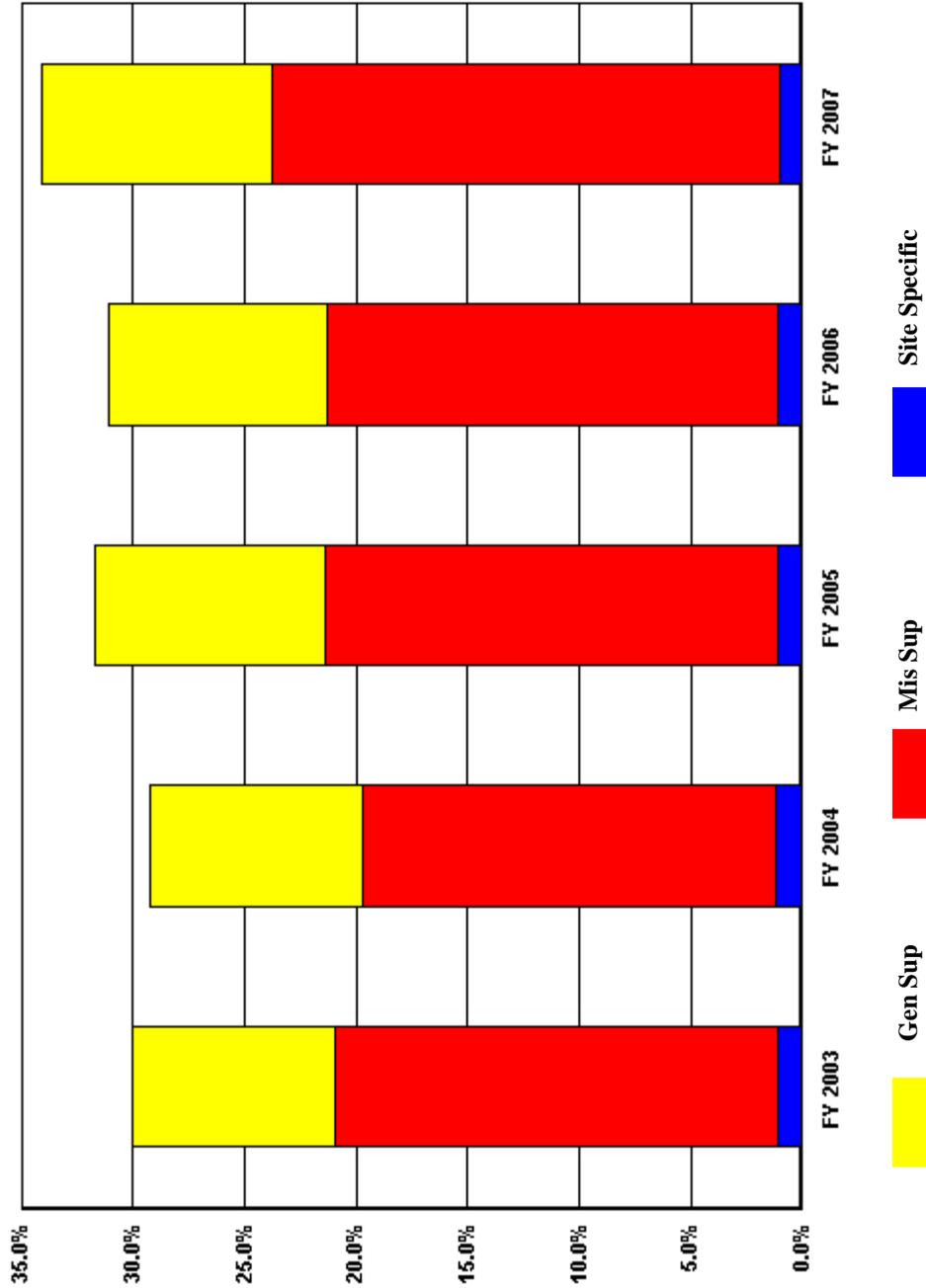
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Fermi National Accelerator Lab/University Research**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>30.0%</b>	<b>29.2%</b>	<b>31.7%</b>	<b>31.1%</b>	<b>34.1%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Fermi National Accelerator Lab/University Research**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	9.1%	9.5%	10.4%	9.8%	10.3%
Mis Sup	19.9%	18.6%	20.3%	20.2%	22.7%
Site Specific	1.0%	1.1%	1.1%	1.1%	1.0%

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**SITE PROFILE**  
**Fermi National Accelerator Lab/University Research**

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**SITE OVERVIEW AND CHARACTERISTIC**

Fermilab operates the world's highest-energy particle accelerator, the Tevatron. Some 2,300 scientists from 35 states and 30 countries use Fermilab's facilities to carry out research at the frontiers of particle physics.

Fermilab is a single purpose Laboratory whose mission statement is as follows:

“Fermi National Accelerator Laboratory advances the understanding of the fundamental nature of matter and energy by providing leadership and resources for qualified researchers to conduct basic research at the frontiers of high energy physics and related disciplines.”

Groundbreaking for the original linear accelerator was December 1968. The site is 6,800 acres, or a little more than 10 square miles. Approximately 2,000 people are employed at the Lab. Fermilab has an on-site housing operation to accommodate users and their families, and an on-site cafeteria for employees, users and visitors.

Beginning calendar year 2007, Fermilab is operated by Fermi Research Alliance (FRA), a limited liability company formed between Universities Research Association, Inc. (our former management contractor) and the University of Chicago. The level of non-DOE work at Fermilab is insignificant to the operation of the Laboratory.

**TRENDS:**

1. Trend in Functional Support Costs from fiscal year 2003 to fiscal year 2007:

General Support costs are up 25% over four years, higher due to 2003 costs being low. Compared to 2002 the increase is 15%. The primary component is Information Services, with other significant increases in the Chief Financial Officer and Information/Outreach Activities components. Mission Support costs have increased 27% for the four year period primarily due to rising Utility costs and Maintenance. Additionally in 2007, the service center Machine Shop costs are now categorized in Laboratory/Technical Support. This resulted in a \$3.04 million increase in this category, of which \$2.73 million was reclassified from Mission Direct and Capital/Construction

2. Trend in Functional Support Costs as a percentage of Total Site Costs from fiscal year 2003 to fiscal year 2007:

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**SITE PROFILE**  
**Fermi National Accelerator Lab/University Research**

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Overall support costs as a percentage of Total Site Costs have increased from 30.0% in fiscal year 2003 to 34% in 2007. The increase in Utilities is primarily due to deregulation in 2006 and a subsequent escalation of power costs. It should also be noted that the preponderance of Fermilab's Utilities costs are programmatic, and are driven by the number of weeks of Tevatron running. Additionally, the increases in Maintenance and Information Services costs combined with the reduction in Capital/ Construction cost has led to a gradual increase in the rate. The near-completion of CMS and Run II Luminosity projects and a reduction in GPP projects has reduced Capital/ Construction significantly. While having a negligible effect on the subject percentage, it should be noted that in accordance with DOE guidance and a recent peer review recommendation, beginning in FY07 costs were included for work performed for other DOE sites while cost of work for Fermilab performed by other DOE sites was excluded.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**PROGRAM/PROJECT CONTROL**

This category increased \$657K (1694%) from fiscal year 2006 primarily due to reclassifications of the Project Management Oversight office from Executive Direction (\$450K) and of NOvA project planning activities from Mission Direct (\$200K).

**QUALITY ASSURANCE**

The Office of Quality and Best Practices was established in the Directorate and incurred costs of \$700K, increasing this category by 1746%. Many of the activities of this office are fulfilling commitments made by FRA in the new contract with DOE effective January 1, 2007.

**LABORATORY/TECHNICAL SUPPORT**

This category increased by \$3.04 million, or 178%, due to the reclassification of the Machine Shop (service center) costs, as per the guidance and peer review recommendations and as discussed above in Trends item #1

**CAPITAL CONSTRUCTION**

This category realized a 29% reduction, primarily due to the near-completion of the CMS Construction (\$4.4 million), and Run II Luminosity Upgrade (\$3.1 million) projects, and a reduction in GPP projects (\$726K) largely due to budget constraints. These reductions are partially offset by an increase for Utility Improvement Project payments of \$5.3 million. These annual payments were previously included under Mission Direct.

**COST SAVINGS INITIATIVES**

(\$ in 000's)

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**SITE PROFILE****Fermi National Accelerator Lab/University Research**

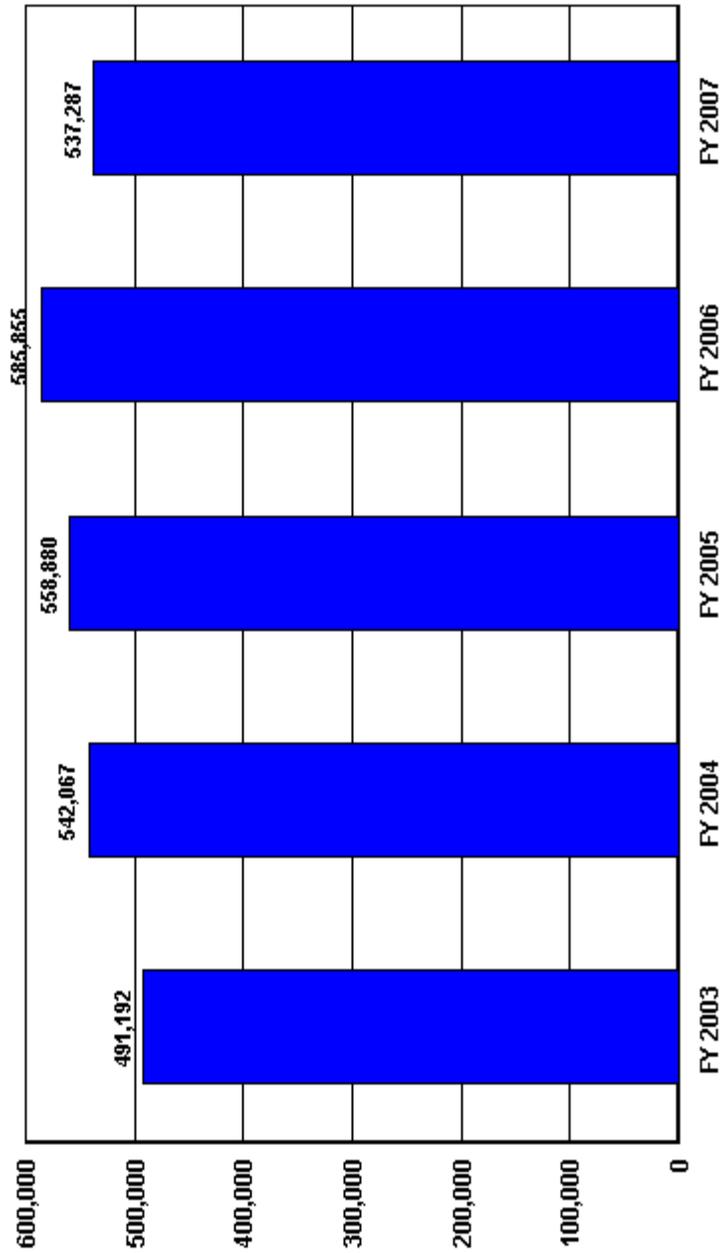
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<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
Electrical Power Infrastructure Improvements	5,200	The Fermi Site Office with Laboratory support negotiated a public utility easement for a power line easement with the City of Batavia, Illinois. To assure reliable service on their system, the City agreed to upgrade a portion of the government's power distribution infrastructure to make it more robust. This resulted in a cost avoidance of \$5.2M and reduction in deferred maintenance of \$4.8M.	Michael Rhoades

**Trends in Total Support Cost by Functional Categories**  
**Hanford/Fluor Daniel, CH2M Hill & W.Closure (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	1,069,009	1,167,697	1,222,861	1,099,098	1,080,388	11,379	1.1%
<b>Capital Construction</b>	56,468	58,847	41,523	32,731	29,022	-27,446	-48.6%
<b>Total Costs Less Construction</b>	1,012,541	1,108,850	1,181,338	1,066,367	1,051,366	38,825	3.8%
<b>Total Support Costs</b>	<b>491,192</b>	<b>542,067</b>	<b>558,880</b>	<b>585,855</b>	<b>537,287</b>	<b>46,095</b>	<b>9.4%</b>
<b>Mission Direct Operation</b>	521,349	566,783	622,458	480,512	514,079	-7,270	-1.4%
<b>Mission Direct Operation as % of Total Cost</b>	<b>48.8%</b>	<b>48.5%</b>	<b>50.9%</b>	<b>43.7%</b>	<b>47.6%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>5.3%</b>	<b>5.0%</b>	<b>3.4%</b>	<b>3.0%</b>	<b>2.7%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>45.9%</b>	<b>46.4%</b>	<b>45.7%</b>	<b>53.3%</b>	<b>49.7%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>45.9%</b>	<b>46.4%</b>	<b>45.7%</b>	<b>53.3%</b>	<b>49.7%</b>		
<b>TOTAL SUPPORT COST</b>	<b>491,192</b>	<b>542,067</b>	<b>558,880</b>	<b>585,855</b>	<b>537,287</b>	<b>46,095</b>	<b>9.4%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>12.1%</b>	<b>11.6%</b>	<b>11.0%</b>	<b>12.0%</b>	<b>12.1%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>129,237</b>	<b>135,314</b>	<b>134,413</b>	<b>131,950</b>	<b>130,755</b>	<b>1,518</b>	<b>1.2%</b>
EXECUTIVE DIRECTION	8,275	6,793	8,383	5,698	6,971	-1,304	-15.8%
HUMAN RESOURCES	14,630	17,329	15,136	15,450	14,362	-268	-1.8%
CFO	8,271	8,880	8,345	8,297	8,302	31	0.4%
PROCUREMENT	10,633	10,559	10,016	9,109	8,269	-2,364	-22.2%
LEGAL	4,780	4,227	5,518	3,407	3,224	-1,556	-32.6%
CENTRAL ADMIN SERVICES	10,001	10,290	11,039	11,706	12,863	2,862	28.6%
PROGRAM/PROJECT CONTROL	25,810	27,604	28,433	22,307	21,399	-4,411	-17.1%
INFORMATION OUTREACH	4,228	3,804	2,815	3,207	2,684	-1,544	-36.5%
INFORMATION SERVICES	40,913	41,826	40,341	39,734	39,697	-1,216	-3.0%
OTHER	1,696	4,002	4,387	13,035	12,984	11,288	665.6%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>30.2%</b>	<b>30.1%</b>	<b>28.7%</b>	<b>30.7%</b>	<b>32.0%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>323,217</b>	<b>350,948</b>	<b>351,287</b>	<b>337,647</b>	<b>346,009</b>	<b>22,792</b>	<b>7.1%</b>
ENVIRONMENTAL	21,693	25,868	27,845	24,473	21,801	108	0.5%
SAFETY AND HEALTH	73,126	77,562	84,092	74,175	76,249	3,123	4.3%
FACILITIES MANAGEMENT	40,183	40,257	40,088	35,005	38,578	-1,605	-4.0%
MAINTENANCE	84,682	81,221	77,272	74,970	84,057	-625	-0.7%
UTILITIES	10,869	10,120	10,642	9,801	9,872	-997	-9.2%
SAFEGUARDS AND SECURITY	33,980	41,198	41,576	49,977	55,070	21,090	62.1%
LOGISTICS SUPPORT	18,383	17,445	16,543	17,975	19,989	1,606	8.7%
QUALITY ASSURANCE	8,359	8,343	7,227	8,134	8,822	463	5.5%
LABORATORY/TECHNICAL SUPPORT	31,942	48,934	46,002	43,137	31,571	-371	-1.2%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>3.6%</b>	<b>4.8%</b>	<b>6.0%</b>	<b>10.6%</b>	<b>5.6%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>38,738</b>	<b>55,805</b>	<b>73,180</b>	<b>116,258</b>	<b>60,523</b>	<b>21,785</b>	<b>56.2%</b>
MANAGEMENT/INCENTIVE FEE	27,384	46,246	61,191	103,524	49,155	21,771	79.5%
TAXES	11,354	9,559	11,989	12,734	11,368	14	0.1%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

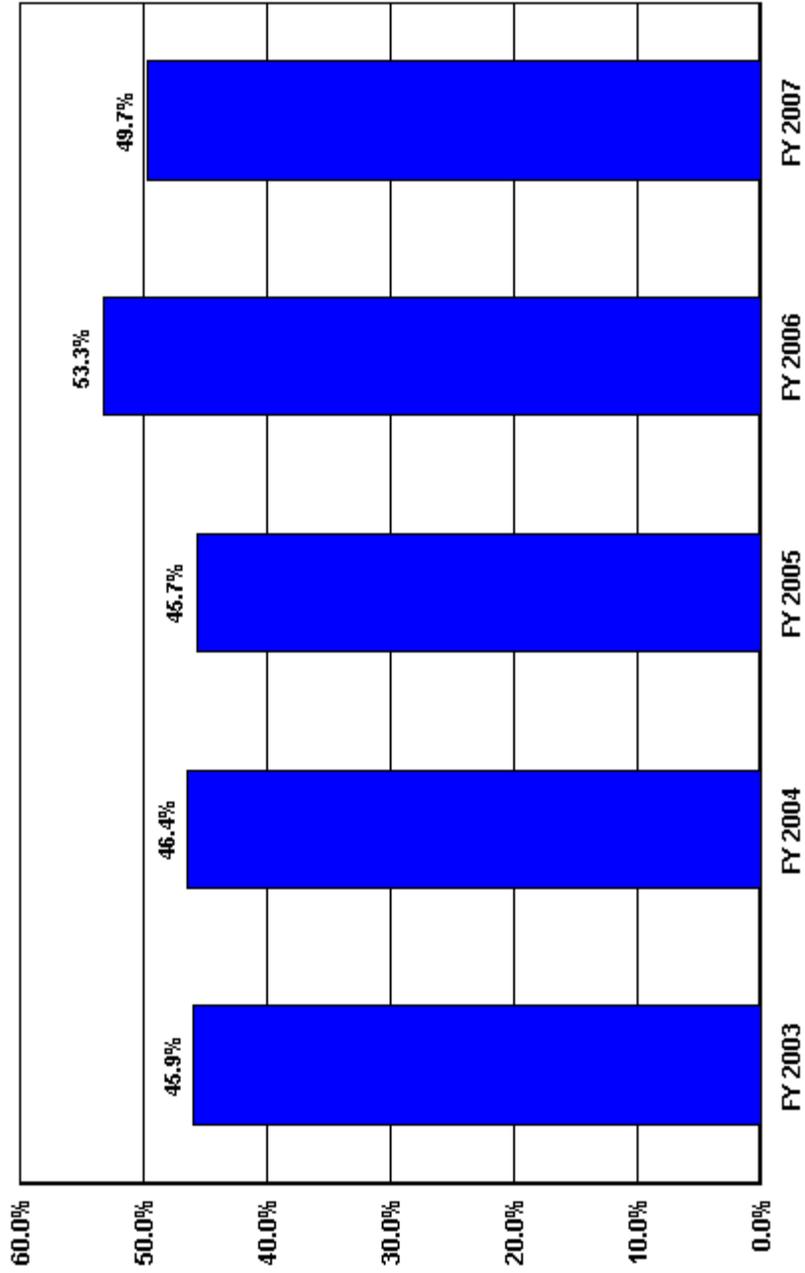
**US Department of Energy  
Total Functional Support  
Hanford/Fluor Daniel, CH2M Hill & W. Closure**



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>491,192</b>	<b>542,067</b>	<b>558,880</b>	<b>585,855</b>	<b>537,287</b>

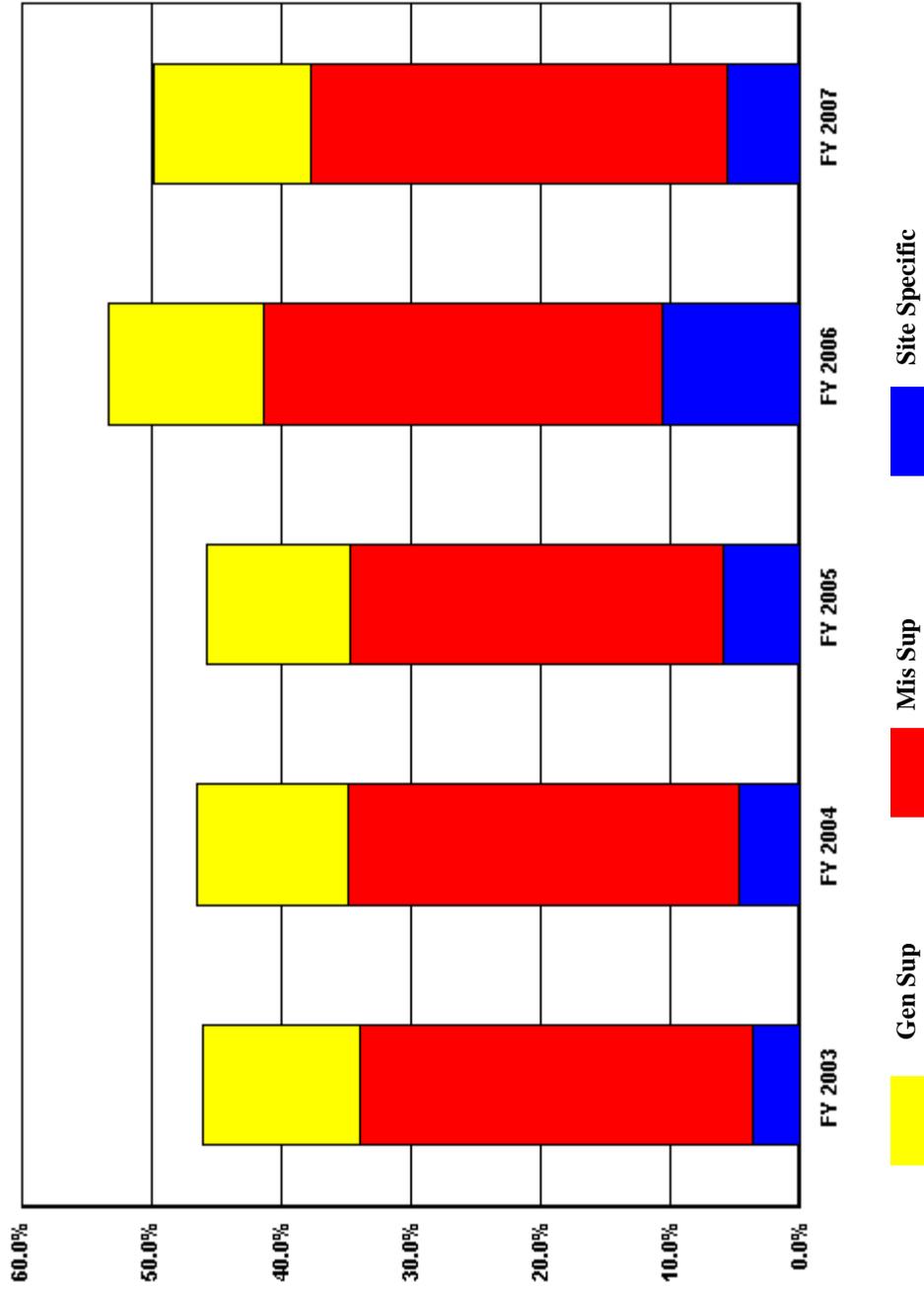
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Hanford/Fluor Daniel, CH2M Hill & W. Closure**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>45.9%</b>	<b>46.4%</b>	<b>45.7%</b>	<b>53.3%</b>	<b>49.7%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Hanford/Fluor Daniel, CH2MHill & W.Closure**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Gen Sup</b>	12.1%	11.6%	11.0%	12.0%	12.1%
<b>Mis Sup</b>	30.2%	30.1%	28.7%	30.7%	32.0%
<b>Site Specific</b>	3.6%	4.8%	6.0%	10.6%	5.6%

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**SITE PROFILE**  
**Hanford/Fluor Daniel, CH2M Hill & W.Closure**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Hanford site, a 586 square mile tract near Richland, Washington, was established during World War II to produce plutonium for America's nuclear weapons arsenal. The site reached peak production in the 1960s when nine reactors were in operation at the Hanford Site. Department of Energy (DOE) halted weapons material production in the late 1980s and is now engaged in environmental cleanup efforts to deal with the legacy of radioactive and hazardous wastes that resulted from the plutonium production era.

The Hanford Site has two separate DOE offices. The DOE Office of River Protection (ORP) manages the program to remove the waste from the tanks, vitrify the waste for long-term storage or disposal, and close Hanford's tank farms. The prime DOE contract for these activities is held by CH2M Hill Hanford Group, Inc.

The DOE Richland Operations Office (RL) oversees the bulk of cleanup, including plutonium stabilization, cleanup of contaminated soil and buildings, stabilization and storage of spent nuclear fuel, and waste treatment and disposal. Fluor Hanford Inc. and Washington Closure Hanford complete cleanup activities for RL.

The contractors manage and maintain over 2,000 facilities, many of which are 30 to 50 years old. The facilities include inactive nuclear reactors, administrative facilities, analytical laboratories, storage facilities, mobile offices, and trailers. The Hanford site struggles to maintain the older facilities with current standards and actively seeks ways to minimize its facility maintenance and repair costs.

Because of the large size of the Hanford site, DOE has been attempting to "reduce the government footprint" by accelerating cleanup efforts and transferring land to the Department of Interior. Three counties border the site: Benton, Franklin, and Grant. All three counties are paid an annual total of over \$3 million in Payments in Lieu of taxes (PILT). These PILT payments allow counties to recoup some of the funds lost due to the property being owned by the government rather than tax-paying landowners.

The site continues to progress on its three primary objectives:

- Restore the River Corridor
- Transition the Plateau
- Prepare for the future

The River Corridor encompasses approximately 210 square miles adjacent to the Columbia River. It is divided into three areas: the 100 Area, comprising of nine shut-down plutonium reactors and support facilities; the 300 Area, comprising manufacturing and research facilities; and the 600 Area,

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**SITE PROFILE**  
**Hanford/Fluor Daniel, CH2M Hill & W.Closure**

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encompassing mostly vacant land between the 100 and 300 Areas. Multiyear efforts are underway to remove sodium systems from Hanford production legacy.

The tradition of the Plateau refers to an area in the center of the Hanford site, which includes the 200 and 400 Areas and is the location of Hanford's longer-term missions of waste treatment, storage and disposal operations.

Discussion of Major Trends and Changes from the Prior Year

Hanford's Total Functional Support Cost has decreased since last year to pre-FY04 values. This decrease is largely attributed to reduced Site Specific Management fee costs for FY07 (~ \$54M). General and Mission Support costs changed marginally over FY06.

While it should be noted that functional support costs are not intended to be utilized to compare sites, there are some differences in the Hanford site that may distort Hanford data. The SCFAR guidance states that the contractor that originates the costs should report functional costs. With several major contractors at Hanford the costs could appear "out of line" with similar sites in certain categories, due to the fact that some functions have been centralized from a site perspective. In addition, the geographic location and size of the site requires the performance of many fundamental infrastructure support activities that may not be required at smaller sites.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**EXECUTIVE DIRECTION**

Additional executive direction added due to project work process control issues. (WCH)

**LABORATORY/TECHNICAL SUPPORT**

Functional Activity Report Peer Review recommended several cost elements be moved from this category...so costs reported in FY07 in this category are less. (CH2M)

**SITE PROFILE**  
**Hanford/Fluor Daniel, CH2M Hill & W.Closure**

**MANAGEMENT/INCENTIVE FEE**

1. PHMC fee reduced from FY06 by approx. \$22M as indicated in the approved baseline fee profile (FH).
2. Cost decreased from \$29,810k in FY 2006 to negative \$2,530k in FY 2007, for a total decrease of \$32,340k. The decrease was driven by the reversal of \$15,298k in fee in FY 2007. In FY 2006, CH2M HILL submitted a Request for Equitable Adjustment (REA) for \$15,298k in fee, and accrued this amount as fee in the FY 2006 financial records. In FY 2007, the REA was denied by DOE so CH2M HILL reversed the accrued fee. As a result, the booked fee was \$30,596k less in FY 2007 than in FY 2006 (\$15,298k + \$15,298k).

**COST SAVINGS INITIATIVES**

(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Tank Vapors Solution Project	3,800	CH2M HILL has significantly reduced the costs associated with tank vapors through implementation of the Tank Vapor Solutions Project. Specifically, tank vapor sampling and analysis was expedited and completed for all but one farm complex resulting in implementation of new vapor controls. The new controls minimized the management, Industrial Health and vapor protection costs associated with the monitoring of Tank Farms and utilization of supplied air. The Safety and Health programs, including Industrial Health were also streamlined as part of Vapor Solutions.	ORP

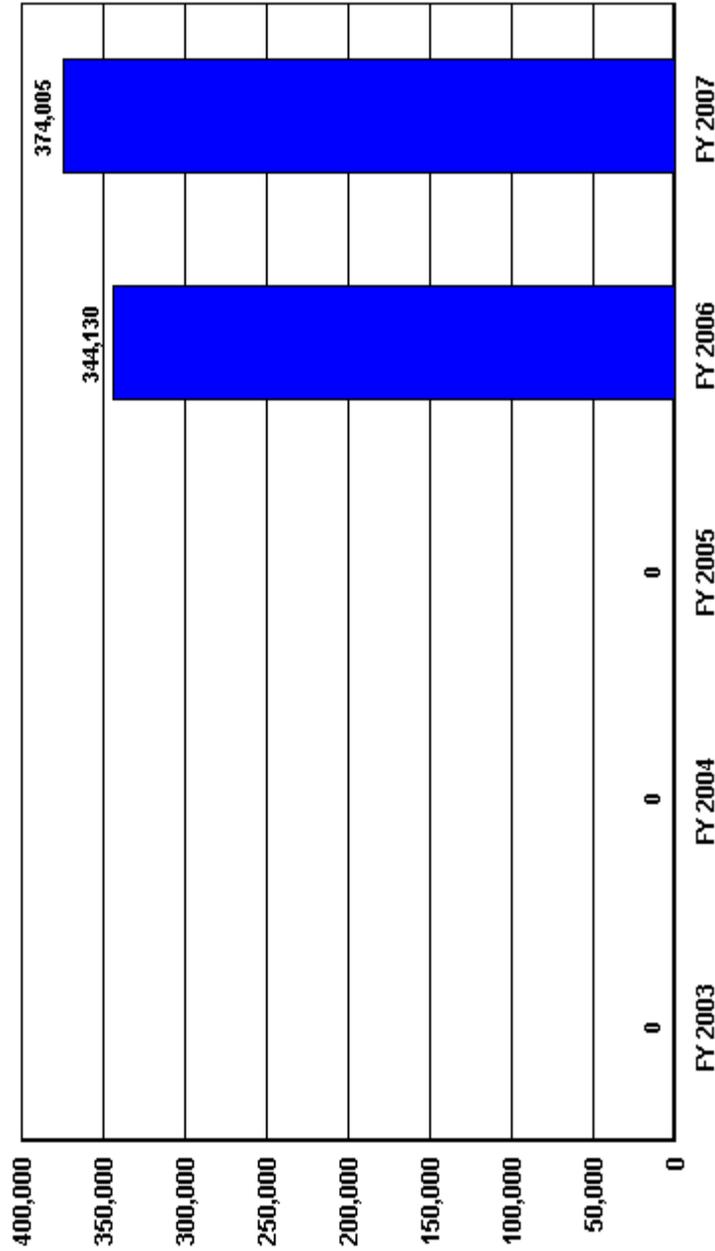
**SITE PROFILE**  
**Hanford/Fluor Daniel, CH2M Hill & W.Closure**

Labor Cost Efficiencies	2,900	CH2M HILL realized significant labor cost efficiencies for management and support functions such as Engineering, Quality Assurance, Safety, Human Resources, planning and integration/technical support and maintenance of assessments. These efficiencies were accomplished through reduced staffing levels, management of subcontractor staff augmentation labor, management of attrition, control of overtime and accomplishment of more work for others than planned.	ORP
Waste feed Operational Efficiencies	1,800	CH2M HILL realized significant cost savings from Operations efficiencies associated with Waste Feed Operations and Single-Shell Tanks surveillance and monitoring, operations, essential services, RadCon, and management. Specifically, efficiencies resulted from back to back Double-Shell Tank (DST) to DST waste transfers and Evaporator campaigns utilizing similar work planning evolutions and trained labor crews, lessons learned from similar activities, installation of in-farm camera systems for remote surveillances, electronic records management of routine surveillances and implementation of rigorous overtime controls.	ORP

**Trends in Total Support Cost by Functional Categories**  
**Idaho National Lab-Battelle Energy Alliance (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	0	0	0	612,038	650,049	650,049	100.0%
<b>Capital Construction</b>	0	0	0	19,609	12,053	12,053	100.0%
<b>Total Costs Less Construction</b>	0	0	0	592,429	637,996	637,996	100.0%
<b>Total Support Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>344,130</b>	<b>374,005</b>	<b>374,005</b>	<b>100.0%</b>
<b>Mission Direct Operation</b>	0	0	0	248,299	263,991	263,991	100.0%
<b>Mission Direct Operation as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>40.6%</b>	<b>40.6%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3.2%</b>	<b>1.9%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>56.2%</b>	<b>57.5%</b>		
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>56.2%</b>	<b>57.5%</b>		
<b>TOTAL SUPPORT COST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>344,130</b>	<b>374,005</b>	<b>374,005</b>	<b>100.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>18.4%</b>	<b>19.5%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112,498</b>	<b>126,742</b>	<b>126,742</b>	<b>100.0%</b>
EXECUTIVE DIRECTION	0	0	0	22,393	23,607	23,607	100.0%
HUMAN RESOURCES	0	0	0	10,659	10,500	10,500	100.0%
CFO	0	0	0	6,598	8,950	8,950	100.0%
PROCUREMENT	0	0	0	3,884	3,549	3,549	100.0%
LEGAL	0	0	0	2,814	3,084	3,084	100.0%
CENTRAL ADMIN SERVICES	0	0	0	8,881	11,819	11,819	100.0%
PROGRAM/PROJECT CONTROL	0	0	0	4,645	7,889	7,889	100.0%
INFORMATION OUTREACH	0	0	0	10,446	10,462	10,462	100.0%
INFORMATION SERVICES	0	0	0	42,038	46,704	46,704	100.0%
OTHER	0	0	0	140	178	178	100.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>32.3%</b>	<b>32.8%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>197,901</b>	<b>212,977</b>	<b>212,977</b>	<b>100.0%</b>
ENVIRONMENTAL	0	0	0	3,438	5,330	5,330	100.0%
SAFETY AND HEALTH	0	0	0	41,527	39,665	39,665	100.0%
FACILITIES MANAGEMENT	0	0	0	25,345	32,279	32,279	100.0%
MAINTENANCE	0	0	0	47,987	49,897	49,897	100.0%
UTILITIES	0	0	0	16,057	15,477	15,477	100.0%
SAFEGUARDS AND SECURITY	0	0	0	41,140	42,684	42,684	100.0%
LOGISTICS SUPPORT	0	0	0	12,848	15,018	15,018	100.0%
QUALITY ASSURANCE	0	0	0	8,080	9,694	9,694	100.0%
LABORATORY/TECHNICAL SUPPORT	0	0	0	1,479	2,933	2,933	100.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.5%</b>	<b>5.3%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,731</b>	<b>34,286</b>	<b>34,286</b>	<b>100.0%</b>
MANAGEMENT/INCENTIVE FEE	0	0	0	17,600	17,372	17,372	100.0%
TAXES	0	0	0	488	1,223	1,223	100.0%
LDRD / PDRD / SDRD	0	0	0	15,643	15,691	15,691	100.0%

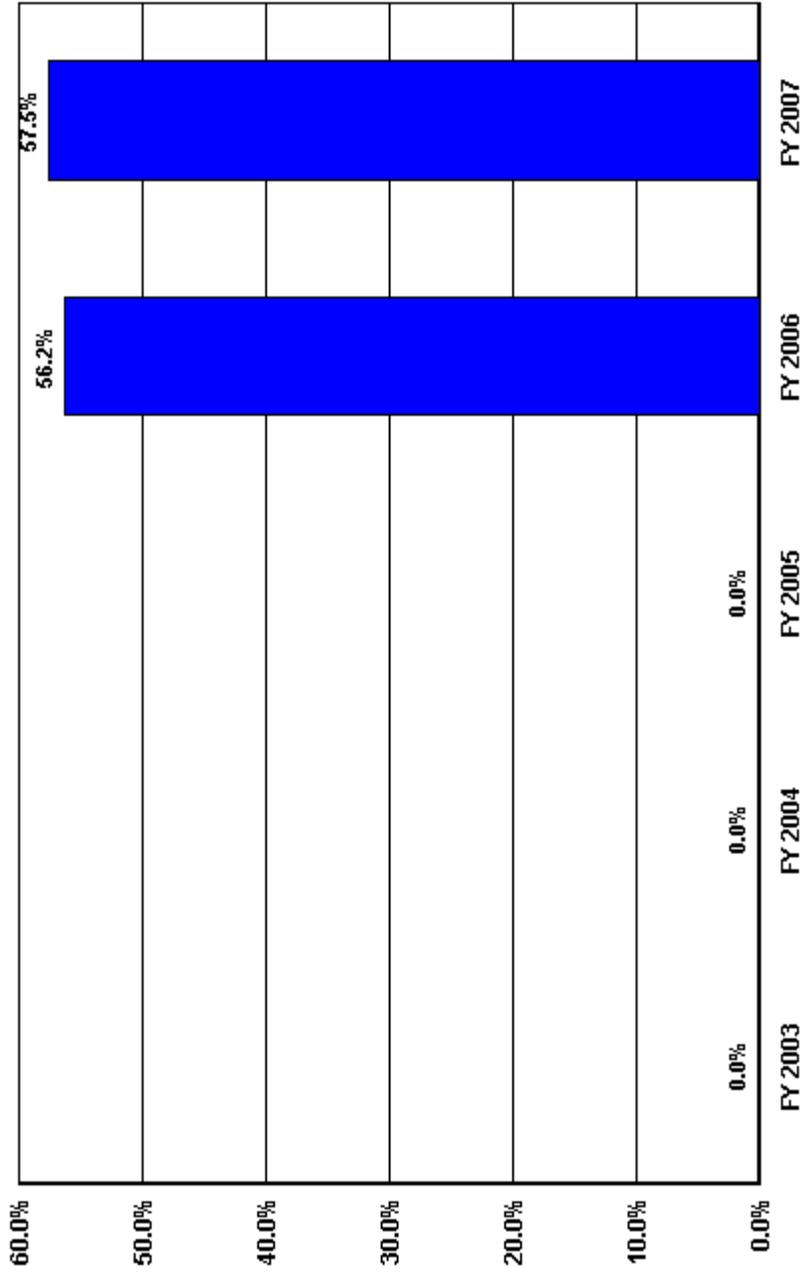
**US Department of Energy**  
**Total Functional Support**  
**Idaho National Lab-Battelle Energy Alliance**



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	0	0	0	344,130	374,005

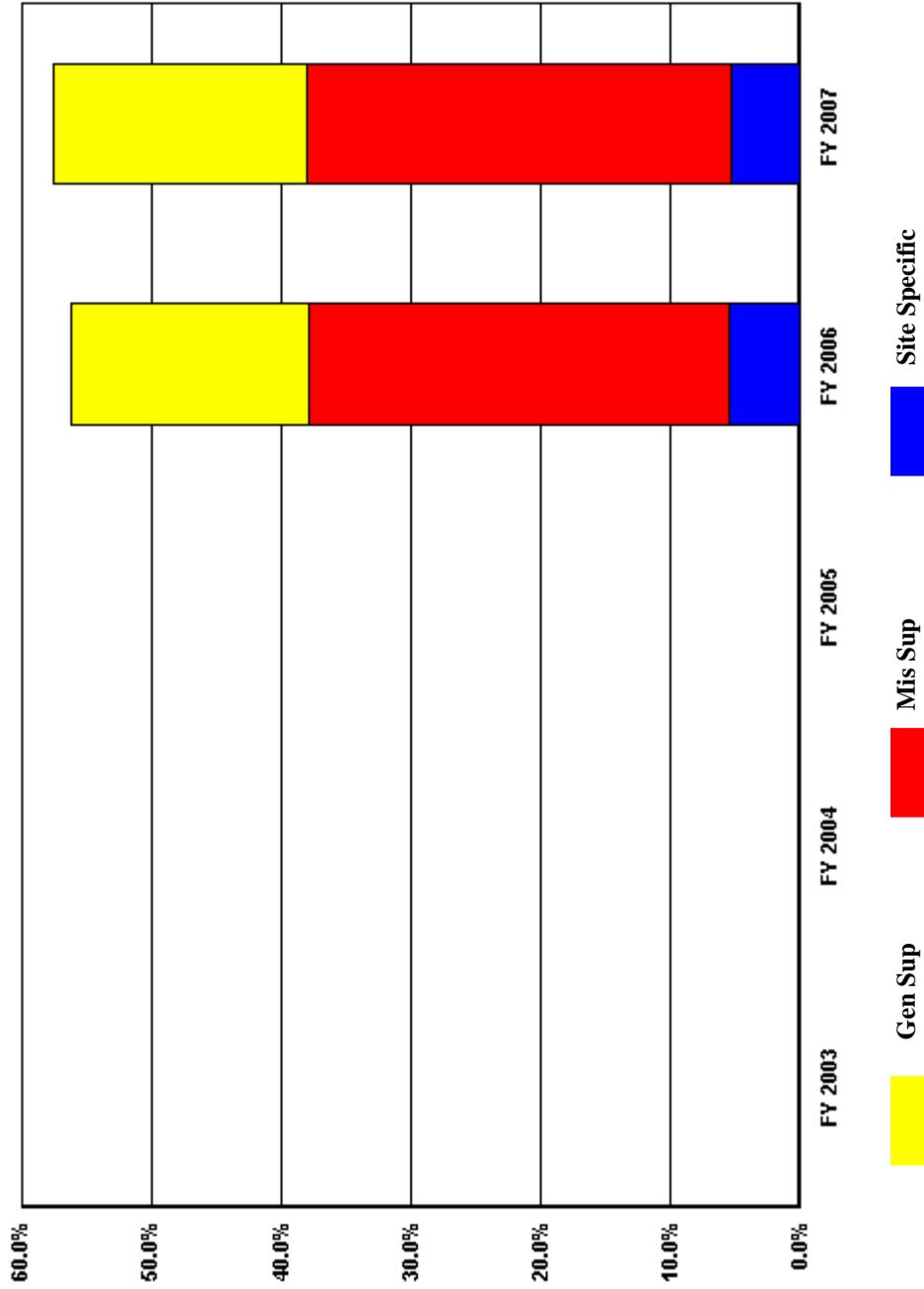
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Idaho National Lab-Battelle Energy Alliance**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>56.2%</b>	<b>57.5%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Idaho National Lab-Battelle Energy Alliance**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	0.0%	0.0%	0.0%	18.4%	19.5%
Mis Sup	0.0%	0.0%	0.0%	32.3%	32.8%
Site Specific	0.0%	0.0%	0.0%	5.5%	5.3%

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**SITE PROFILE**  
**Idaho National Lab-Battelle Energy Alliance**

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**SITE OVERVIEW AND CHARACTERISTIC**

In FY 2005 the Idaho National Engineering and Environmental Laboratory (INEEL) contract was split into two separate contracts through competitive bids initiated by the DOE Idaho Operations Office (DOE-ID). The first solicitation was for the Management and Operations (M&O) responsibilities of the new Idaho National Laboratory (INL) which includes the Laboratory portion of the INEEL and consolidation of the former Argonne National Laboratory — West (ANL-W) operated by the University of Chicago (UC) into the INL. The second solicitation was for the management responsibilities related to the Site’s clean-up activities.

On February 1, 2005 Battelle Energy Alliance, LLC (BEA) assumed management responsibilities of the INL from predecessor contractors Bechtel BWXT Idaho, LLC (BBWI) and UC. The stated goal of the INL contract is to “Work towards the creation of a world-class, multi-disciplinary laboratory focused on nuclear energy and national security research and development.”

From May 2005 to the end of January 2007, other site services costs were shared between the INL and CWI, the primary contractor for the site’s clean-up activities. The conclusion of cost sharing in January resulted in the INL becoming a totally independent entity in February 2007.

**SITE CHARACTERISTICS**

The INL functional cost profile is a result of the many factors and characteristics associated with our diverse operational missions. A comprehensive knowledge of site-specific characteristics (missions, diversity and complexity of work, duration of effort, regulatory drivers, geography, etc.) is required to fully understand and draw meaningful conclusions from this data. Some of the factors affecting the INL functional cost profile include:

- INL is a multi-program Federally Funded Research and Development Center laboratory with a diverse customer base.
- The INL occupies 889 square miles with the associated logistics/infrastructure.
- There are 8 major “site” operating complexes and 5 facilities in the City of Idaho Falls, which are 40 to 60 miles from the site. Approximately 1,700 employees work in town locations while 2,000 employees work in site locations.
- INL provides support services of \$96.6M to other “on-site” government entities, e.g., the Naval Reactors Facility (NRF), Idaho Cleanup Project (ICP), and DOE-ID.
- Examples of operational missions include:
  - Research and Development — The INL is involved in scientific research and development with a focus on nuclear energy and national security.
  - Nuclear Operations — The INL operates the Advanced Test Reactor (ATR) which provides

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**SITE PROFILE**  
**Idaho National Lab-Battelle Energy Alliance**

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material and fuel test results for the U.S. Navy and produces various isotopes.

- Manufacturing — the INL produces tank armor for the U.S. Army.
- INL is one of the largest employers in the state of Idaho.

**MISCELLANEOUS NOTE**

The Other category for \$39K was composed of an increase of \$148K for General Liability insurance and a decrease of \$109K for Directors and Officers Insurance.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**CFO**

The majority of this increase was due to increased relocation expenses for strategic new hires and other employees.

**CENTRAL ADMIN SERVICES**

Increased labor costs associated with demand for additional services such as text processing.

**PROGRAM/PROJECT CONTROL**

This category increased due to additional labor costs and increased subcontract costs for program/project control activities.

**OTHER**

There was an increase for general liability insurance.

**ENVIRONMENTAL**

Due to an increase in additional labor costs and subcontract costs for environmental activities.

**FACILITIES MANAGEMENT**

Increased activities associated with the INL Transformation Plan which resulted in increased labor costs and increased subcontract costs.

**LABORATORY/TECHNICAL SUPPORT**

Increase for additional labor costs and subcontract costs for environmental activities.

**TAXES**

Increase is the result of accruals/credits associated with FY 06 activity.

**COST SAVINGS INITIATIVES**

(\$ in 000's)

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**SITE PROFILE**  
**Idaho National Lab-Battelle Energy Alliance**

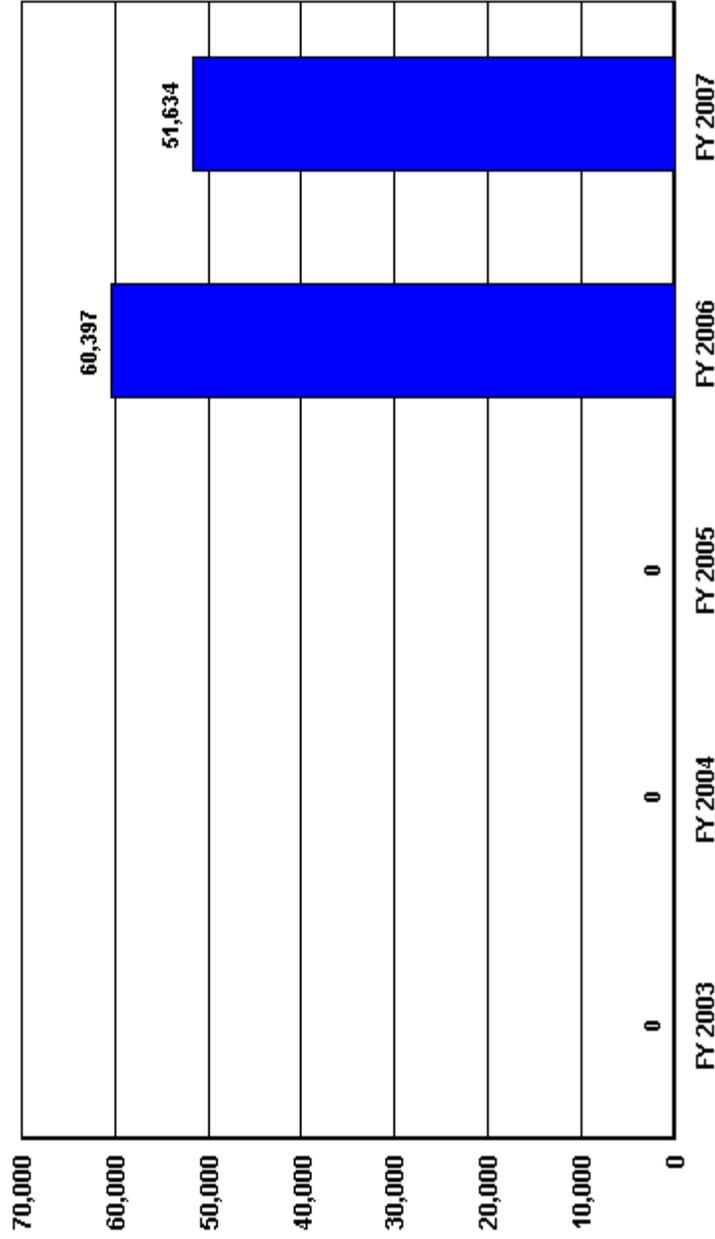
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<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Idaho National Lab-Bechtel BWXT (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	0	0	0	143,776	123,500	123,500	100.0%
<b>Capital Construction</b>	0	0	0	0	0	0	0.0%
<b>Total Costs Less Construction</b>	0	0	0	143,776	123,500	123,500	100.0%
<b>Total Support Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,397</b>	<b>51,634</b>	<b>51,634</b>	<b>100.0%</b>
<b>Mission Direct Operation</b>	0	0	0	83,379	71,866	71,866	100.0%
<b>Mission Direct Operation as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>58.0%</b>	<b>58.2%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>42.0%</b>	<b>41.8%</b>		
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>42.0%</b>	<b>41.8%</b>		
<b>TOTAL SUPPORT COST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,397</b>	<b>51,634</b>	<b>51,634</b>	<b>100.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>7.0%</b>	<b>11.7%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,031</b>	<b>14,461</b>	<b>14,461</b>	<b>100.0%</b>
EXECUTIVE DIRECTION	0	0	0	978	2,590	2,590	100.0%
HUMAN RESOURCES	0	0	0	837	1,466	1,466	100.0%
CFO	0	0	0	982	901	901	100.0%
PROCUREMENT	0	0	0	1,078	1,602	1,602	100.0%
LEGAL	0	0	0	200	249	249	100.0%
CENTRAL ADMIN SERVICES	0	0	0	884	943	943	100.0%
PROGRAM/PROJECT CONTROL	0	0	0	740	691	691	100.0%
INFORMATION OUTREACH	0	0	0	143	277	277	100.0%
INFORMATION SERVICES	0	0	0	4,189	5,742	5,742	100.0%
OTHER	0	0	0	0	0	0	0.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>26.5%</b>	<b>27.8%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38,064</b>	<b>34,328</b>	<b>34,328</b>	<b>100.0%</b>
ENVIRONMENTAL	0	0	0	1,526	1,137	1,137	100.0%
SAFETY AND HEALTH	0	0	0	14,390	18,008	18,008	100.0%
FACILITIES MANAGEMENT	0	0	0	4,758	2,164	2,164	100.0%
MAINTENANCE	0	0	0	7,239	6,546	6,546	100.0%
UTILITIES	0	0	0	416	527	527	100.0%
SAFEGUARDS AND SECURITY	0	0	0	475	502	502	100.0%
LOGISTICS SUPPORT	0	0	0	554	1,464	1,464	100.0%
QUALITY ASSURANCE	0	0	0	2,550	1,975	1,975	100.0%
LABORATORY/TECHNICAL SUPPORT	0	0	0	6,156	2,005	2,005	100.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.6%</b>	<b>2.3%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,302</b>	<b>2,845</b>	<b>2,845</b>	<b>100.0%</b>
MANAGEMENT/INCENTIVE FEE	0	0	0	10,855	2,405	2,405	100.0%
TAXES	0	0	0	1,447	440	440	100.0%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

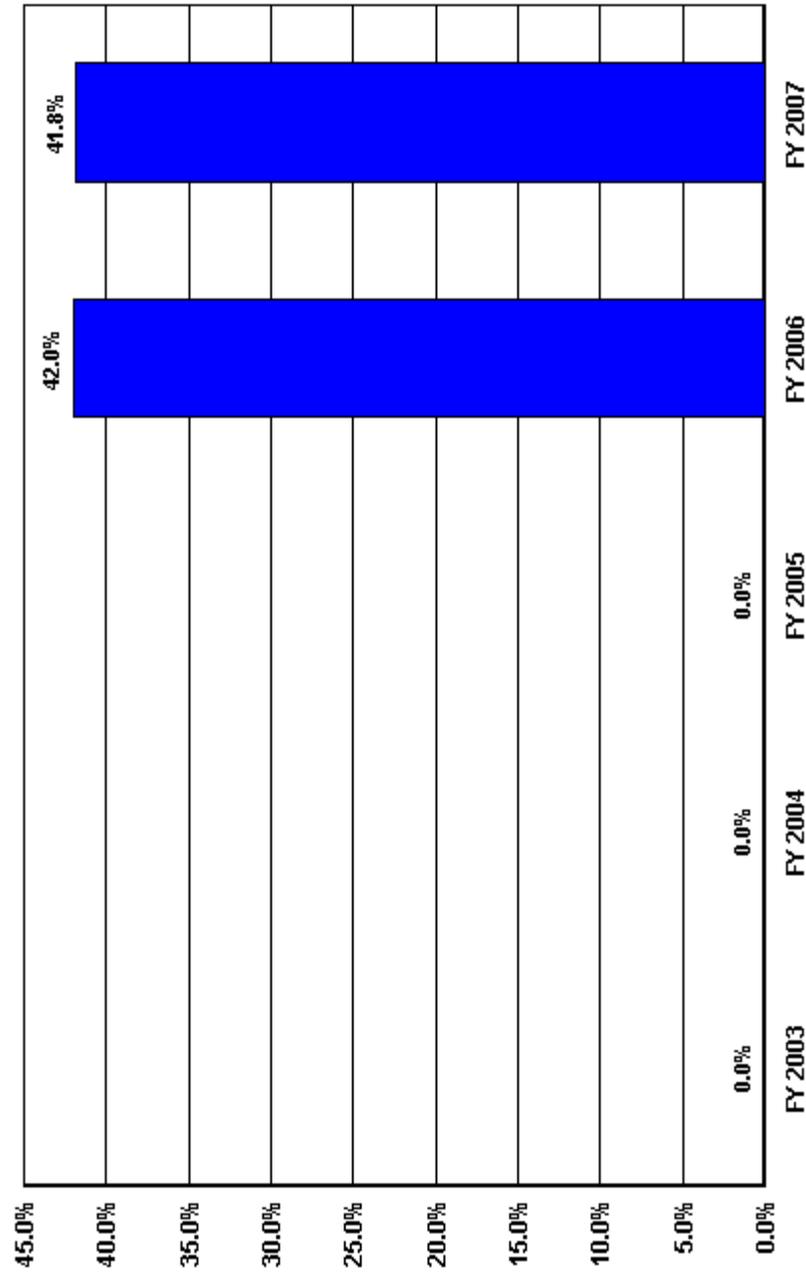
US Department of Energy  
 Total Functional Support  
 Idaho National Lab-Bechtel BWXT



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	0	0	0	60,397	51,634

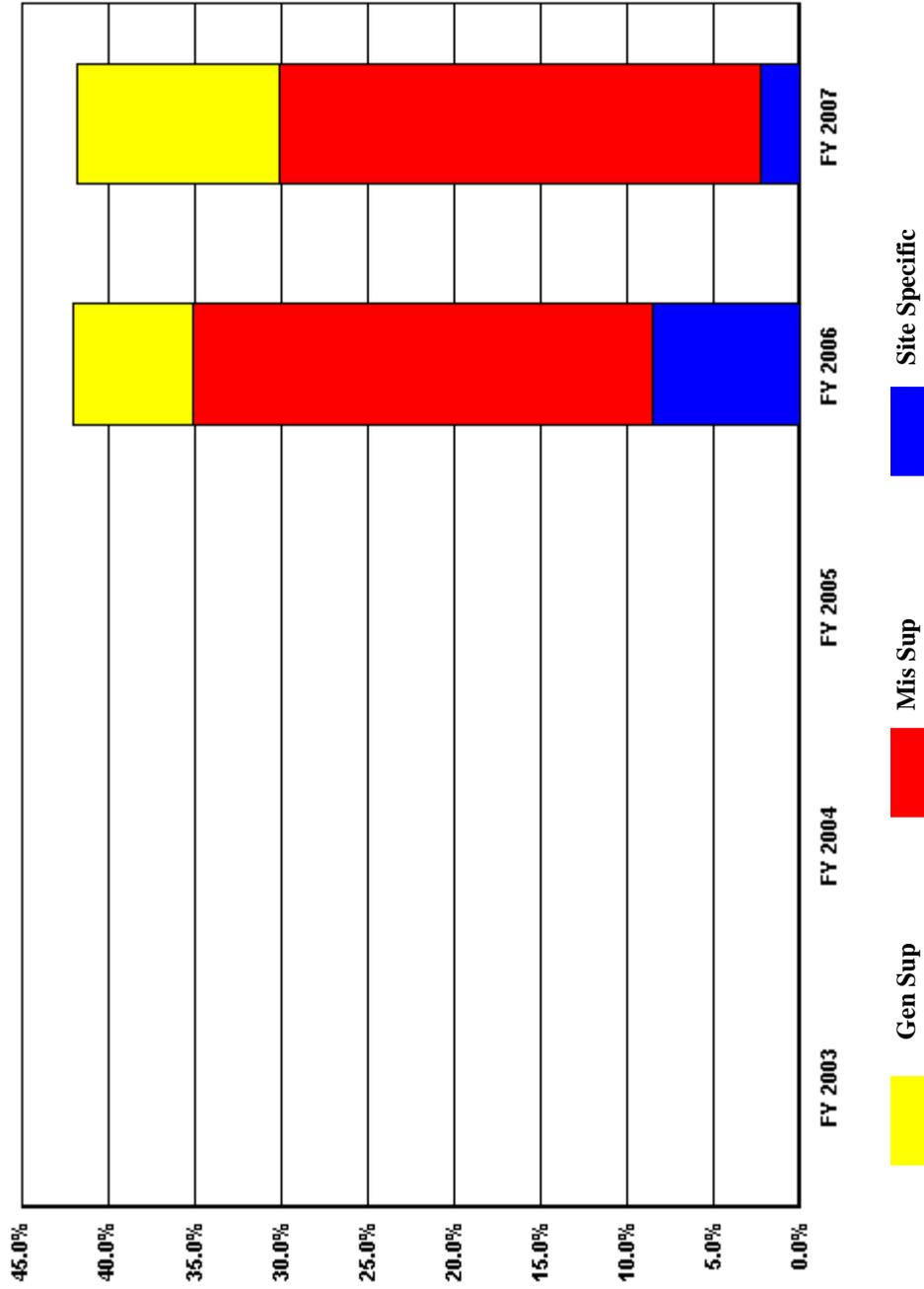
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Idaho National Lab-Bechtel BWXT**



 Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>42.0%</b>	<b>41.8%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Idaho National Lab-Bechtel BWXT**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	0.0%	0.0%	0.0%	7.0%	11.7%
Mis Sup	0.0%	0.0%	0.0%	26.5%	27.8%
Site Specific	0.0%	0.0%	0.0%	8.6%	2.3%

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**SITE PROFILE**  
**Idaho National Lab-Bechtel BWXT**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Advanced Mixed Waste Treatment Project is the U.S. Department of Energy's most advanced waste treatment facility and is a cornerstone of DOE's commitment to prepare and ship waste out of Idaho. AMWTP is managed by Bechtel BWXT Idaho.

Operations at AMWTP require the retrieval, characterization, treatment and packaging of transuranic waste currently stored at DOE's Idaho site. The project's schedule is aligned with court-mandated milestones in a 1995 Settlement Agreement between the state of Idaho, the U.S. Navy and DOE to remove the waste from Idaho.

AMWTP has a workforce of approximately 745 Bechtel BWXT Idaho employees, supplemented by approximately 93 subcontract employees. Operations take place 24 hours a day, seven days a week, 365 days a year.

AMWTP is located on the Idaho National Laboratory site, approximately 50 miles west of Idaho Falls, Idaho. AMWTP shares the southern fence line with the Radioactive Waste Management Complex. There are five key functions that define the overall operating mission of AMWTP. These activities take place in 10 main facilities. These operations include:

**Retrieval**

Waste is retrieved from Waste Management Facility-636 where it was originally stored in drums and boxes on asphalt pads under a soil berm that was later enclosed in a metal building. Drums and boxes are systematically removed and taken to characterization.

**Characterization**

Retrieved waste is examined and characterized in Waste Management Facility-634 to determine its contents using testing equipment such as radiography (X-Rays), gamma spectrometry, drum coring, or headspace gas sampling. Based on the waste in the drums or boxes it may be sent to loading facilities for packaging and shipping, or to the Treatment Facility for further processing. Waste awaiting characterization is stored in five Type II storage modules, WMF-629-633.

**Treatment Facility**

The Treatment Facility, Waste Management Facility-676, houses a supercompactor and a shredder that reduce the volume of waste. The shredder can reduce boxes to sawdust and metal scrapings, while the supercompactor can compact a 55-gallon drum to roughly one-fifth its original size. Waste

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**SITE PROFILE**  
**Idaho National Lab-Bechtel BWXT**

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from the Treatment Facility, both “pucks” (compacted drums) and waste from the shredder are packaged into lightweight drums that are then placed in overpack containers.

**Payload Assembly**

Waste from the Treatment Facility is taken to Waste Management Facility-635 where it is assembled into shipping payloads. The payloads are placed in overpack containers and loaded into transport vessels called TRUPACTs.

**Shipping**

TRUPACTs are loaded and inspected in Waste Management Facility-618. The TRUPACTs are put through various visual and mechanical inspections by the Idaho State Police before they are shipped by truck. Transuranic waste is taken to the Waste Isolation Pilot Plant in New Mexico. Mixed low level waste is taken to a licensed disposal site outside of Idaho.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**EXECUTIVE DIRECTION**

An increase in Six Sigma activities.

**HUMAN RESOURCES**

Increased relocation costs and consultant costs.

**PROCUREMENT**

Due to increased warehouse and storage costs.

**INFORMATION SERVICES**

Upgrades to the waste tracking system and the to the project computer infrastructure.

**SAFETY AND HEALTH**

Implementation of the Integrated Safety Management System.

**FACILITIES MANAGEMENT**

Decrease due to completing building modifications.

**LOGISTICS SUPPORT**

Car pool vehicles were switched to be under the control of GSA.

**QUALITY ASSURANCE**

Decrease due to moving costs to other appropriate functional cost categories.

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**SITE PROFILE**  
**Idaho National Lab-Bechtel BWXT**

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**LABORATORY/TECHNICAL SUPPORT**

Decrease due to moving costs to associated with mission direct activities.

**MANAGEMENT/INCENTIVE FEE**

Decrease due to a lower amount of earned fee.

**TAXES**

Lower amount of taxes were paid due to a lower fee earned as well as a decrease in taxable procurements.

**COST SAVINGS INITIATIVES**

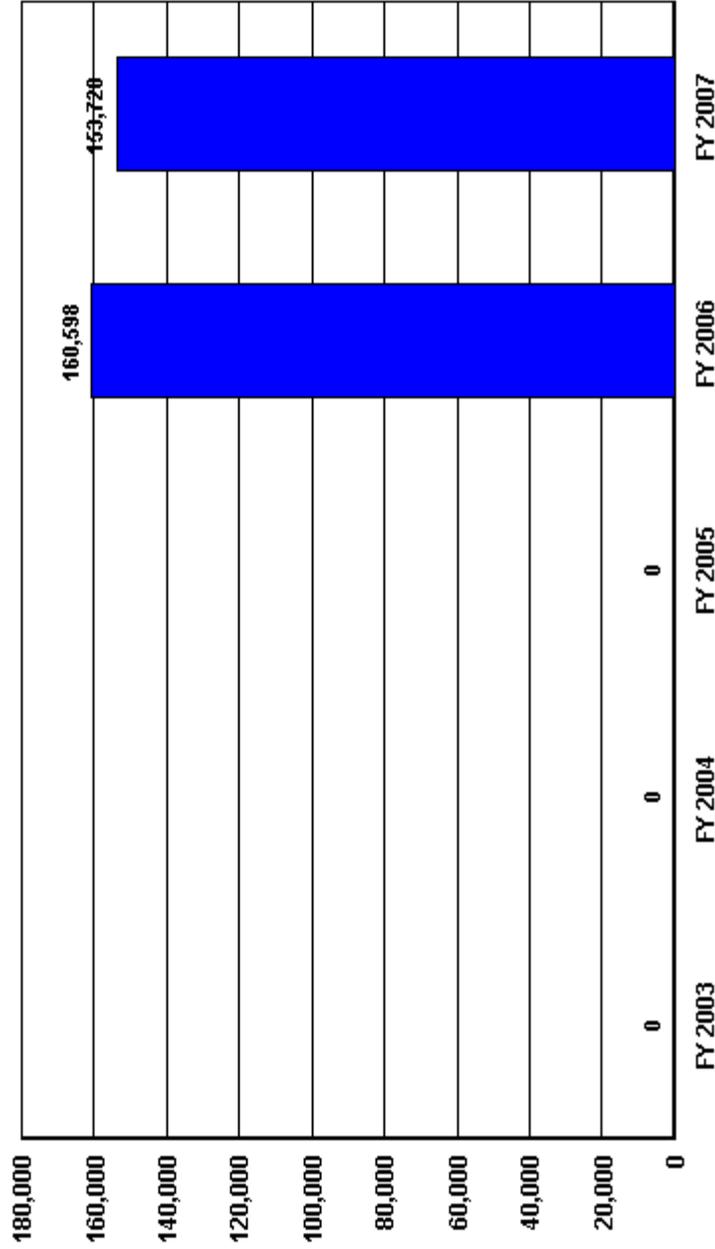
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Idaho National Lab-CH2MWG (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	0	0	0	414,375	451,700	451,700	100.0%
<b>Capital Construction</b>	0	0	0	34,975	68,406	68,406	100.0%
<b>Total Costs Less Construction</b>	0	0	0	379,400	383,294	383,294	100.0%
<b>Total Support Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160,598</b>	<b>153,728</b>	<b>153,728</b>	<b>100.0%</b>
<b>Mission Direct Operation</b>	0	0	0	218,802	229,566	229,566	100.0%
<b>Mission Direct Operation as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>52.8%</b>	<b>50.8%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.4%</b>	<b>15.1%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>38.8%</b>	<b>34.0%</b>		
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>38.8%</b>	<b>34.0%</b>		
<b>TOTAL SUPPORT COST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160,598</b>	<b>153,728</b>	<b>153,728</b>	<b>100.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>15.0%</b>	<b>9.9%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,064</b>	<b>44,713</b>	<b>44,713</b>	<b>100.0%</b>
EXECUTIVE DIRECTION	0	0	0	1,724	1,888	1,888	100.0%
HUMAN RESOURCES	0	0	0	2,863	3,464	3,464	100.0%
CFO	0	0	0	3,610	5,362	5,362	100.0%
PROCUREMENT	0	0	0	979	1,334	1,334	100.0%
LEGAL	0	0	0	1,553	1,272	1,272	100.0%
CENTRAL ADMIN SERVICES	0	0	0	9,585	7,581	7,581	100.0%
PROGRAM/PROJECT CONTROL	0	0	0	16,915	7,433	7,433	100.0%
INFORMATION OUTREACH	0	0	0	562	652	652	100.0%
INFORMATION SERVICES	0	0	0	10,122	13,164	13,164	100.0%
OTHER	0	0	0	14,151	2,563	2,563	100.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>19.0%</b>	<b>19.4%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78,883</b>	<b>87,741</b>	<b>87,741</b>	<b>100.0%</b>
ENVIRONMENTAL	0	0	0	8,687	17,896	17,896	100.0%
SAFETY AND HEALTH	0	0	0	19,502	25,460	25,460	100.0%
FACILITIES MANAGEMENT	0	0	0	7,168	9,790	9,790	100.0%
MAINTENANCE	0	0	0	12,838	10,439	10,439	100.0%
UTILITIES	0	0	0	8,441	8,370	8,370	100.0%
SAFEGUARDS AND SECURITY	0	0	0	535	285	285	100.0%
LOGISTICS SUPPORT	0	0	0	6,748	7,467	7,467	100.0%
QUALITY ASSURANCE	0	0	0	11,528	4,462	4,462	100.0%
LABORATORY/TECHNICAL SUPPORT	0	0	0	3,436	3,572	3,572	100.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>4.7%</b>	<b>4.7%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,651</b>	<b>21,274</b>	<b>21,274</b>	<b>100.0%</b>
MANAGEMENT/INCENTIVE FEE	0	0	0	17,101	18,773	18,773	100.0%
TAXES	0	0	0	2,550	2,501	2,501	100.0%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

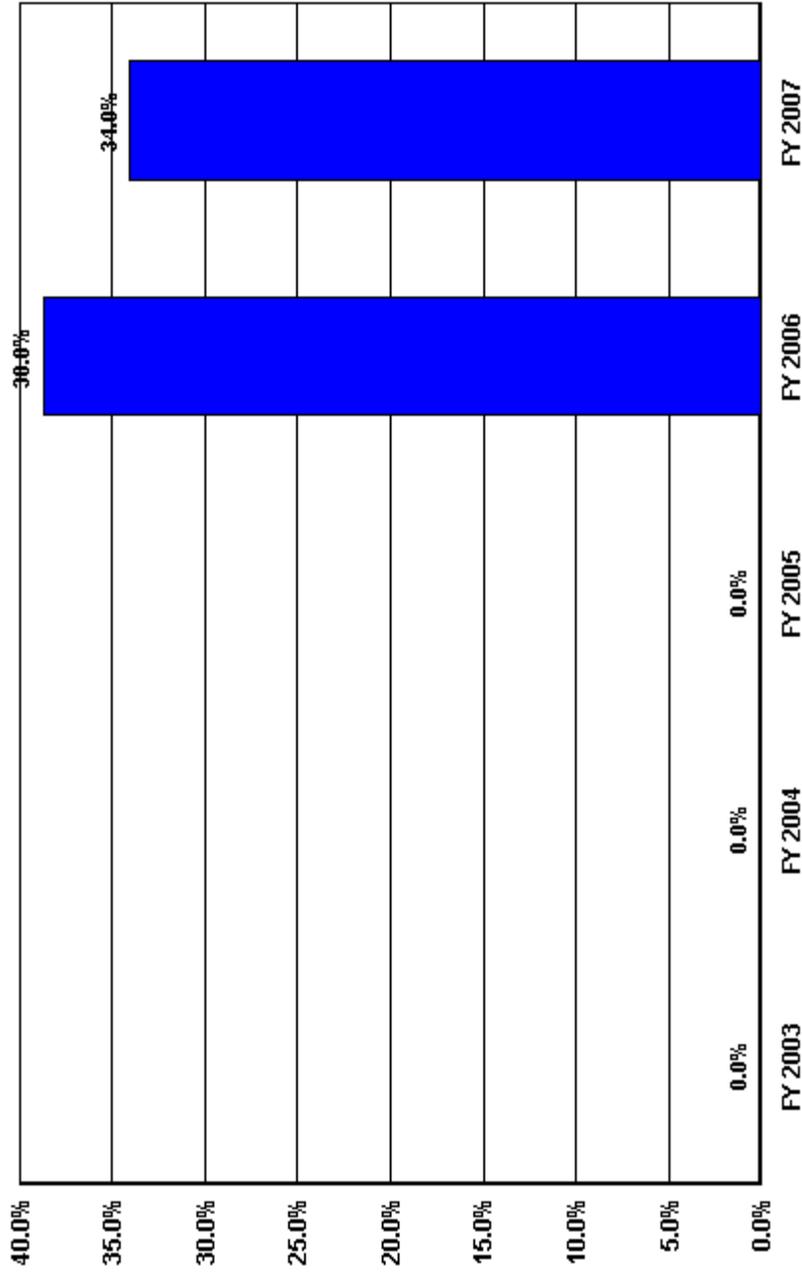
US Department of Energy  
 Total Functional Support  
 Idaho National Lab-CH2MWG



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Functional Support	0	0	0	160,598	153,728

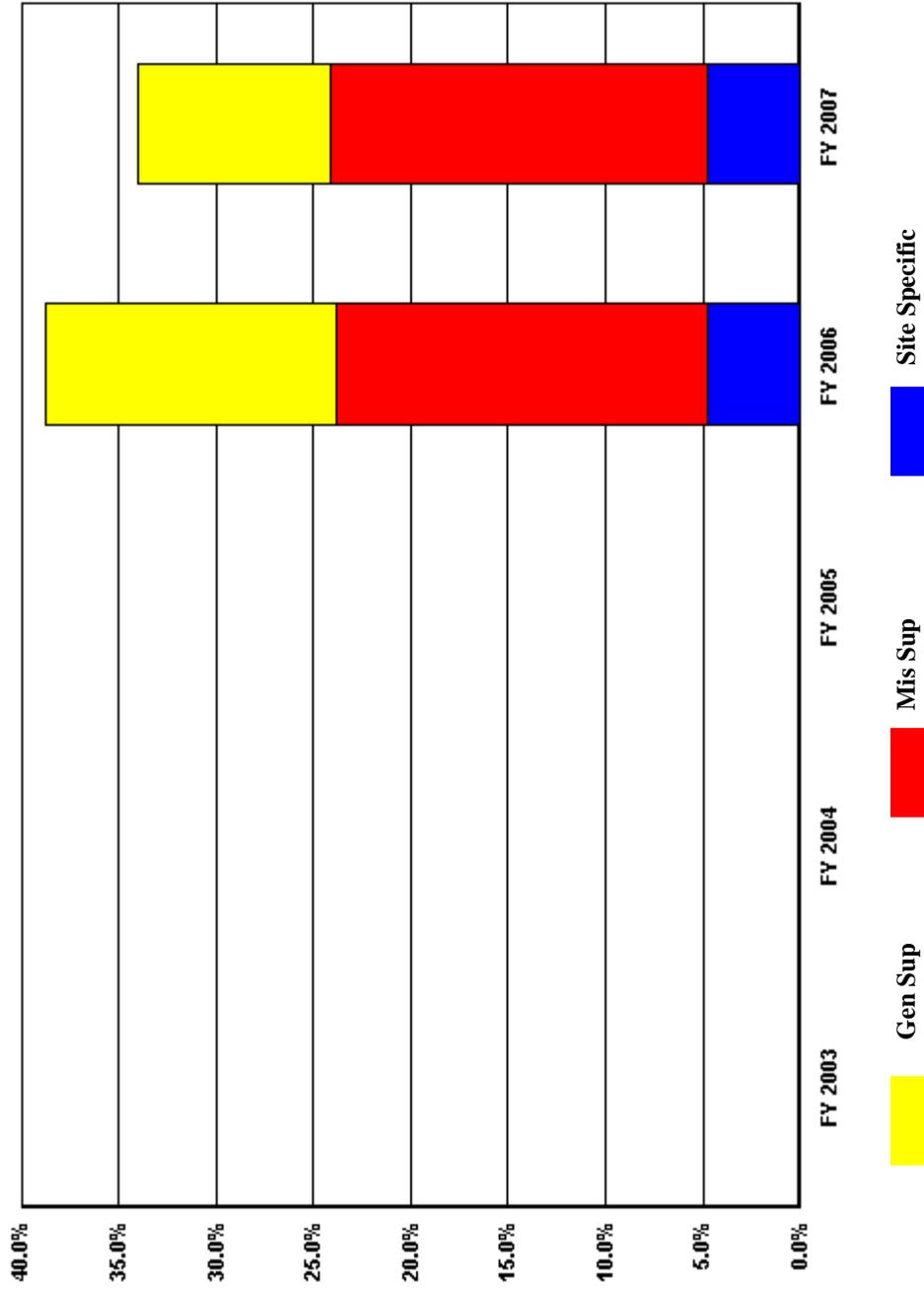
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Idaho National Lab-CH2MWWG**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>38.8%</b>	<b>34.0%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Idaho National Lab-CH2MWG**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	0.0%	0.0%	0.0%	15.0%	9.9%
Mis Sup	0.0%	0.0%	0.0%	19.0%	19.4%
Site Specific	0.0%	0.0%	0.0%	4.7%	4.7%

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**SITE PROFILE**  
**Idaho National Lab-CH2MWG**

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**SITE OVERVIEW AND CHARACTERISTIC**

CH2M-WG Idaho, LLC (CWI) assumed management of the Idaho Cleanup Project (ICP) and related Idaho National Laboratory (INL) projects on May 1, 2005. The ICP consists of defined environmental nuclear cleanup activities to be completed by September 30, 2012. CWI has a FAR based contract with Cost-Plus-Incentive-Fee provisions for the ICP and Cost-Plus-Fixed-Fee provisions for other work performed.

The scope of the ICP is impacted by the environmental legacy at the INL, the diversity and complexity of the work, schedule constraints, and regulatory drivers. The CWI Support Costs are therefore significantly impacted by:

- The logistics and infrastructure requirements caused by the location of ICP projects throughout the 889 square mile INL
- Site locations averaging 50 miles from the city of Idaho Falls where general support operations are located
- The diverse workforce of Salaried and Union employees
- CWI providing some support services to the entire INL (Printing, Dosimetry, etc.)
- Waste cleanup activities for various types of environmental problems (Transuranic Waste, Low-level Waste, High-Level Waste, Mixed Low-level Waste, Spent Nuclear Fuel)
- The State of Idaho Settlement Agreement

Trends:

CWI began reporting Support Costs with FY06 data. Prior to FY 06 Support Costs were included in the consolidated INL submittal.

General Support — \$17.3 million, 28% Decrease.

- The workforce restructuring that occurred in FY06 (\$14 million in severance payments) was not repeated to that scale in FY07 (less than \$1 million in severance payments). CWI will be continuing to restructure its workforce as ICP work is completed and as required to effect cost savings.
- The contractually required sharing of support services between CWI and the other major INL contractor (Battelle Energy Alliance (BEA)) was completed at the end of January 2007. With the termination of this agreement in FY07 CWI no longer performs some of those services.

Field Specific - \$1.5 million, 8% Increase.

- The ICP data shows both a favorable cost and schedule variance to the baseline used for Fee determination. This results in slightly more Fee earned in FY07 than in FY06.

Mission Support - \$8.8 million, 11% Increase.

- Mission Support activities are a function of the changing activities in Mission Direct and

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**SITE PROFILE**  
**Idaho National Lab-CH2MWG**

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emphasis placed on Safety support.

- During FY07 CWI fully implemented its Integrated Safety Management System (ISMS) and demonstrated its safety processes to the criteria of the DOE Voluntary Protection Program (VPP). CWI was awarded the DOE VPP “Star” status in early FY08.

Mission Direct - \$10.8 million, 5% Increase.

- Direct work in risk reduction, demolition of retired facilities, waste management, and regulatory compliance continued in FY07 as planned.

Capital Construction - \$33.4 million, 96% Increase.

- CWI, within the ICP, manages a large Line Item Construction Project — Sodium Bearing Waste. The construction phase of this project was authorized and initiated in FY07.

### Cost Savings Initiatives

CWI has achieved significant cost savings in the Mission Direct category including actions in waste exhumation, fuel transfers, waste shipments, waste tank grouting, and demolition.

The following items within the various Support Cost categories represent cost savings made in FY07:

Human Resources -

- Implementation of a reduced number of D&D labor classifications provided increased flexibility in the utilization of the union employees, improving productivity. This provided an estimated \$2.5M saving in FY07 and a projected \$10M saving to the entire ICP.

Procurement -

- During FY07 CWI implemented an enhanced use of credit cards to pay vendors quickly and increase rebates. This change reduced costs in FY07 by \$.06M and is expected to save the total ICP \$3M.
- Streamlined material ordering and receiving process using a new system called Part Number Verification. Eliminated the need for over 30 additional qualified suppliers as well as reduced quality inspection time per item upon receipt. Savings are expected to total \$2M over the life of the contract.

Property Management

- Implemented a new property management system, with an estimated savings of \$1.7M to the ICP contract.

Environmental Restoration -

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**SITE PROFILE**  
**Idaho National Lab-CH2MWG**

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- CWI changed its method of retrieving and inspecting waste drums that eliminated the need to use Personal Protective Equipment and respirators. Estimated savings for the life of the contract is \$5.7M.
- A change in the method of detecting Pu239 in the air from a wet chemistry method to an air sampling method reduced counting times from 30 hours for the wet chemistry to 4-5 hours for the air sampling method. Total savings associated with this sampling method is estimated in excess of \$1M over the life of the ICP project.
- Pre-remediation physical sampling to determine contaminant extent was eliminated at eight CERCLA sites. Real-time gamma spectroscopy field instruments performed the same task for a savings in FY 07 of \$.6M.

Information Services -

- Desktop Licenses were able to be renegotiated, saving \$0.2M per year and \$1.0M for the entire ICP.
- CWI negotiated revised Cell Phone contracts saving \$0.3M per year and \$1.9M for the entire ICP.
- Computer and Network equipment replacements were accomplished using excess equipment from other sites saving \$0.1M in FY07 and \$0.8M for the entire ICP.
- A team arrangement with BEA resulted in a cost savings in Oracle Licenses of \$1.1M for the entire ICP.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**HUMAN RESOURCES**

Increase due to implementation of Employee Concerns Program.

**CFO**

Increase due to the implementation of a new financial/accounting system.

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**SITE PROFILE**  
**Idaho National Lab-CH2MWG**

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**PROCUREMENT**

Increased procurement activities in support of mission direct activities.

**CENTRAL ADMIN SERVICES**

Decreased costs as a result of cost saving initiative activities.

**PROGRAM/PROJECT CONTROL**

Improved categorization of costs as costs were moved to other more appropriate functional cost categories.

**INFORMATION SERVICES**

Increased costs associated with upgrades to the communication network and the computer network.

**OTHER**

Workforce restructuring costs decreased in FY 07.

**ENVIRONMENTAL**

Increased number of required RCRA Post-Closure permits and related environmental compliance activities. In addition, improved classification of costs which moved support costs into this category.

**SAFETY AND HEALTH**

Improved classification of costs which moved support costs into this category.

**FACILITIES MANAGEMENT**

Improved classification of costs which moved support costs into this category.

**SAFEGUARDS AND SECURITY**

Security fence activities were completed in previous fiscal year.

**QUALITY ASSURANCE**

Improved classification of costs which moved support costs from this category.

**COST SAVINGS INITIATIVES**

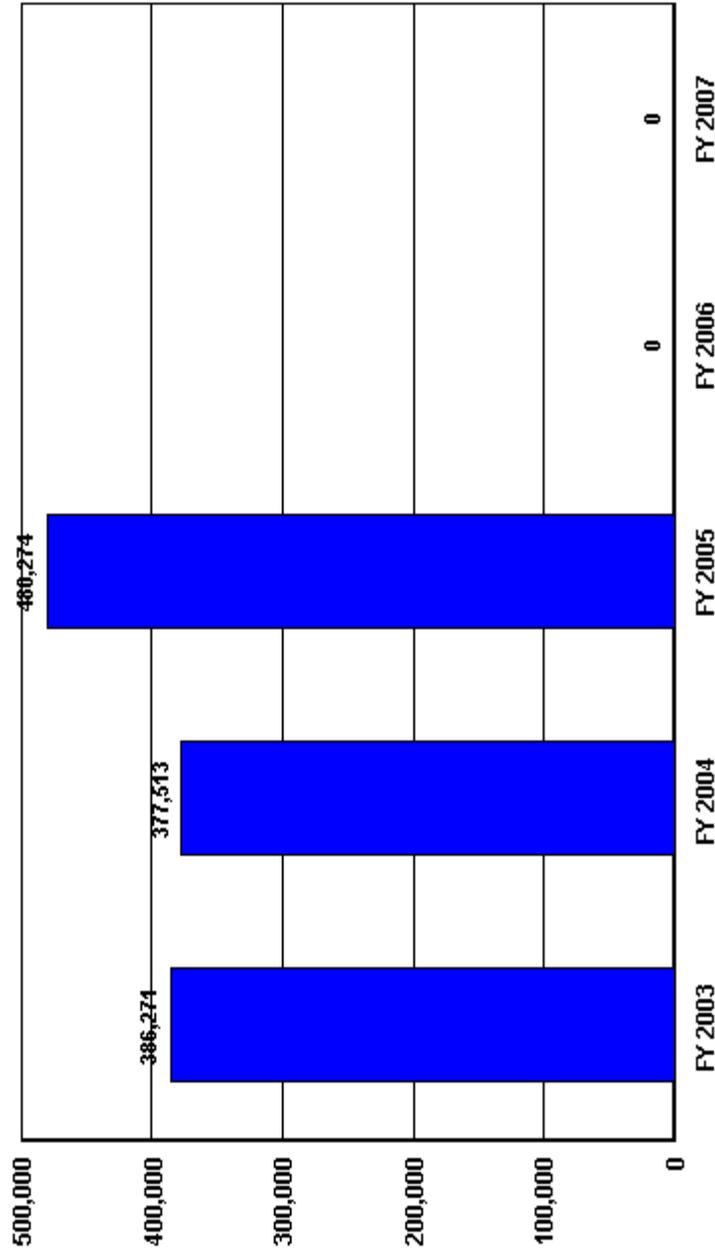
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Idaho National Lab/Battelle, Bechtel & CH2MWG (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	712,704	766,686	954,705	0	0	-712,704	-100.0%
<b>Capital Construction</b>	15,280	16,005	14,457	0	0	-15,280	-100.0%
<b>Total Costs Less Construction</b>	697,424	750,681	940,248	0	0	-697,424	-100.0%
<b>Total Support Costs</b>	<b>386,271</b>	<b>377,513</b>	<b>480,274</b>	<b>0</b>	<b>0</b>	<b>-386,271</b>	<b>-100.0%</b>
<b>Mission Direct Operation</b>	311,153	373,168	459,974	0	0	-311,153	-100.0%
<b>Mission Direct Operation as % of Total Cost</b>	<b>43.7%</b>	<b>48.7%</b>	<b>48.2%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>2.1%</b>	<b>2.1%</b>	<b>1.5%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>54.2%</b>	<b>49.2%</b>	<b>50.3%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>54.2%</b>	<b>49.2%</b>	<b>50.3%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>TOTAL SUPPORT COST</b>	<b>386,271</b>	<b>377,513</b>	<b>480,274</b>	<b>0</b>	<b>0</b>	<b>-386,271</b>	<b>-100.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>17.2%</b>	<b>14.9%</b>	<b>15.4%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>122,257</b>	<b>113,929</b>	<b>146,599</b>	<b>0</b>	<b>0</b>	<b>-122,257</b>	<b>-100.0%</b>
EXECUTIVE DIRECTION	13,272	13,071	15,978	0	0	-13,272	-100.0%
HUMAN RESOURCES	9,576	9,392	13,897	0	0	-9,576	-100.0%
CFO	6,281	7,008	11,322	0	0	-6,281	-100.0%
PROCUREMENT	6,382	8,656	9,941	0	0	-6,382	-100.0%
LEGAL	9,979	4,702	4,082	0	0	-9,979	-100.0%
CENTRAL ADMIN SERVICES	20,359	16,328	20,110	0	0	-20,359	-100.0%
PROGRAM/PROJECT CONTROL	13,805	12,502	15,072	0	0	-13,805	-100.0%
INFORMATION OUTREACH	9,103	6,809	8,539	0	0	-9,103	-100.0%
INFORMATION SERVICES	32,461	35,311	46,953	0	0	-32,461	-100.0%
OTHER	1,039	150	705	0	0	-1,039	-100.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>28.8%</b>	<b>27.4%</b>	<b>27.5%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>205,079</b>	<b>210,246</b>	<b>262,936</b>	<b>0</b>	<b>0</b>	<b>-205,079</b>	<b>-100.0%</b>
ENVIRONMENTAL	9,333	2,420	6,000	0	0	-9,333	-100.0%
SAFETY AND HEALTH	49,189	58,985	66,995	0	0	-49,189	-100.0%
FACILITIES MANAGEMENT	31,115	25,759	29,560	0	0	-31,115	-100.0%
MAINTENANCE	49,239	52,181	67,937	0	0	-49,239	-100.0%
UTILITIES	15,932	15,185	20,722	0	0	-15,932	-100.0%
SAFEGUARDS AND SECURITY	25,442	30,067	35,937	0	0	-25,442	-100.0%
LOGISTICS SUPPORT	11,917	12,544	13,723	0	0	-11,917	-100.0%
QUALITY ASSURANCE	10,750	11,379	12,926	0	0	-10,750	-100.0%
LABORATORY/TECHNICAL SUPPORT	2,162	1,726	9,136	0	0	-2,162	-100.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>8.3%</b>	<b>7.0%</b>	<b>7.4%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>58,935</b>	<b>53,338</b>	<b>70,739</b>	<b>0</b>	<b>0</b>	<b>-58,935</b>	<b>-100.0%</b>
MANAGEMENT/INCENTIVE FEE	37,109	38,109	51,655	0	0	-37,109	-100.0%
TAXES	3,264	4,350	3,371	0	0	-3,264	-100.0%
LDRD / PDRD / SDRD	18,562	10,879	15,713	0	0	-18,562	-100.0%

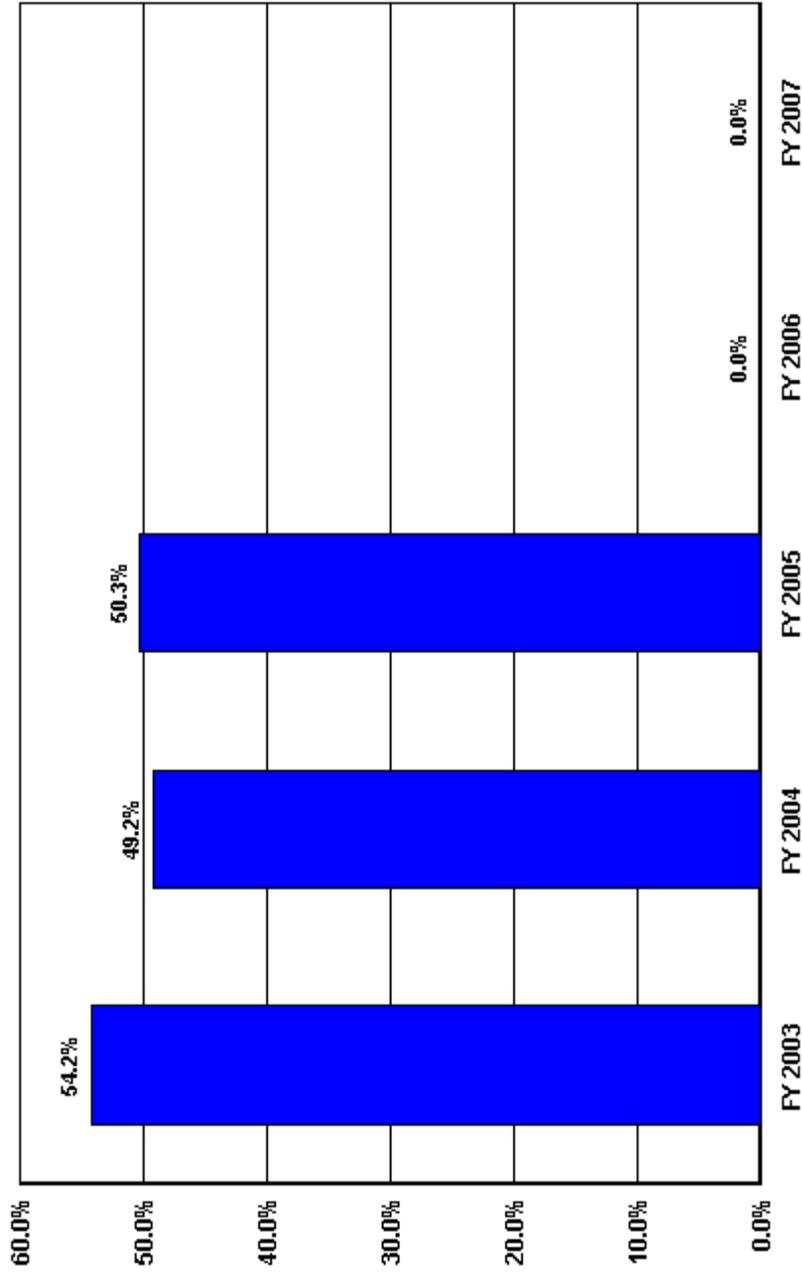
**US Department of Energy  
Total Functional Support  
Idaho National Lab/Battelle, Bechtel & CH2MWWG**



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>386,271</b>	<b>377,513</b>	<b>480,274</b>	<b>0</b>	<b>0</b>

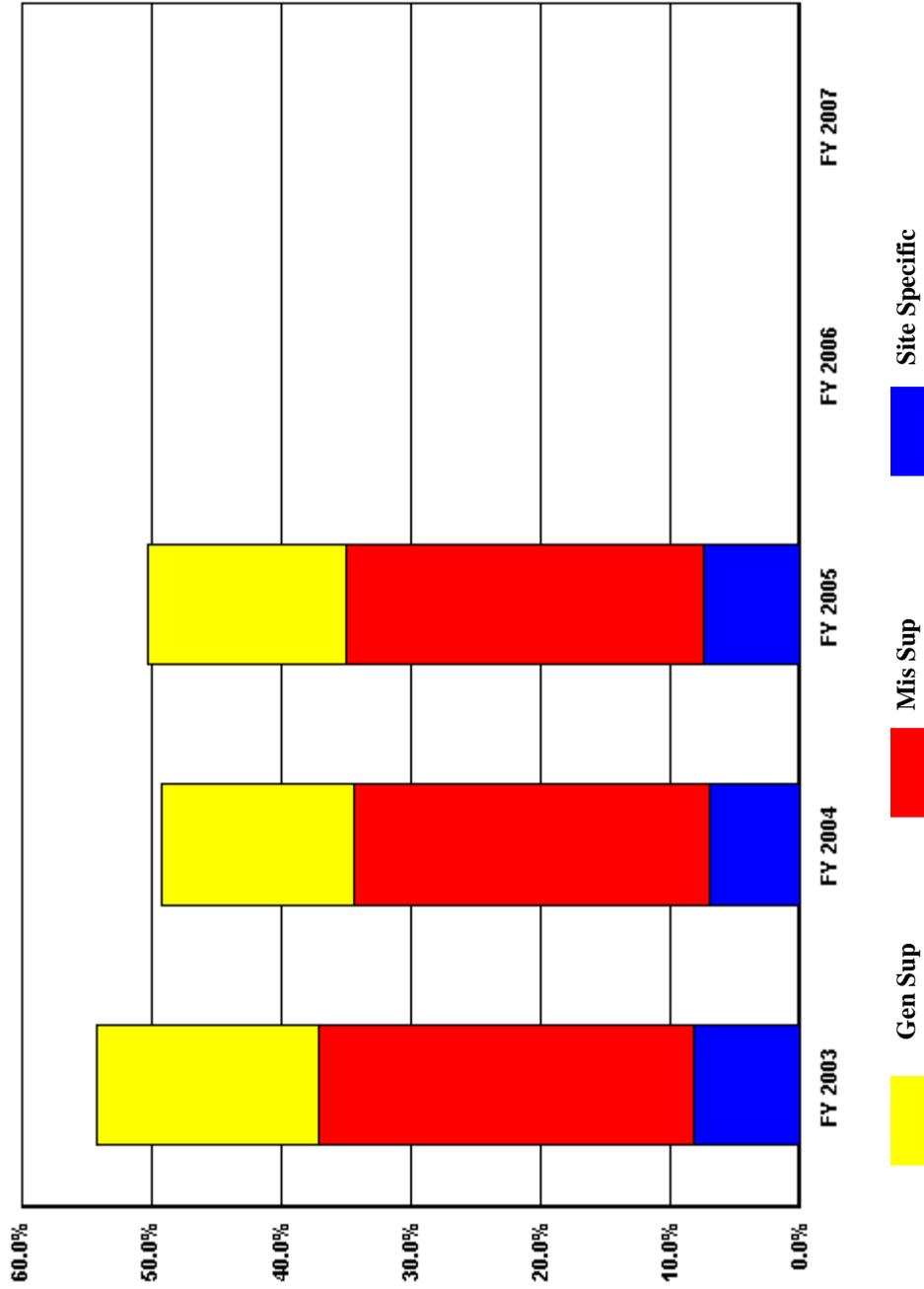
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Idaho National Lab/Battelle, Bechtel & CH2MWG**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>54.2%</b>	<b>49.2%</b>	<b>50.3%</b>	<b>0.0%</b>	<b>0.0%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Idaho National Lab/Battelle, Bechtel & CH2MWWG**

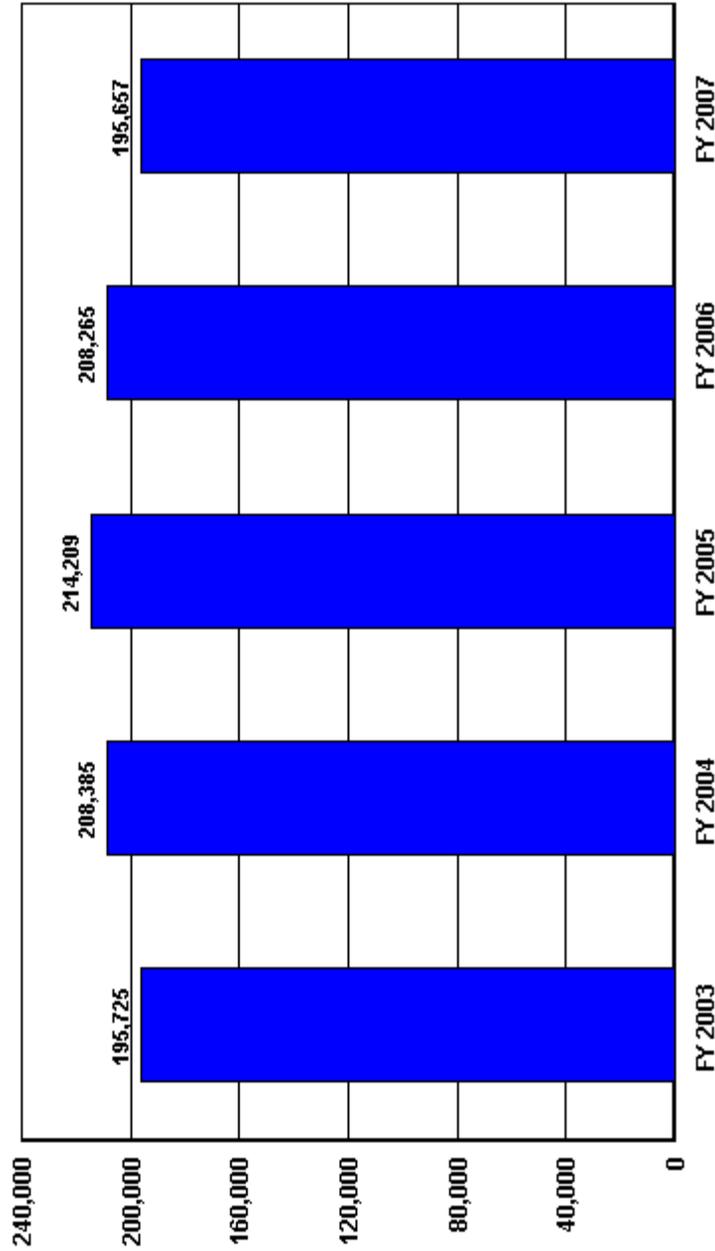


	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	17.2%	14.9%	15.4%	0.0%	0.0%
Mis Sup	28.8%	27.4%	27.5%	0.0%	0.0%
Site Specific	8.3%	7.0%	7.4%	0.0%	0.0%

**Trends in Total Support Cost by Functional Categories**  
**Kansas City Plant/Honeywell, FM&T (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	484,983	515,898	538,395	509,716	501,007	16,024	3.3%
<b>Capital Construction</b>	66,438	58,710	39,207	20,060	10,760	-55,678	-83.8%
<b>Total Costs Less Construction</b>	418,545	457,188	499,188	489,656	490,247	71,702	17.1%
<b>Total Support Costs</b>	<b>195,725</b>	<b>208,385</b>	<b>214,209</b>	<b>208,265</b>	<b>195,657</b>	<b>-68</b>	<b>0.0%</b>
<b>Mission Direct Operation</b>	222,820	248,803	284,979	281,391	294,590	71,770	32.2%
<b>Mission Direct Operation as % of Total Cost</b>	<b>45.9%</b>	<b>48.2%</b>	<b>52.9%</b>	<b>55.2%</b>	<b>58.8%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>13.7%</b>	<b>11.4%</b>	<b>7.3%</b>	<b>3.9%</b>	<b>2.1%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>40.4%</b>	<b>40.4%</b>	<b>39.8%</b>	<b>40.9%</b>	<b>39.1%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>40.4%</b>	<b>40.4%</b>	<b>39.8%</b>	<b>40.9%</b>	<b>39.1%</b>		
<b>TOTAL SUPPORT COST</b>	<b>195,725</b>	<b>208,385</b>	<b>214,209</b>	<b>208,265</b>	<b>195,657</b>	<b>-68</b>	<b>0.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>14.2%</b>	<b>13.7%</b>	<b>13.6%</b>	<b>13.5%</b>	<b>13.3%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>68,841</b>	<b>70,893</b>	<b>73,135</b>	<b>68,919</b>	<b>66,629</b>	<b>-2,212</b>	<b>-3.2%</b>
EXECUTIVE DIRECTION	5,741	5,942	6,178	5,065	4,927	-814	-14.2%
HUMAN RESOURCES	3,896	3,625	3,734	3,495	2,967	-929	-23.8%
CFO	5,209	5,834	6,045	6,414	5,415	206	4.0%
PROCUREMENT	6,453	6,769	6,483	7,558	6,877	424	6.6%
LEGAL	2,096	1,040	1,135	925	1,343	-753	-35.9%
CENTRAL ADMIN SERVICES	220	268	274	288	0	-220	-100.0%
PROGRAM/PROJECT CONTROL	8,207	8,581	8,786	8,688	10,092	1,885	23.0%
INFORMATION OUTREACH	2,812	3,494	4,399	4,742	3,692	880	31.3%
INFORMATION SERVICES	34,207	35,340	35,690	31,703	29,795	-4,412	-12.9%
OTHER	0	0	411	41	1,521	1,521	100.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>20.9%</b>	<b>21.5%</b>	<b>21.0%</b>	<b>21.5%</b>	<b>19.1%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>101,175</b>	<b>110,680</b>	<b>113,319</b>	<b>109,405</b>	<b>95,664</b>	<b>-5,511</b>	<b>-5.4%</b>
ENVIRONMENTAL	5,296	5,311	4,855	4,889	4,524	-772	-14.6%
SAFETY AND HEALTH	4,926	5,645	5,427	5,131	4,620	-306	-6.2%
FACILITIES MANAGEMENT	10,071	10,014	11,715	12,587	10,635	564	5.6%
MAINTENANCE	36,923	43,477	43,158	37,573	31,226	-5,697	-15.4%
UTILITIES	12,824	13,127	14,347	14,761	13,217	393	3.1%
SAFEGUARDS AND SECURITY	11,247	11,592	11,331	11,516	9,871	-1,376	-12.2%
LOGISTICS SUPPORT	6,795	7,726	7,951	7,741	8,353	1,558	22.9%
QUALITY ASSURANCE	9,165	9,450	9,463	9,577	9,586	421	4.6%
LABORATORY/TECHNICAL SUPPORT	3,928	4,338	5,072	5,630	3,632	-296	-7.5%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>5.3%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>5.9%</b>	<b>6.7%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>25,709</b>	<b>26,812</b>	<b>27,755</b>	<b>29,941</b>	<b>33,364</b>	<b>7,655</b>	<b>29.8%</b>
MANAGEMENT/INCENTIVE FEE	22,445	23,458	23,866	26,690	29,044	6,599	29.4%
TAXES	1,602	1,228	2,206	2,307	2,487	885	55.2%
LDRD / PDRD / SDRD	1,662	2,126	1,683	944	1,833	171	10.3%

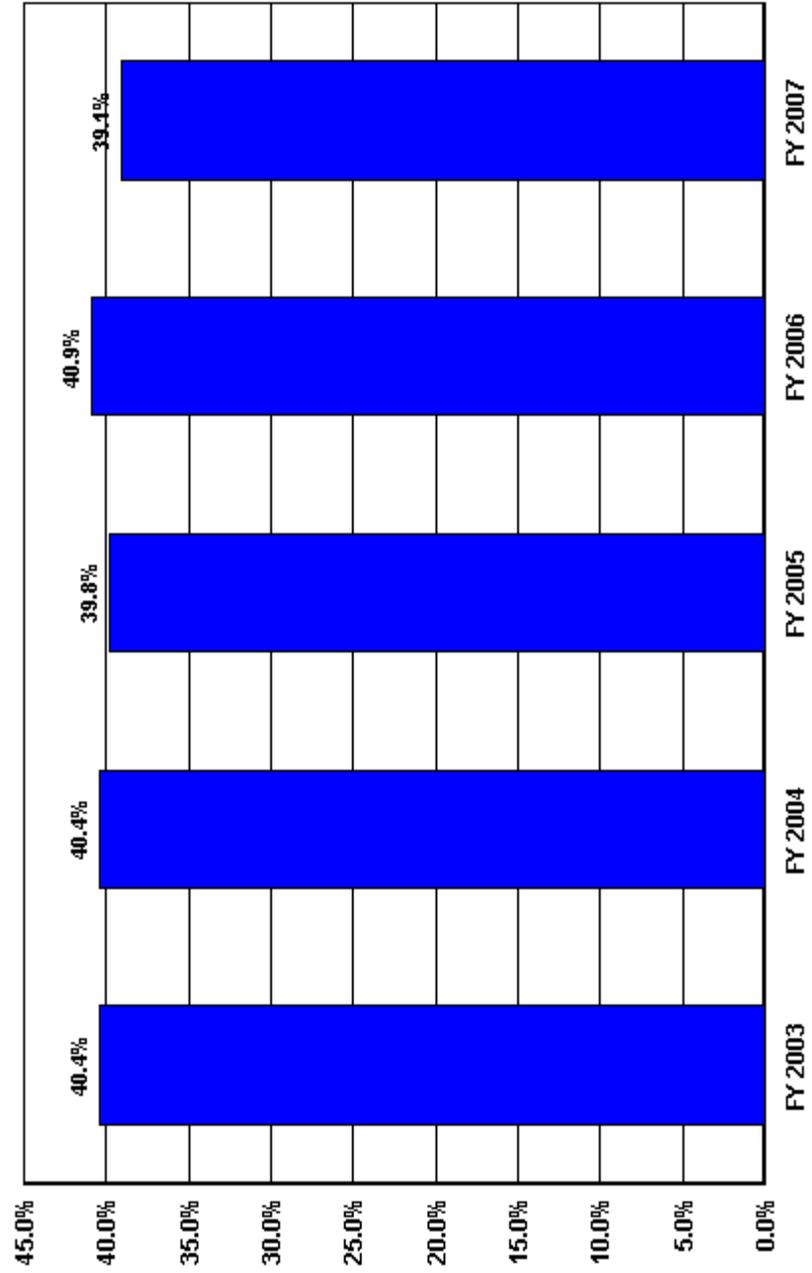
**US Department of Energy  
Total Functional Support  
Kansas City Plant/Honeywell, FM&T**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>195,725</b>	<b>208,385</b>	<b>214,209</b>	<b>208,265</b>	<b>195,657</b>

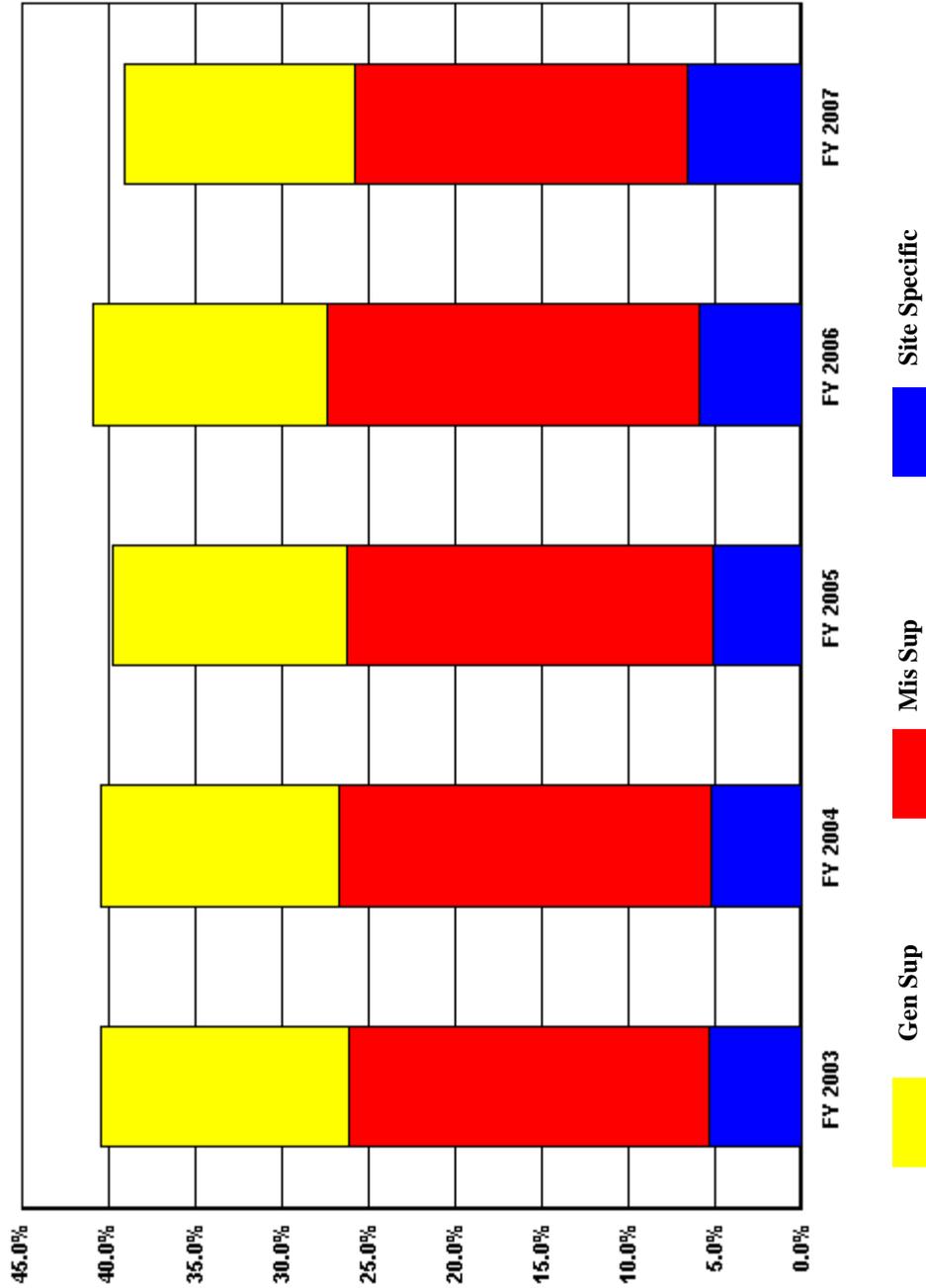
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Kansas City Plant/Honeywell, FM&T**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>40.4%</b>	<b>40.4%</b>	<b>39.8%</b>	<b>40.9%</b>	<b>39.1%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Kansas City Plant/Honeywell, FM&T**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	14.2%	13.7%	13.6%	13.5%	13.3%
Mis Sup	20.9%	21.0%	21.0%	21.5%	19.1%
Site Specific	5.3%	5.2%	5.2%	5.9%	6.7%

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**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Kansas City Plant (KCP) is operated by Honeywell, Federal Manufacturing & Technologies (FM&T). Our broad array of products and capabilities are closely linked with current and future efforts to ensure the safety and reliability of the stockpile. The plant produces over 85% of the components that constitute a nuclear weapon—more than 1,000 active ship entities for over 40 product families. Approximately 100,000 ship entity pieces are shipped annually. Engineers are responsible for the full spectrum of products and technologies that perform weapon functions from access authorization to delivery of energy to the nuclear explosives package. These products include items such as radars, programmers, reservoirs, joint test assemblies, trajectory sensing signal generators, firesets, and mechanical cases. Other major initiatives the plant supports are: fabrication of telemetry systems to evaluate weapon systems, fabrication of Safeguards Transporters and program activities for the Office of Secure Transportation, warehousing and shipment of hardware for the Air Force's ongoing maintenance programs, and centralized procurement of Directed Stockpile Work production material.

The KCP includes property, assets and people located in Missouri, New Mexico and Arkansas. Current employment is approximately 2,700 people. The Kansas City facility resides on 141 acres including grounds and parking lots and currently utilizes approximately 2.9 million square feet of building space (primarily within one manufacturing building). The plant provides utility services to the South Kansas City Federal Complex which includes the plant and General Services Administration (GSA) space leased to other federal agencies. The plant bills GSA for their utilities. In October 1994, the FM&T division assumed responsibility for Kirtland Operations previously operated by EG&G. Kirtland Operations is situated on four separate sites in Albuquerque, New Mexico: 20.2 fenced acres owned by the U.S. Air Force and occupied under permit to the DOE, the Craddock Facility, the Air Park Facility, and the Coyote Canyon Facility. The Kirtland Operation also provides facility support and training for Fort Chaffee, Arkansas, which supports the Office of Secure Transportation, and engineering and technical support for Los Alamos, New Mexico. There are approximately 30,000 items of equipment at the combined facilities.

Functional Support Cost Trends

The plant cost profile is influenced by program requirements and funding trends associated with Defense Programs' workload and complementary work. Total costs have increased from FY2003 through FY2007 primarily due to increased workload. General and Mission Support functions are reflective of cost reduction programs and business transformation initiatives. The two percent decrease from FY2006 to FY2007 reflects cost reduction initiatives. During the five year period, direct mission costs increased by 32%, while total functional support costs remained flat. General Support functions have decreased from 14% to 13% of total costs, while Mission Support functions

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**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

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decreased from 21% to 19% during this time frame. A plant pension contribution requirement in FY2003 through FY2007 was driven by the drop in equity markets over the prior four-year period and low treasury rates (note: the last required contribution was prior to the five-year functional cost period). The pension contributions (\$10.5M in FY2003, \$24.2M in FY2004, \$22.3M in FY2005 and \$37.1M in FY2006 and FY2007) impacted all categories through salaried and hourly labor pricing.

**General Support:**

FY2007 General Support represents a (\$2.3M) (3%) decrease over FY2006. The primary elements for this decrease are Information Services (\$1.9M), CFO (\$1.0M), and Procurement (\$0.7M) offset with an increase in Program / Project Planning \$1.4M, with the remaining elements comprising the \$0.1M. Information Services, CFO, and Procurement reflect reduced indirect resources, approximately 34 employees. The increase in Program / Project Planning reflects emphasis on program and management at the plant. Resources were increased by approximately 9. The increase in Other is associated with legal settlements in FY2007.

FY2007 General Support costs represent a \$2.2M (3%) decrease from the FY2003 level. Elements within the category reflecting decreases are Executive Direction (\$0.8M), Human Resources (\$0.9M), Legal (\$0.7M), and Information Services (\$4.4M). These reductions are primarily due to decreased resources of approximately 48 employees. Major elements reflecting increases include Program / Project Planning \$1.8M and Information Outreach \$0.8M and Other \$1.5M, as well as minor increases in CFO \$0.2M, and Procurement \$0.4M. The increases are primarily due to increased personnel costs associated with pension contributions.

**Mission Support:**

Mission Support reflects a \$13.7M (13%) decrease in FY2007 when compared to FY2006. This decrease is primarily attributed to Maintenance (\$6.3M), Facilities Management (\$2.0M), Laboratory/Technical Support (\$2.0M), Safeguards/Security (\$1.6M), Utilities (\$1.5M) and Environmental Safety & Health (\$0.9M), offset by increases to Logistics Support \$0.6M, and the remaining elements under \$0.1M. The decrease in Maintenance is primarily due to the reduction of 25 associates during FY2007. The increase in Logistics Support is due to an increase of four associates.

The (\$5.5M) decrease in Mission Support costs from FY2003 to FY2007 is attributed to decreases in Maintenance (\$5.7M), Safeguards/Security (\$1.4M), Environmental Safety & Health (\$1.0M), and Laboratory/Technical Support (\$0.3M). Major contributors to the increase are to Logistics Support \$1.6M, Facilities Management \$0.6M, Quality Assurance \$0.4M, Utilities \$0.4M and the remaining elements under \$0.1M.

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**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

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Maintenance and Environmental Safety & Health elements have decreased mainly due to a reduction of 30 indirect resources and contracted engineering services consistent with business transformation initiatives. The decrease in Utilities is due to favorable weather conditions on volume as well as rate impact. The Safeguards & Security costs decreased due to reduced security budget and Kansas City Site Security Standard (new oversight model).

**Site Specific:**

The change in Site Specific costs between FY2003 and FY2007 is attributed to an increase in management/award incentive fees, taxes, and the support of Program Directed Research and Development (PDRD) activities. 2007 PDRD reflects the program's return to normal spending levels from 2006 constraints.

**Mission Direct:**

The Mission Direct increase of 30% is primarily due to Defense Program direct workload.

**Capital and Construction:**

The change in Capital and Construction between FY2003 and FY2007 reflects a 60% decrease in capital equipment and 96% decrease in construction including general plant projects. Costs associated with SMRI line item went from \$33M in FY2003 to zero in FY2007. Overall funding has been reduced in this area and there have been no "new start" construction projects since FY2003. The \$9.3M reduction between FY2006 and FY2007 is primarily attributed to a decrease in site specific FIRP projects and general plant projects, consistent with business transformation initiatives.

**Global Cost Drivers/Anomalies:**

Workload and funding reductions have required early and regular retirements and have created a disproportionate amount of retirees to current associates (the plant census has been reduced by 58% since 1990). Retiree Insurance is a significant fixed expense (\$10.8M) for the plant and is allocated to all cost categories.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**HUMAN RESOURCES**

Reduction of 6 employees

**LEGAL**

Litigation costs.

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**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

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**CENTRAL ADMIN SERVICES**

Technical Information Center was eliminated.

**INFORMATION OUTREACH**

Reduction of 9 employees in the areas of Communications and New Business/Outreach areas.

**OTHER**

Legal Settlement

**FACILITIES MANAGEMENT**

Reduction of 12 employees through FES staffing levels through KCRIMS transition, and resources associated with General Plant Projects.

**LABORATORY/TECHNICAL SUPPORT**

Reduction of 10 employees mainly in the Electrical Quality Engineering department.

**MANAGEMENT/INCENTIVE FEE**

Increased rating and final award fee.

**TAXES**

Increased rating and final award fee.

**LDRD / PDRD / SDRD**

Low levels in 2006 to coordinate with funding.

**CAPITAL CONSTRUCTION**

**COST SAVINGS INITIATIVES**

(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Emergency Lights Upgrade	2,584	Provided adequate emergency lighting at a reduced cost and achieve compliance with building codes and DOE orders using a practical approach that saved \$2,548K.	Edward Shepley

**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

Spin Rocket Motor Centralized Procurements	2,304	An independent evaluation of the proposed elements of cost was developed to establish a baseline of material, labor and both direct and indirect rates required to produce the Spin Rocket Motor. Utilizing this information along with extensive elemental negotiations of material quantities, attritions, and yields with associated reductions of direct and indirect labor yielded total savings of \$4,254,715 with an FY07 savings of \$2,304K.	Edward Shepley
Improve W76 Ceramic-to-Metal Header Metallization	945	Current processes for metallizing insulators required hand painting to meet specifications. A team including customers and the Design Agency implemented process controls and acceptance requirements that increased repeatability and saved \$945K.	Edward Shepley

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**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Kansas City Plant (KCP) is operated by Honeywell, Federal Manufacturing & Technologies (FM&T). Our broad array of products and capabilities are closely linked with current and future efforts to ensure the safety and reliability of the stockpile. The plant produces over 85% of the components that constitute a nuclear weapon—more than 1,000 active ship entities for over 40 product families. Approximately 100,000 ship entity pieces are shipped annually. Engineers are responsible for the full spectrum of products and technologies that perform weapon functions from access authorization to delivery of energy to the nuclear explosives package. These products include items such as radars, programmers, reservoirs, joint test assemblies, trajectory sensing signal generators, firesets, and mechanical cases. Other major initiatives the plant supports are: fabrication of telemetry systems to evaluate weapon systems, fabrication of Safeguards Transporters and program activities for the Office of Secure Transportation, warehousing and shipment of hardware for the Air Force's ongoing maintenance programs, and centralized procurement of Directed Stockpile Work production material.

The KCP includes property, assets and people located in Missouri, New Mexico and Arkansas. Current employment is approximately 2,700 people. The Kansas City facility resides on 141 acres including grounds and parking lots and currently utilizes approximately 2.9 million square feet of building space (primarily within one manufacturing building). The plant provides utility services to the South Kansas City Federal Complex which includes the plant and General Services Administration (GSA) space leased to other federal agencies. The plant bills GSA for their utilities. In October 1994, the FM&T division assumed responsibility for Kirtland Operations previously operated by EG&G. Kirtland Operations is situated on four separate sites in Albuquerque, New Mexico: 20.2 fenced acres owned by the U.S. Air Force and occupied under permit to the DOE, the Craddock Facility, the Air Park Facility, and the Coyote Canyon Facility. The Kirtland Operation also provides facility support and training for Fort Chaffee, Arkansas, which supports the Office of Secure Transportation, and engineering and technical support for Los Alamos, New Mexico. There are approximately 30,000 items of equipment at the combined facilities.

Functional Support Cost Trends

The plant cost profile is influenced by program requirements and funding trends associated with Defense Programs' workload and complementary work. Total costs have increased from FY2003 through FY2007 primarily due to increased workload. General and Mission Support functions are reflective of cost reduction programs and business transformation initiatives. The two percent decrease from FY2006 to FY2007 reflects cost reduction initiatives. During the five year period, direct mission costs increased by 32%, while total functional support costs remained flat. General Support functions have decreased from 14% to 13% of total costs, while Mission Support functions

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**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

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decreased from 21% to 19% during this time frame. A plant pension contribution requirement in FY2003 through FY2007 was driven by the drop in equity markets over the prior four-year period and low treasury rates (note: the last required contribution was prior to the five-year functional cost period). The pension contributions (\$10.5M in FY2003, \$24.2M in FY2004, \$22.3M in FY2005 and \$37.1M in FY2006 and FY2007) impacted all categories through salaried and hourly labor pricing.

**General Support:**

FY2007 General Support represents a (\$2.3M) (3%) decrease over FY2006. The primary elements for this decrease are Information Services (\$1.9M), CFO (\$1.0M), and Procurement (\$0.7M) offset with an increase in Program / Project Planning \$1.4M, with the remaining elements comprising the \$0.1M. Information Services, CFO, and Procurement reflect reduced indirect resources, approximately 34 employees. The increase in Program / Project Planning reflects emphasis on program and management at the plant. Resources were increased by approximately 9. The increase in Other is associated with legal settlements in FY2007.

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**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

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**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**LEGAL**

Litigation costs

**OTHER**

Legal Settlement

**SITE PROFILE**  
**Kansas City Plant/Honeywell, FM&T**

**COST SAVINGS INITIATIVES**

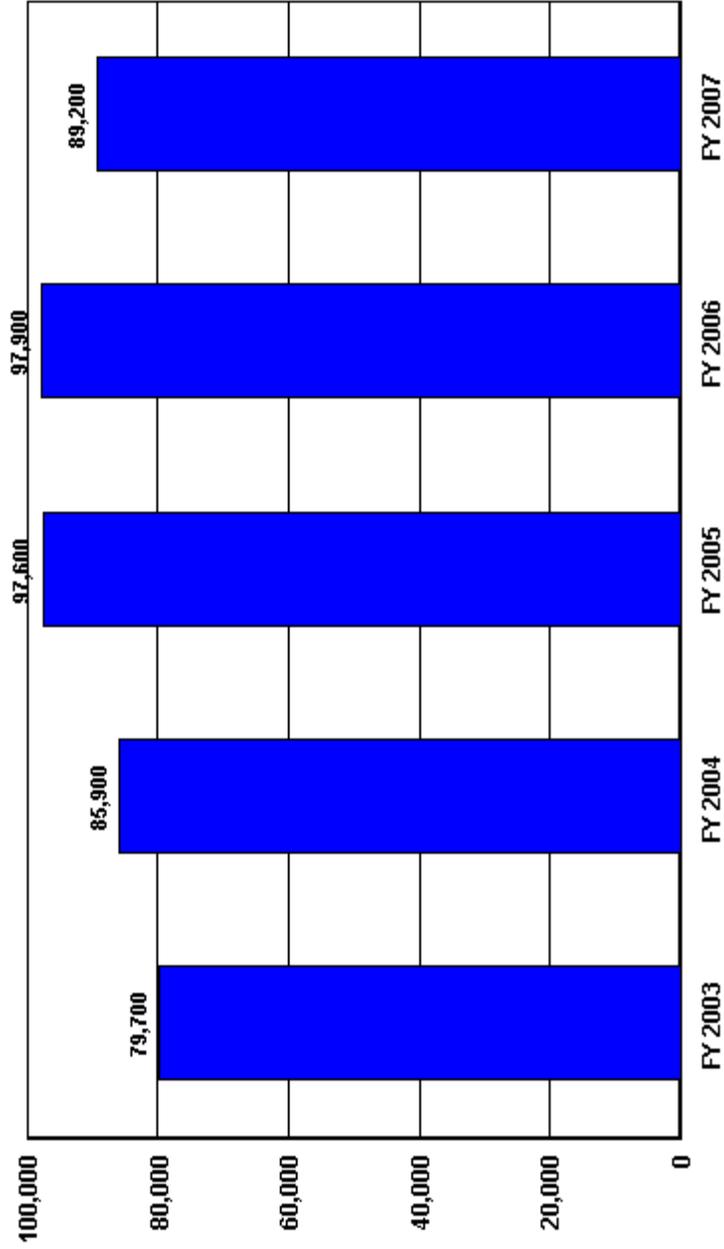
(\$ in 000's)

<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
Emergency Lights Upgrade	2,584	Provided adequate emergency lighting at a reduced cost and achieve compliance with building codes and DOE orders using a practical approach that saved \$2,548K.	Edward Shepley
Spin Rocket Motor Centralized Procurements	2,304	An independent evaluation of the proposed elements of cost was developed to establish a baseline of material, labor and both direct and indirect rates required to produce the Spin Rocket Motor. Utilizing this information along with extensive elemental negotiations of material quantities, attritions, and yields with associated reductions of direct and indirect labor yielded total savings of \$4,254,715 with an FY07 savings of \$2,304K.	Edward Shepley
Improve W76 Ceramic-to-Metal Header Metallization	945	Current processes for metallizing insulators required hand painting to meet specifications. A team including customers and the Design Agency implemented process controls and acceptance requirements that increased repeatability and saved \$945K.	Edward Shepley

**Trends in Total Support Cost by Functional Categories**  
**Knolls Atomic Power Lab/Lockheed Martin (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	296,500	304,300	347,700	329,300	328,000	31,500	10.6%
<b>Capital Construction</b>	27,300	17,300	19,300	25,700	20,200	-7,100	-26.0%
<b>Total Costs Less Construction</b>	269,200	287,000	328,400	303,600	307,800	38,600	14.3%
<b>Total Support Costs</b>	<b>79,700</b>	<b>85,900</b>	<b>97,600</b>	<b>97,900</b>	<b>89,200</b>	<b>9,500</b>	<b>11.9%</b>
<b>Mission Direct Operation</b>	189,500	201,100	230,800	205,700	218,600	29,100	15.4%
<b>Mission Direct Operation as % of Total Cost</b>	<b>63.9%</b>	<b>66.1%</b>	<b>66.4%</b>	<b>62.5%</b>	<b>66.6%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>9.2%</b>	<b>5.7%</b>	<b>5.6%</b>	<b>7.8%</b>	<b>6.2%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>26.9%</b>	<b>28.2%</b>	<b>28.1%</b>	<b>29.7%</b>	<b>27.2%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>26.9%</b>	<b>28.2%</b>	<b>28.1%</b>	<b>29.7%</b>	<b>27.2%</b>		
<b>TOTAL SUPPORT COST</b>	<b>79,700</b>	<b>85,900</b>	<b>97,600</b>	<b>97,900</b>	<b>89,200</b>	<b>9,500</b>	<b>11.9%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>8.8%</b>	<b>9.1%</b>	<b>10.2%</b>	<b>11.1%</b>	<b>6.9%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>26,100</b>	<b>27,800</b>	<b>35,600</b>	<b>36,400</b>	<b>22,700</b>	<b>-3,400</b>	<b>-13.0%</b>
EXECUTIVE DIRECTION	3,000	3,200	3,000	2,300	2,500	-500	-16.7%
HUMAN RESOURCES	3,900	4,300	6,100	4,900	4,000	100	2.6%
CFO	3,100	4,000	3,300	3,300	3,000	-100	-3.2%
PROCUREMENT	2,000	1,900	2,400	2,000	1,900	-100	-5.0%
LEGAL	500	200	300	200	200	-300	-60.0%
CENTRAL ADMIN SERVICES	1,400	1,600	1,500	1,000	1,300	-100	-7.1%
PROGRAM/PROJECT CONTROL	400	500	700	800	600	200	50.0%
INFORMATION OUTREACH	0	0	0	0	0	0	0.0%
INFORMATION SERVICES	11,800	12,100	13,800	14,300	13,500	1,700	14.4%
OTHER	0	0	4,500	7,600	-4,300	-4,300	-100.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>16.2%</b>	<b>17.2%</b>	<b>15.8%</b>	<b>16.8%</b>	<b>18.4%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>48,100</b>	<b>52,300</b>	<b>55,100</b>	<b>55,200</b>	<b>60,200</b>	<b>12,100</b>	<b>25.2%</b>
ENVIRONMENTAL	5,300	5,900	7,600	8,800	7,600	2,300	43.4%
SAFETY AND HEALTH	11,200	11,600	12,000	11,500	12,200	1,000	8.9%
FACILITIES MANAGEMENT	4,300	5,500	5,200	4,500	4,700	400	9.3%
MAINTENANCE	10,600	12,700	13,100	11,100	16,000	5,400	50.9%
UTILITIES	3,000	2,900	3,000	4,100	3,700	700	23.3%
SAFEGUARDS AND SECURITY	8,400	8,400	9,100	9,200	9,600	1,200	14.3%
LOGISTICS SUPPORT	2,200	2,200	2,900	3,600	3,700	1,500	68.2%
QUALITY ASSURANCE	3,100	3,100	2,200	2,400	2,700	-400	-12.9%
LABORATORY/TECHNICAL SUPPORT	0	0	0	0	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>1.9%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>1.9%</b>	<b>1.9%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>5,500</b>	<b>5,800</b>	<b>6,900</b>	<b>6,300</b>	<b>6,300</b>	<b>800</b>	<b>14.5%</b>
MANAGEMENT/INCENTIVE FEE	5,000	5,200	5,400	5,100	5,300	300	6.0%
TAXES	500	600	1,500	1,200	1,000	500	100.0%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

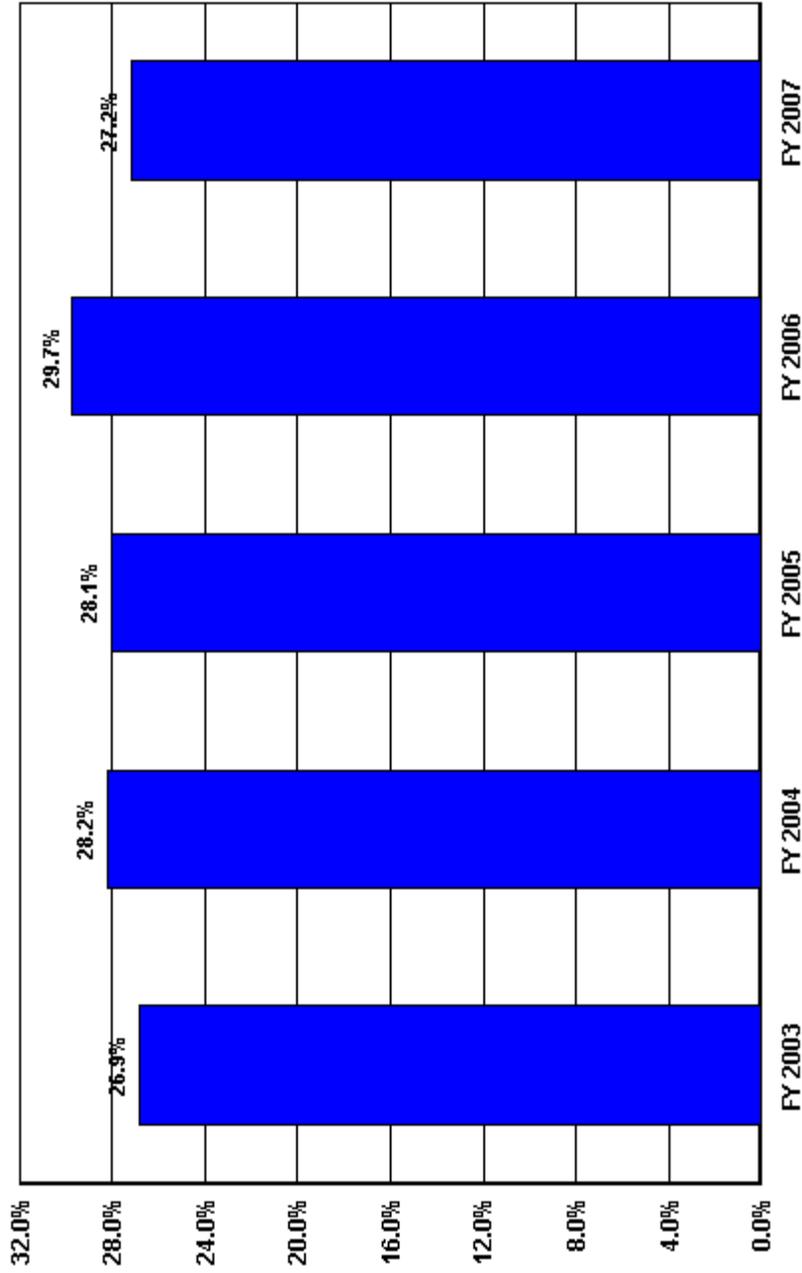
US Department of Energy  
 Total Functional Support  
 Knolls Atomic Power Lab/Lockheed Martin



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>79,700</b>	<b>85,900</b>	<b>97,600</b>	<b>97,900</b>	<b>89,200</b>

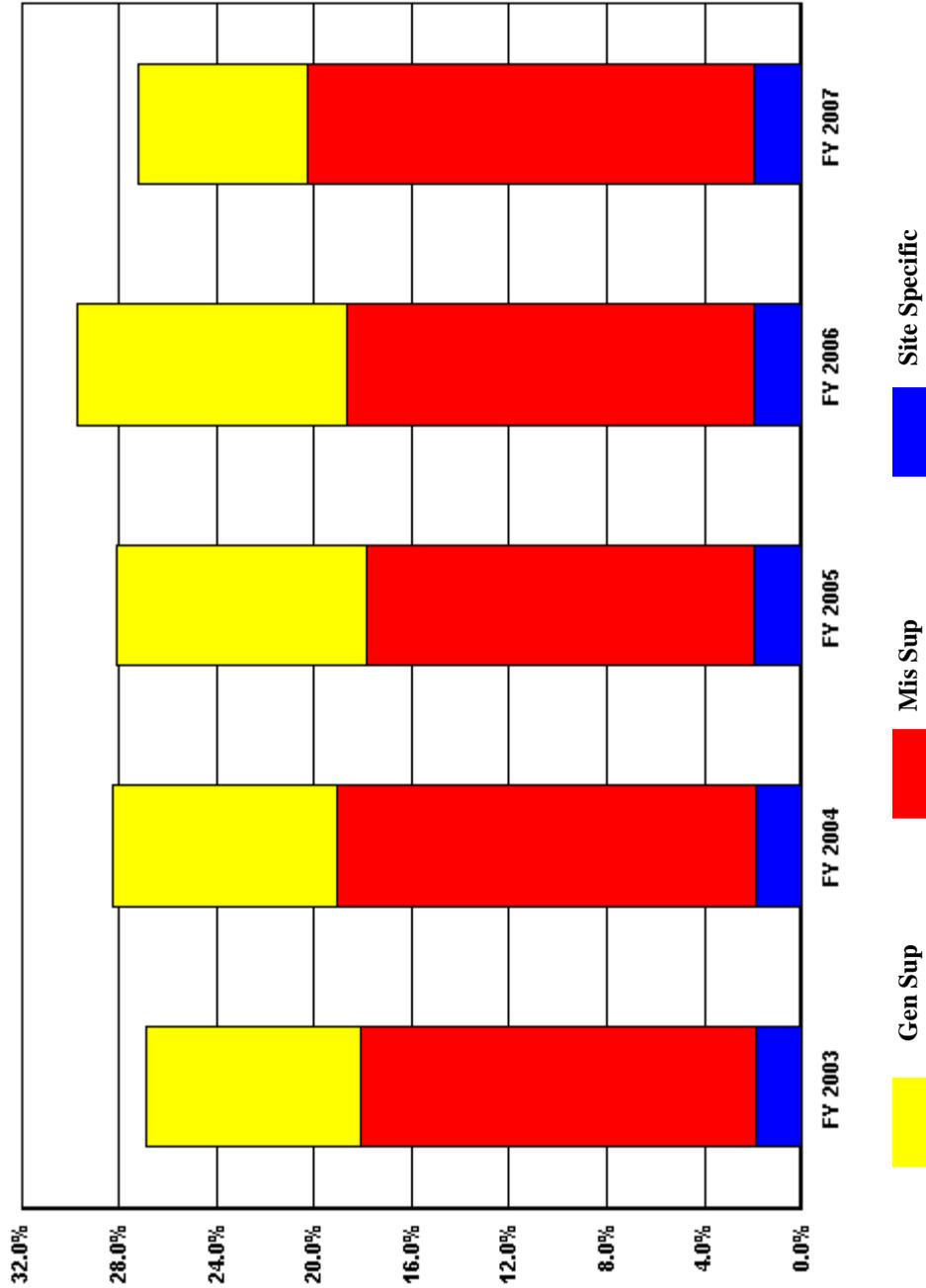
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Knolls Atomic Power Lab/Lockheed Martin**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>26.9%</b>	<b>28.2%</b>	<b>28.1%</b>	<b>29.7%</b>	<b>27.2%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Knolls Atomic Power Lab/Lockheed Martin**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	8.8%	9.1%	10.2%	11.1%	6.9%
Mis Sup	16.2%	17.2%	15.8%	16.8%	18.4%
Site Specific	1.9%	1.9%	1.9%	1.9%	1.9%

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**SITE PROFILE**  
**Knolls Atomic Power Lab/Lockheed Martin**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Knolls Atomic Power Laboratory (KAPL) is operated for the Department of Energy by KAPL, Inc., a Lockheed Martin company. KAPL supports the United States Naval Nuclear Propulsion Program through development of advanced reactor plant designs, while providing design agency support of the operating fleet and training to nuclear propulsion plant operating personnel.

KAPL currently employs about 2,500 people at two major sites, in Niskayuna, NY and in West Milton, NY. The Knolls Site in Niskayuna and the Kesselring Site in West Milton are situated on approximately 170 and 3,900 acres of land, respectively. KAPL field personnel also operate out of shipyards and vendor plants in Maine/New Hampshire, Connecticut, Virginia, Hawaii, Georgia, California, Washington State, Tennessee and at the Naval Reactors Facility Site in Idaho.

KAPL was originally operated by the General Electric (GE) Company. GE received its initial contract to establish KAPL from the Manhattan Engineering District in May of 1946. KAPL's mission was shifted completely to naval nuclear propulsion by the mid-1950s. KAPL's initial efforts for the Navy were spent developing a nuclear reactor small enough to operate inside a submarine. The ex-SEA Wolf (SSN 575), which was launched in 1955, represented the first KAPL-designed reactor plant. Subsequently, KAPL designed reactors for TRITON (SSN 586), NARWHAL (SSN 671) and the research submarine NR-1. KAPL has also designed reactors for BAINBRIDGE (CGN 25) and TRUXTON (CGN 35) cruisers, the LOS ANGELES Class and VIRGINIA Class attack submarines and OHIO Class ballistic missile submarines. In 1993, responsibility for the operation of KAPL was transferred to KAPL, Inc., a subsidiary of Martin Marietta. In 1996, KAPL, Inc. became a Lockheed Martin company.

KAPL currently maintains, supports and enhances the mission capability of LOS ANGELES and VIRGINIA Class attack submarines and OHIO Class ballistic missile submarines. KAPL also supports Electric Boat and Northrop Grumman Newport News in the test and construction of additional VIRGINIA Class submarines and provides design and engineering support for the future CVN 21 Class aircraft carriers.

KAPL's efforts focus on designing the world's most technologically advanced nuclear reactor plants for the U.S. Naval Nuclear Propulsion Program. Fundamental research is conducted to develop improved materials and components for naval nuclear propulsion technology.

KAPL uses its theoretical knowledge, sophisticated testing capabilities and computational power to design new reactor and propulsion systems and components that will be used on existing and future Navy surface ships and submarines.

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**SITE PROFILE**  
**Knolls Atomic Power Lab/Lockheed Martin**

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In addition, KAPL operates two prototype plants located at the Kesselring Site in West Milton, NY. The MARF and S8G prototypes commenced operation in 1976 and 1979, respectively, and are used to test reactors, reactor plant systems, and steam and electric plant components. The MARF and S8G prototypes are also used for training of U.S. Navy personnel as naval nuclear propulsion plant operators. Two other prototypes were located at the site; the S3G prototype, which has been completely removed, and the D1G prototype, which is currently undergoing inactivation. S3G and D1G, which started operation in 1958 and 1962, respectively, were operated for training and testing until their missions were completed in the 1990s. At that time, the plants were shut down and inactivation was started as part of Naval Reactors' continuing commitment to ensure proper dismantlement and environmental remediation of formerly used facilities.

KAPL operated a second prototype site in Windsor, CT from 1972 until 1993. This site, which was originally constructed by Combustion Engineering in 1957, contained the single S1C prototype. Operational cognizance was transferred to KAPL (GE) in 1972. All structures and utilities were removed and, in October 2006, the site was released for unrestricted use.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**CENTRAL ADMIN SERVICES**

Increase (\$300) due to consolidation of expenditures for purchases of manuals and technical materials by the library. Prior to FY07, technical library materials were included in mission direct costs.

**PROGRAM/PROJECT CONTROL**

Program/Project Planning/Control - Decrease (\$200) is due to a decreased staffing level in FY07.

**OTHER**

FY06 costs are due to voluntary separation payments related to the closeout of the Space Program (\$7,600) while FY07 costs are due to the favorable resolution of a legal case originally recognized as a probable liability in FY05.

**MAINTENANCE**

Maintenance - Increased costs (\$4,900) are due to the increased emphasis on KSO and Knolls Site facilities improvements and the implementation of the Facilities Improvement Program. In addition, the maintenance category is relatively high in labor costs. FY07 had significant increases in the benefits assessment on labor costs due to a relatively higher pension payment.

**COST SAVINGS INITIATIVES**

(\$ in 000's)

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**SITE PROFILE**  
**Knolls Atomic Power Lab/Lockheed Martin**

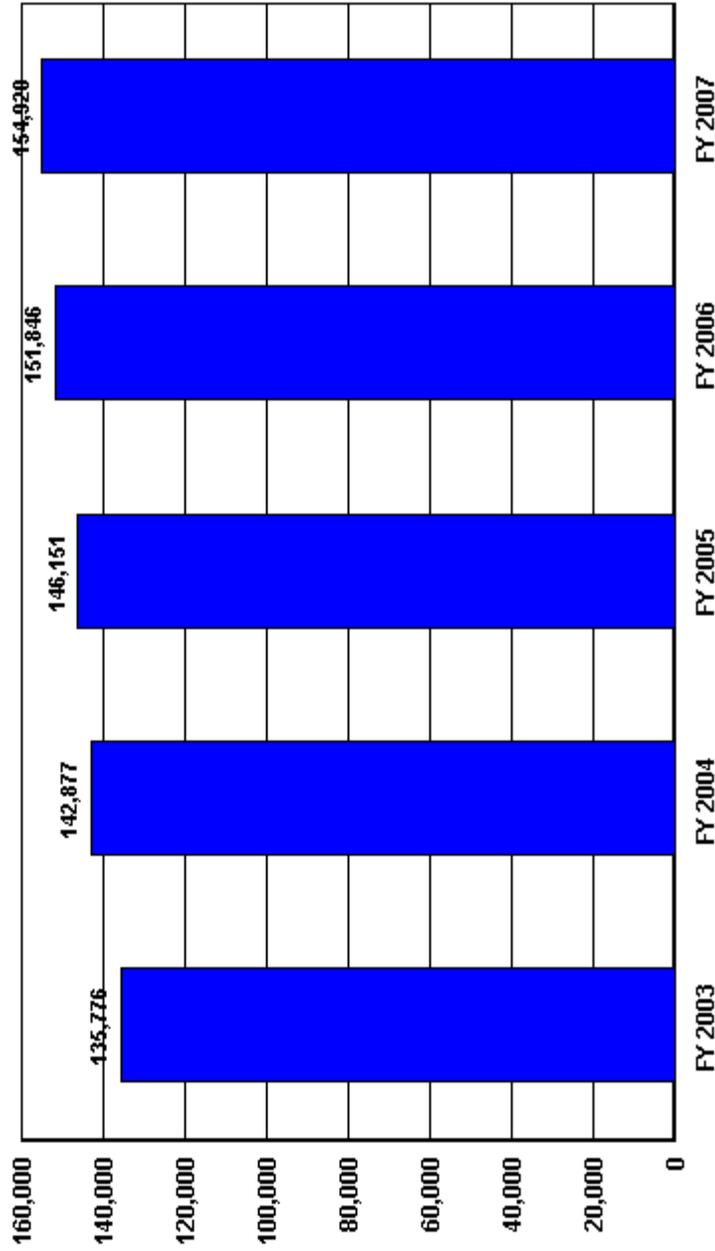
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<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
(None)			

**Trends in Total Support Cost by Functional Categories**  
**L. Berkeley National Lab/University of California (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	456,430	503,724	523,738	517,155	512,388	55,958	12.3%
<b>Capital Construction</b>	52,427	59,006	82,227	55,552	42,873	-9,554	-18.2%
<b>Total Costs Less Construction</b>	404,003	444,718	441,511	461,603	469,515	65,512	16.2%
<b>Total Support Costs</b>	<b>135,776</b>	<b>142,877</b>	<b>146,151</b>	<b>151,846</b>	<b>154,920</b>	<b>19,144</b>	<b>14.1%</b>
<b>Mission Direct Operation</b>	268,227	301,841	295,360	309,757	314,595	46,368	17.3%
<b>Mission Direct Operation as % of Total Cost</b>	<b>58.8%</b>	<b>59.9%</b>	<b>56.4%</b>	<b>59.9%</b>	<b>61.4%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>11.5%</b>	<b>11.7%</b>	<b>15.7%</b>	<b>10.7%</b>	<b>8.4%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>29.7%</b>	<b>28.4%</b>	<b>27.9%</b>	<b>29.4%</b>	<b>30.2%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>29.7%</b>	<b>28.4%</b>	<b>27.9%</b>	<b>29.4%</b>	<b>30.2%</b>		
<b>TOTAL SUPPORT COST</b>	<b>135,776</b>	<b>142,877</b>	<b>146,151</b>	<b>151,846</b>	<b>154,920</b>	<b>19,144</b>	<b>14.1%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>11.9%</b>	<b>11.8%</b>	<b>11.6%</b>	<b>12.1%</b>	<b>12.1%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>54,179</b>	<b>59,236</b>	<b>60,715</b>	<b>62,427</b>	<b>62,216</b>	<b>8,037</b>	<b>14.8%</b>
EXECUTIVE DIRECTION	8,613	9,409	8,658	7,586	6,659	-1,954	-22.7%
HUMAN RESOURCES	4,466	5,278	5,178	4,477	5,248	782	17.5%
CFO	4,209	6,622	7,625	8,537	8,429	4,220	100.3%
PROCUREMENT	3,745	6,035	6,004	5,699	6,753	3,008	80.3%
LEGAL	1,428	1,763	2,407	2,437	2,228	800	56.0%
CENTRAL ADMIN SERVICES	5,494	5,066	4,341	4,325	3,182	-2,312	-42.1%
PROGRAM/PROJECT CONTROL	0	0	0	0	0	0	0.0%
INFORMATION OUTREACH	3,511	3,393	3,288	3,246	3,502	-9	-0.3%
INFORMATION SERVICES	21,449	20,871	21,605	23,800	24,125	2,676	12.5%
OTHER	1,264	799	1,609	2,320	2,090	826	65.3%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>15.2%</b>	<b>14.0%</b>	<b>13.5%</b>	<b>14.1%</b>	<b>14.9%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>69,526</b>	<b>70,611</b>	<b>70,585</b>	<b>72,837</b>	<b>76,139</b>	<b>6,613</b>	<b>9.5%</b>
ENVIRONMENTAL	4,508	4,658	4,724	4,422	4,291	-217	-4.8%
SAFETY AND HEALTH	8,693	7,734	7,970	8,617	10,409	1,716	19.7%
FACILITIES MANAGEMENT	16,767	16,534	18,225	18,416	17,396	629	3.8%
MAINTENANCE	17,004	19,443	17,351	17,849	18,940	1,936	11.4%
UTILITIES	6,724	6,817	6,422	6,134	8,277	1,553	23.1%
SAFEGUARDS AND SECURITY	3,165	3,652	3,486	3,973	3,487	322	10.2%
LOGISTICS SUPPORT	4,288	4,304	4,282	4,397	4,357	69	1.6%
QUALITY ASSURANCE	81	93	368	888	1,198	1,117	1,379.0%
LABORATORY/TECHNICAL SUPPORT	8,296	7,376	7,757	8,141	7,784	-512	-6.2%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>3.2%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>12,071</b>	<b>13,030</b>	<b>14,851</b>	<b>16,582</b>	<b>16,565</b>	<b>4,494</b>	<b>37.2%</b>
MANAGEMENT/INCENTIVE FEE	3,071	2,947	3,695	4,482	6,276	3,205	104.4%
TAXES	342	484	313	342	271	-71	-20.8%
LDRD / PDRD / SDRD	8,658	9,599	10,843	11,758	10,018	1,360	15.7%

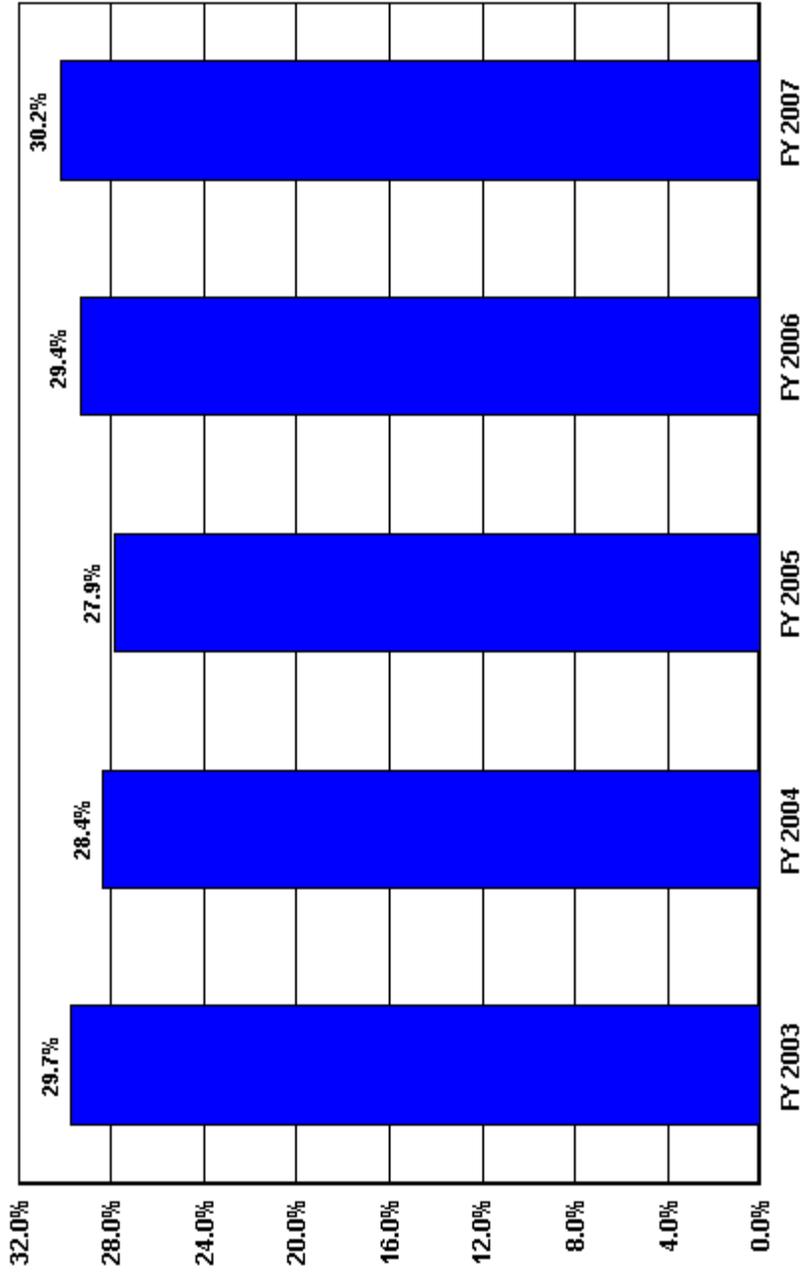
**US Department of Energy  
Total Functional Support  
L. Berkeley National Lab/University of California**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>135,776</b>	<b>142,877</b>	<b>146,151</b>	<b>151,846</b>	<b>154,920</b>

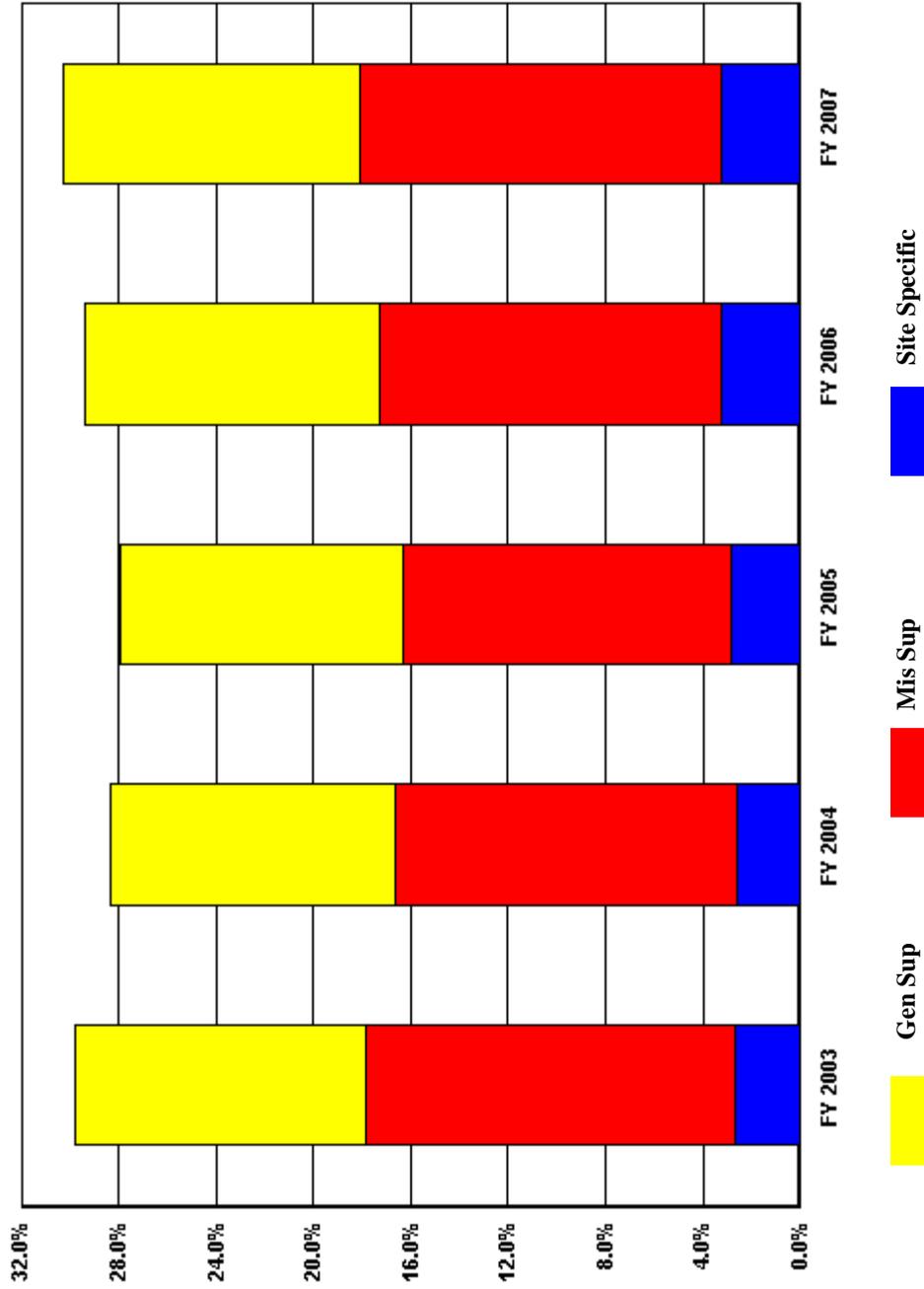
**US Department of Energy  
Total Functional Support as a % of Total Costs  
L. Berkeley National Lab/University of California**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>29.7%</b>	<b>28.4%</b>	<b>27.9%</b>	<b>29.4%</b>	<b>30.2%</b>

US Department of Energy  
 Percent of Support Category to Total Costs  
 L. Berkeley National Lab/University of California



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	15.2%	14.0%	13.5%	14.1%	14.9%
Mis Sup	11.9%	11.6%	12.1%	12.1%	12.1%
Site Specific	2.6%	2.8%	3.2%	3.2%	3.2%

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**SITE PROFILE**  
**L. Berkeley National Lab/University of California**

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**SITE OVERVIEW AND CHARACTERISTIC**

Lawrence Berkeley National Laboratory (LBNL) is a multi-program lab engaged in basic research in a wide variety of scientific disciplines. Major scientific achievements include 11 winners of the Nobel Prize and other world-class, competitive prizes. The Lab's core competencies are in Computational Science and Engineering; Particle and Photon Beams; Bioscience and Biotechnology; the Characterization, Synthesis, and Theory of Materials; Advanced Technologies for Energy Supply and Energy Efficiency; Chemical Dynamics, Catalysis, and Surface Science; Advanced Detector Systems; and Environmental Assessment and Remediation. The Berkeley Lab provides several unique national experimental user facilities for qualified investigators: the Advanced Light Source (ALS); the National Energy Research Scientific Computing Center (NERSC); Energy Sciences Network (ESnet); and the National Center for Electron Microscopy.

LBNL is managed by the University of California and is located in Berkeley, California. LBNL occupies 160 buildings and trailers on 200 acres. It also shares buildings on the UC Berkeley campus. Additional facilities are located in the following places due to space limitations on site: downtown Berkeley, Oakland for the NERSC facility, and Walnut Creek for the Joint Genome Institute. In FY 2007, the workforce was approximately 3,500 people, consisting of 61% Career employees, 12% Graduate Student Research Assistants & Student Assistants, 8% Postdoctoral Fellows & Researchers, 7% Faculty, and 12% other. LBNL's major DOE customer is Office of Science (SC), which accounted for 64% of Mission Direct costs, followed by work for other Agencies (Federal and Non-Federal). Other DOE programs include Energy Efficiency (EE), Fossil Energy (FE), Electric Transmission (TD), Assistant Secretary for Environmental Management (EM), and Administrator for National Nuclear Security Administration (NA).

LBNL conducts its unclassified research mission as a Tier III laboratory (no classified research or information on-site). Berkeley Lab's cyber security program addresses the needs of all computer and networking systems and is fully appropriate for systems that contain no classified information. The Laboratory's cyber security software is a powerful system for detecting network intruders and has served as a model for other laboratories.

Trends

LBNL's Functional Support Costs (FSC) as a percentage of total Site Costs have fluctuated between 28.1% and 30.2% with an average of 29.3% between FY03 and FY07. In FY07, LBNL's functional costs were peer reviewed and FY03 through FY07 have been restated to reflect the peer review team's recommended changes. From FY06 to FY07, total site costs decreased by 0.3% while total Functional Support Costs increased by 1.0%. Explanations for functional support cost categories with major changes (increase/decrease >  $\pm$  20%) are detailed below.

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**SITE PROFILE**  
**L. Berkeley National Lab/University of California**

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\*Please note Mission Direct costs in this report reflect costs without distributed costs; therefore, it will not reconcile to the funding appropriated by DOE Programs.

Major changes from FY03 to FY07

In FY04, the CFO organization went through a rebuilding effort by increasing staffing to a more appropriate level to enhance financial integrity and services at LBNL. Also in FY04, a new Distributed Procurement Unit (DPU) was formed to manage the procurement card process. In FY05, as a new contractual requirement between UC and DOE, the Assurance Office was created to increase functionality and scope relating to Institutional activities. FY06 was the first full fiscal year for LBNL under Contract 31 with the University of California, which caused an increase in the Management Fee category.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**CENTRAL ADMIN SERVICES**

LBNL's Functional Support Costs (FSC) as a percentage of total Site Costs have fluctuated between 28.1% and 30.2% with an average of 29.3% between FY03 and FY07. In FY07, LBNL's functional costs were peer reviewed and FY03 through FY07 have been restated to reflect the peer review team's recommended changes. From FY06 to FY07, total site costs decreased by 0.3% while total Functional Support Costs increased by 1.0%.

**SAFETY AND HEALTH**

Costs increased primarily due to new government regulations for a Worker's Health and Safety Program and for strengthening safety initiatives in compliance with Contract 31.

**UTILITIES**

Costs increased primarily due to increased electricity usage by the NERSC program.

**QUALITY ASSURANCE**

The Assurance Office reached full staffing levels in FY07. This office was implemented in support of Contract 31 between the University of California and DOE which was effective June 1, 2005.

**MANAGEMENT/INCENTIVE FEE**

Continued increases primarily due to higher management fee with the new University of California Contract with DOE.

**TAXES**

Decreased \$71K, primarily due to fewer procurements bought for the Structural Genomics NIH program project within the Physical Biosciences Division.

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**SITE PROFILE****L. Berkeley National Lab/University of California**

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**CAPITAL CONSTRUCTION**

Capital/Construction decreased by 22.8%, or \$12,676K, primarily due to completing construction of the Molecular Foundry building, which became fully operational in December 2006.

**COST SAVINGS INITIATIVES**

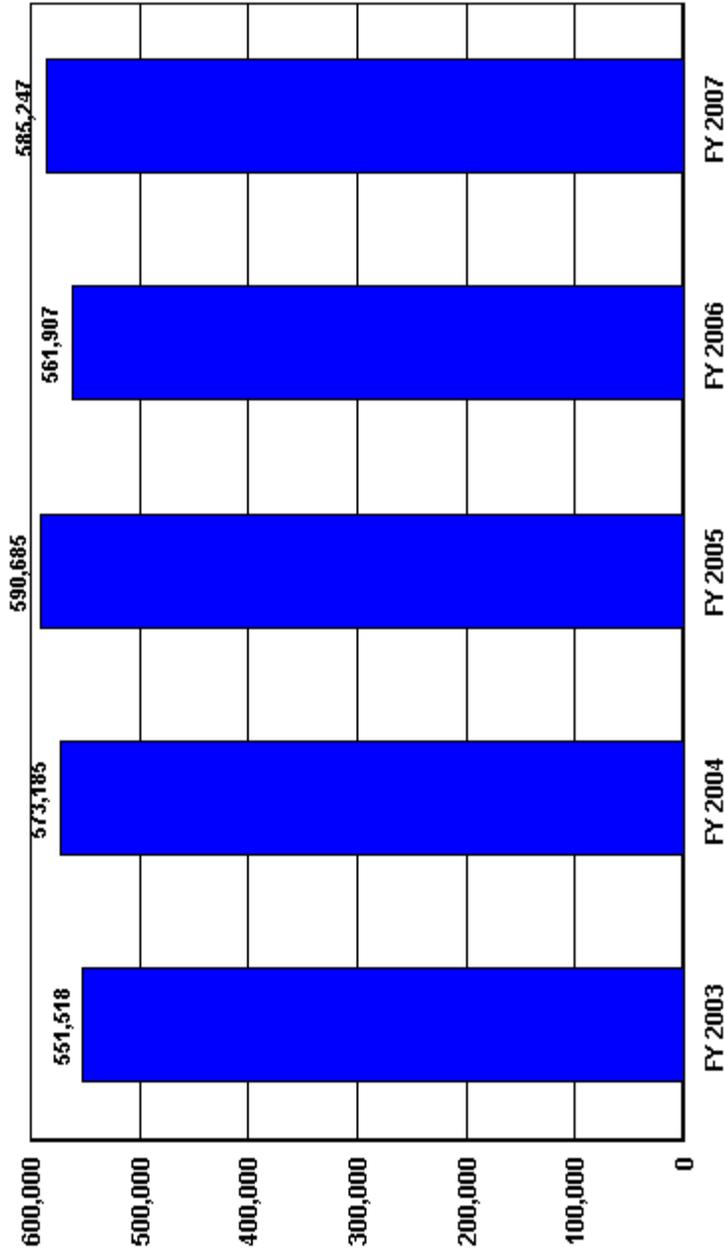
(\$ in 000's)

<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
Supply Chain Management	5,300	In the DOE contract proposal process in FY05, LBNL committed to saving \$30M over the next 5 years by implementing Supply Chain Management. In FY07, the savings for this initiative were \$5.3M from a combination of labor and commodity savings through reengineering the commodity buying process.	Lon Freeman
Facilities Division Staff Reductions	2,578	Through the implementation of a strategic plan designed to reduce costs and improve service, the Facilities Division reduced staff by 32 FTEs, reorganized work and created efficiencies. This resulted in savings of \$2,578K for FY07.	Lon Freeman

**Trends in Total Support Cost by Functional Categories**  
**L. Livermore National Lab/University of California (\$000)**  
**FY 2007**

	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>\$ Change 2003 To FY 2007</b>	<b>% Change 2003 To FY 2007</b>
<b>Total Costs</b>	1,576,453	1,629,678	1,625,780	1,600,696	1,623,639	47,186	3.0%
<b>Capital Construction</b>	222,413	121,369	116,104	190,081	157,063	-65,350	-29.4%
<b>Total Costs Less Construction</b>	1,354,040	1,508,309	1,509,676	1,410,615	1,466,576	112,536	8.3%
<b>Total Support Costs</b>	<b>551,518</b>	<b>573,185</b>	<b>590,685</b>	<b>561,907</b>	<b>585,247</b>	<b>33,729</b>	<b>6.1%</b>
<b>Mission Direct Operation</b>	802,522	935,124	918,991	848,708	881,329	78,807	9.8%
<b>Mission Direct Operation as % of Total Cost</b>	<b>50.9%</b>	<b>57.4%</b>	<b>56.5%</b>	<b>53.0%</b>	<b>54.3%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>14.1%</b>	<b>7.4%</b>	<b>7.1%</b>	<b>11.9%</b>	<b>9.7%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>35.0%</b>	<b>35.2%</b>	<b>36.3%</b>	<b>35.1%</b>	<b>36.0%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>35.0%</b>	<b>35.2%</b>	<b>36.3%</b>	<b>35.1%</b>	<b>36.0%</b>		
<b>TOTAL SUPPORT COST</b>	<b>551,518</b>	<b>573,185</b>	<b>590,685</b>	<b>561,907</b>	<b>585,247</b>	<b>33,729</b>	<b>6.1%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>12.4%</b>	<b>12.3%</b>	<b>12.0%</b>	<b>12.0%</b>	<b>12.2%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>196,214</b>	<b>199,725</b>	<b>194,613</b>	<b>191,783</b>	<b>197,634</b>	<b>1,420</b>	<b>0.7%</b>
EXECUTIVE DIRECTION	20,022	19,320	17,658	18,535	18,517	-1,505	-7.5%
HUMAN RESOURCES	19,546	19,685	19,382	18,246	19,394	-152	-0.8%
CFO	6,920	7,315	7,714	7,964	8,660	1,740	25.1%
PROCUREMENT	17,045	16,145	16,628	15,063	14,800	-2,245	-13.2%
LEGAL	3,194	3,221	3,166	3,154	3,433	239	7.5%
CENTRAL ADMIN SERVICES	22,746	21,071	22,646	20,453	19,323	-3,423	-15.0%
PROGRAM/PROJECT CONTROL	3,207	3,254	3,320	3,182	5,716	2,509	78.2%
INFORMATION OUTREACH	19,697	18,912	18,178	19,146	20,542	845	4.3%
INFORMATION SERVICES	70,597	74,373	80,708	81,714	85,254	14,657	20.8%
OTHER	13,240	16,429	5,213	4,326	1,995	-11,245	-84.9%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>18.5%</b>	<b>18.9%</b>	<b>20.3%</b>	<b>19.1%</b>	<b>19.9%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>292,313</b>	<b>307,599</b>	<b>329,657</b>	<b>305,100</b>	<b>323,833</b>	<b>31,520</b>	<b>10.8%</b>
ENVIRONMENTAL	25,839	24,612	23,572	18,250	21,167	-4,672	-18.1%
SAFETY AND HEALTH	47,993	48,923	50,255	55,055	60,370	12,377	25.8%
FACILITIES MANAGEMENT	53,764	60,131	61,882	52,755	61,392	7,628	14.2%
MAINTENANCE	55,419	65,484	73,564	51,718	47,613	-7,806	-14.1%
UTILITIES	15,076	16,030	21,403	32,741	34,660	19,584	129.9%
SAFEGUARDS AND SECURITY	63,306	60,026	62,551	59,081	61,399	-1,907	-3.0%
LOGISTICS SUPPORT	10,441	9,835	9,815	10,244	12,186	1,745	16.7%
QUALITY ASSURANCE	4,675	4,930	5,912	6,262	6,954	2,279	48.7%
LABORATORY/TECHNICAL SUPPORT	15,800	17,628	20,703	18,994	18,092	2,292	14.5%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.1%</b>	<b>3.9%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>62,991</b>	<b>65,861</b>	<b>66,415</b>	<b>65,024</b>	<b>63,780</b>	<b>789</b>	<b>1.3%</b>
MANAGEMENT/INCENTIVE FEE	14,925	13,419	13,701	13,888	13,991	-934	-6.3%
TAXES	199	314	414	263	275	76	38.2%
LDRD / PDRD / SDRD	47,867	52,128	52,300	50,873	49,514	1,647	3.4%

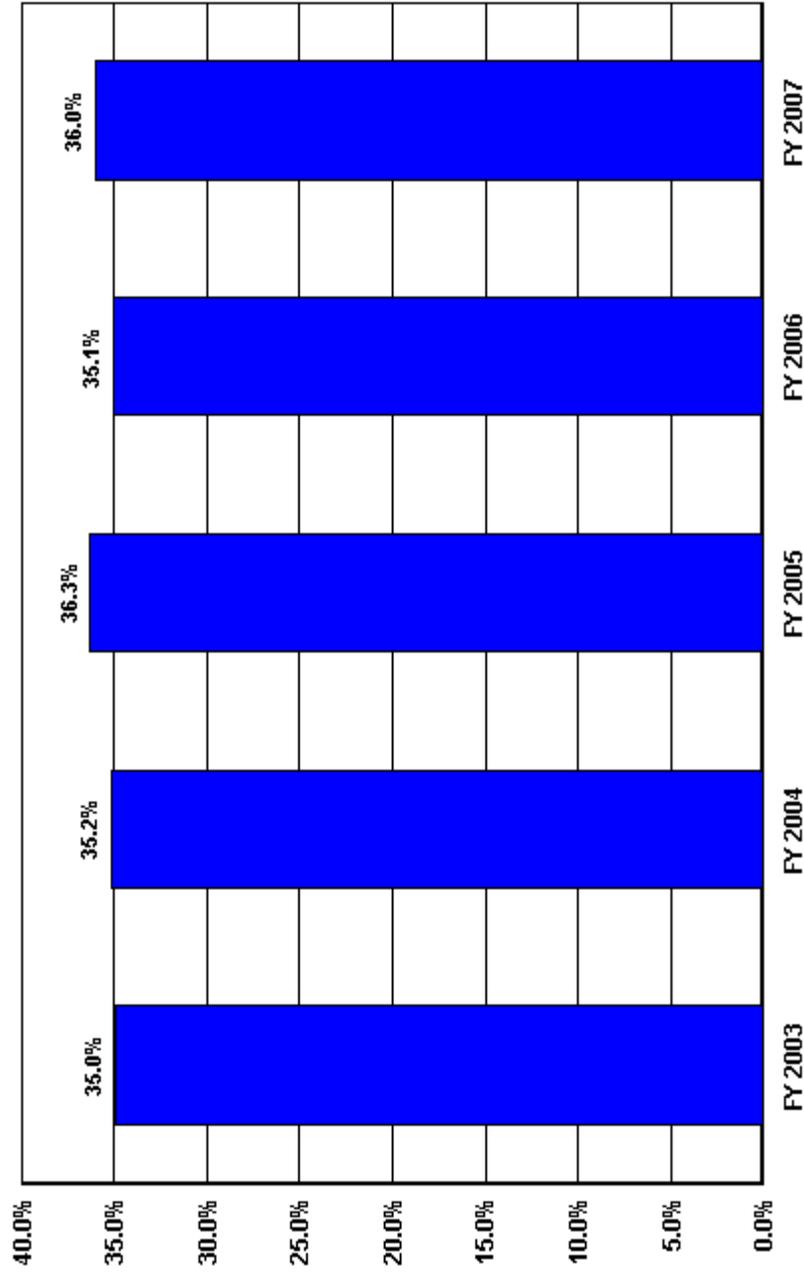
**US Department of Energy  
Total Functional Support  
L. Livermore National Lab/University of California**



 Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>551,518</b>	<b>573,185</b>	<b>590,685</b>	<b>561,907</b>	<b>585,247</b>

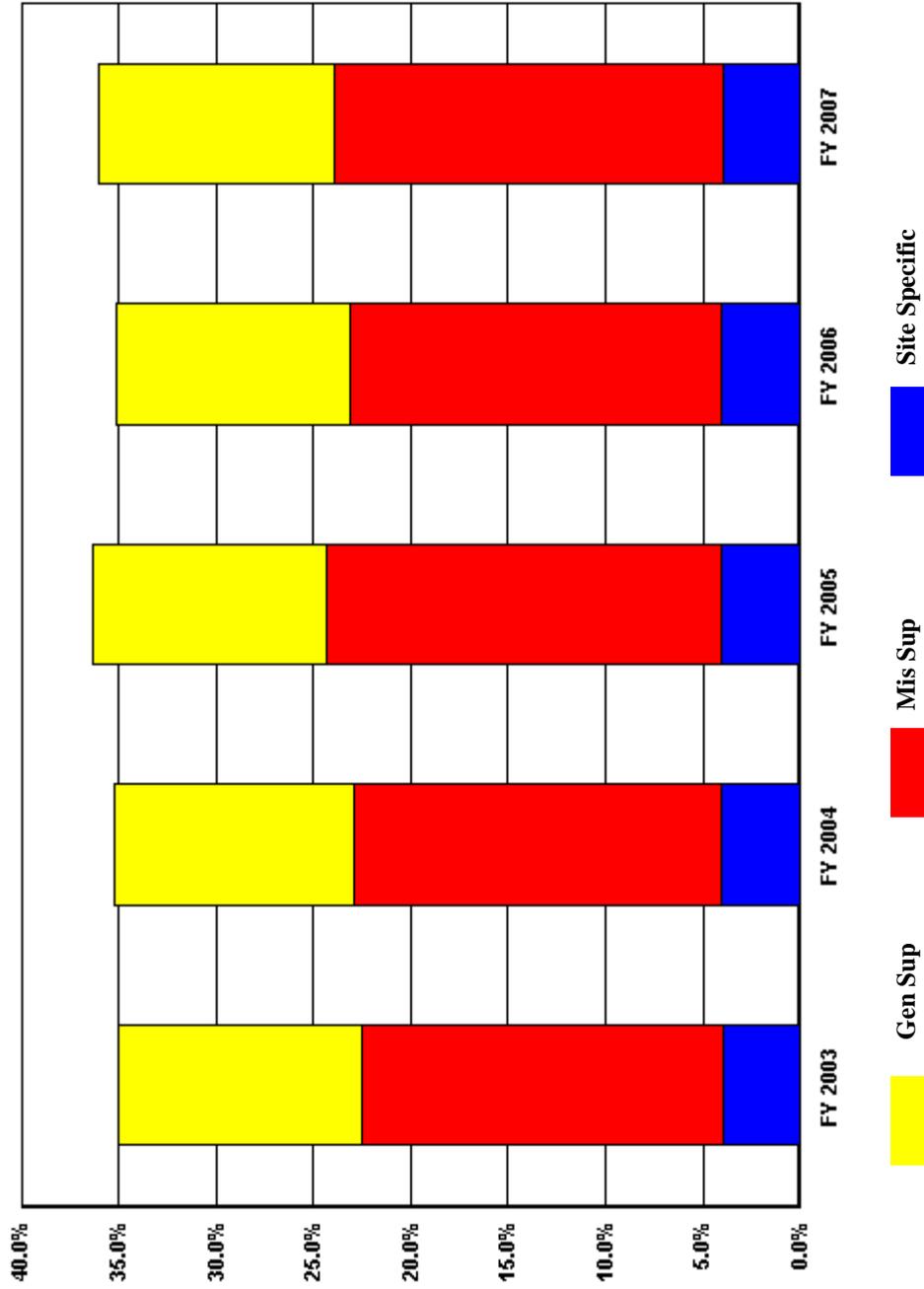
**US Department of Energy  
Total Functional Support as a % of Total Costs  
L. Livermore National Lab/University of California**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>35.0%</b>	<b>35.2%</b>	<b>36.3%</b>	<b>35.1%</b>	<b>36.0%</b>

**US Department of Energy  
 Percent of Support Category to Total Costs  
 L. Livermore National Lab/University of California**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	12.4%	12.3%	12.0%	12.0%	12.2%
Mis Sup	18.5%	18.9%	20.3%	19.1%	19.9%
Site Specific	4.0%	4.0%	4.1%	4.1%	3.9%

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## SITE PROFILE

### L. Livermore National Lab/University of California

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#### SITE OVERVIEW AND CHARACTERISTIC

Established in 1952, Lawrence Livermore National Laboratory (LLNL) is a government-owned, contractor-operated research and development facility managed and operated by Lawrence Livermore National Security, LLC, for the National Nuclear Security Administration (NNSA) within the United States Department of Energy (DOE). LLNL is responsible for ensuring that the nation's nuclear weapons remain safe, secure, and reliable. In addition, the Laboratory also has a primary role in NNSA's mission in the prevention of the spread and use of nuclear weapons, as well as other weapons of mass destruction.

Technologies and assessment tools developed at LLNL are contributing to homeland security and the war against terrorism. With its special capabilities, the Laboratory is also able to meet enduring national needs in conventional defense, energy, environment, biosciences, and basic science.

LLNL has a diverse customer base with major efforts for DOE and NNSA program offices (Defense Programs, Defense Nuclear Nonproliferation, Science, and Environmental Restoration and Waste Management), as well as work for other federal and non-federal agencies.

LLNL is a world-class leader in technical research and development. The Laboratory is home to several of the world's fastest supercomputers. BlueGene/L is the only supercomputer to exceed 100 trillion floating operations per second (teraFLOPS) and is capable of performing 280teraFLOPS or more. The ASC Purple system has a capability of 100 teraFLOPS. Next-generation Linux clusters have been installed, which brings an additional 77 teraFLOPS of new computing power to Laboratory researchers including the 44 teraFLOPS Atlas cluster.

The Laboratory met key milestones in 2007 in support of Stockpile Stewardship and NNSA Complex Integration. Most notable was the development of a design package for the Reliable Replacement Warhead (RRW). NNSA decided that Livermore and Sandia national laboratories will lead the design of the RRW for the U.S. Navy. The National Ignition Facility (NIF) project is over 94% complete; one of the two laser bays has been commissioned; and the Laboratory is less than one year away from beginning experiments using 96 beams and two years away from experiments using the full laser with 192 beams.

LLNL's contributions to nonproliferation and homeland security include the development of systems to detect proliferation activities as well as radiation and biological agent detectors for homeland security. For the fifth year in a row, LLNL received at least one "R&D 100 Award" for an important advance in detection technology. Laboratory researchers have earned 118 "R&D 100 Awards" since 1978. Five awards were won in 2007, this is indicative of LLNL's many other technical accomplishments.

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## SITE PROFILE

### L. Livermore National Lab/University of California

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Other recent LLNL breakthroughs in science and technology include: a dielectric wall accelerator to greatly improve cancer treatment through proton therapy, seminal contributions to NASA's Stardust mission to collect particles from a comet, world record setting performance by a hydrogen-powered car, and the imaging of atomic structure and dynamics with ultra-fast x-ray scattering.

As of September 30, 2007, LLNL had 7,839 employees, including all workforce categories except contractors. LLNL's highly educated workforce includes approximately 1,669 doctorates, 1,133 masters, and 1,786 bachelor degrees. The primary LLNL site is located on one square mile, 40 miles southeast of San Francisco.

#### DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS

##### HUMAN RESOURCES

Human Resources increased by \$1,148K due to costs related to contract transition, including an HR project manager, secretary, documenter, personnel for data validation, and training to meet new contract requirements.

##### CFO

Chief Financial Officer increased by \$696K due to requirements for the Financial Systems Upgrade (FSU) project and transitioning the payroll system to meet the requirements of a private employer under the new contract.

##### LEGAL

Legal increased by \$279K due to additional outside counsel required for issues related to employment, environment, and patents. Additional funds were also required for a case management software purchase and an ethics website.

##### CENTRAL ADMIN SERVICES

Central Administrative Services decreased by \$1,130K due to reduced spending on cafeteria operations, the central library, and the Technical Information Department (TID) Service Center.

##### PROGRAM/PROJECT CONTROL

Program / Project Control increased by \$2,534K due to the expansion of the Organizational Personnel Charge for matrixing resource managers and the inclusion of resource managers matrixed to direct programs and Program Management Charges.

##### INFORMATION OUTREACH

Information Outreach increased by \$1,396K due to the transfer of LDRD reporting and oversight from the LDRD cost center to the Laboratory Science & Technology Office cost center.

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## SITE PROFILE

### L. Livermore National Lab/University of California

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#### INFORMATION SERVICES

Information Services increased by \$3,540K due to higher lease-to-own contract costs for the Peloton and Blue-Gene/L supercomputer systems under Institutional Computing.

#### OTHER

Other decreased by \$2,331K due to a reduction in self-insurance costs which vary sharply from year to year based on legal claims against the Laboratory.

#### ENVIRONMENTAL

Environmental increased by \$2,917K due to the direct charging of personnel providing chemistry services to the Environmental Protection Department and the inclusion of personnel matrixed to the programs from the EPD Operations and Regulatory Affairs Division.

#### SAFETY AND HEALTH

Safety and Health increased by \$5,315K due to fire alarms replacement; increased matrixing of Hazards Control personnel to direct programs; c) an increase in the Hazards Control Organizational Personnel Charge; and increased costs for safety and health within the Organizational Facility Charges.

#### FACILITIES MANAGEMENT

Facilities Management increased by \$8,637K due to projects for deficient lighting improvements; electrical systems upgrades; the Northeast Inner Loop Road Civil Reconfiguration Project; Strategic Facilities Consolidation; and the reclassification of the Pulse Power Facility revitalization project from Maintenance to Facilities Management.

#### MAINTENANCE

Maintenance decreased by \$4,105K due to the end of the PE Apprenticeship Program; the reclassification of the Pulse Power Facility revitalization project from Maintenance to Facilities Management; and lower maintenance costs in the Organizational Facilities Charges.

#### UTILITIES

Utilities increased by \$1,920K due to an increase in the cost of the electricity commodity.

#### SAFEGUARDS AND SECURITY

Safeguards and Security increased by \$2,318K due to inflation in direct funded activity; an increase in the Sensitive Compartmented Information (SCI) Service Center; and higher costs in the Organizational Facility Charges.

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**SITE PROFILE**

**L. Livermore National Lab/University of California**

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**LOGISTICS SUPPORT**

Logistics Support increased by \$1,943K due to an increase for fleet management; a new Organizational Personnel Charge for the Business Services Department; and higher costs for Logistics Support within the Organizational Facilities Charges.

**QUALITY ASSURANCE**

Quality Assurance increased by \$693K due to increased G&A costs for the Assurance Review Office in the Safety & Environmental Protection Directorate; and higher costs for quality assurance within the Organizational Facilities Charges.

**LABORATORY/TECHNICAL SUPPORT**

Laboratory / Technical Support decreased by \$902K due to the direct charging of personnel providing chemistry services to the Environmental Protection Department and reduced activity for the Engineering Manufacturing & Materials Service Center.

**LDRD / PDRD / SDRD**

LDRD decreased \$1,359K reflecting the transfer of LDRD reporting and oversight from the LDRD cost center to the Laboratory Science and Technology Office cost center under Information/Outreach.

**CAPITAL CONSTRUCTION**

Changes due to changes in to sponsor requirements and priorities.

**COST SAVINGS INITIATIVES**

(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT

**SITE PROFILE**

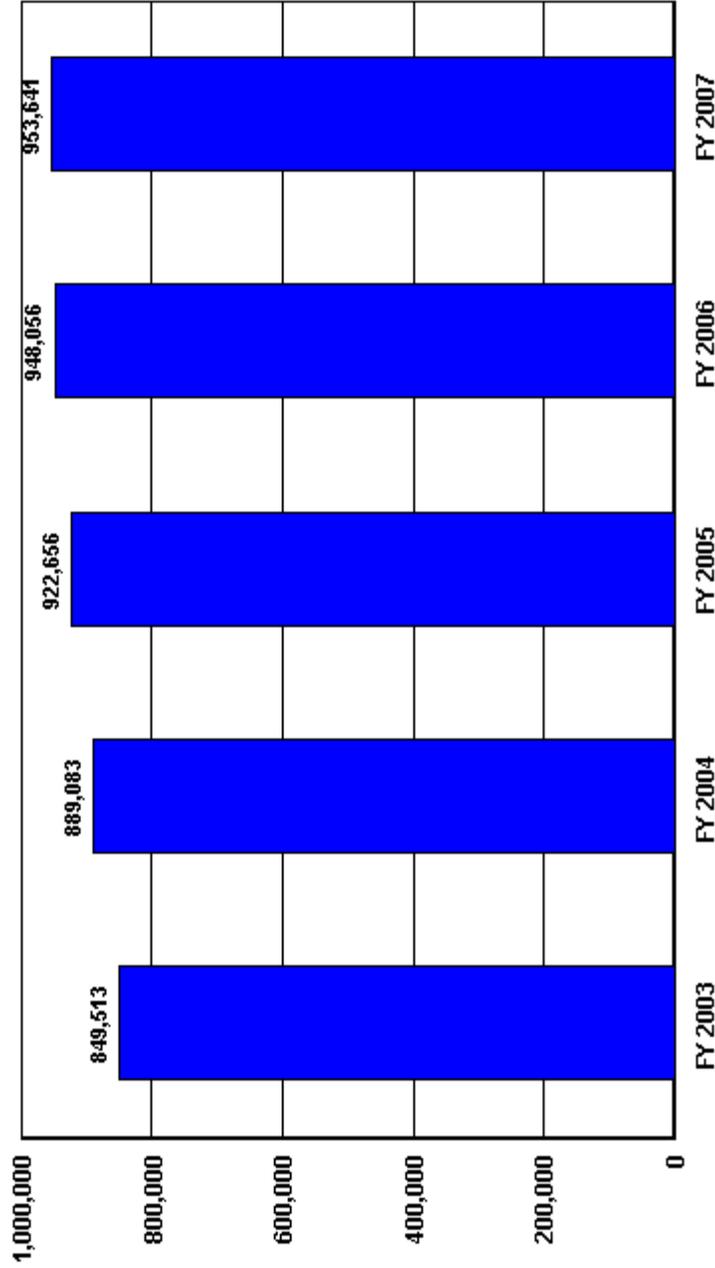
**L. Livermore National Lab/University of California**

Off-site Waste Sampling Analysis Initiative	1,400	The EPD (Environmental Protection Department) initiated a cost savings effort at the end of FY06 that was implemented in FY07 on waste sampling analysis. Working with CES (Chemistry Environmental Services), a plan was initiated to send more sample analysis to off-site labs and cut the amount of lab work actually done on-site. The cost savings to the Waste Sampling Analysis Program (a G&A funded activity) was \$1.4M in FY07 compared to FY06. Additional savings in FY08 should raise the net annual savings to about \$1.5M compared to FY06.	R Schechter
WGMD Water Sampling Protocol Initiative	114	During FY07 LLNL saved approximately \$9.5K per month (or about \$114K when compared to the FY06 costs) for sanitary sewer user charges that are assessed by the City of Livermore Water Resources Division (WRD). These savings are the result of the WGMD (Water Guidance and Monitoring Division) renegotiating our sampling protocol with WRD and implementing a monitoring program to provide WRD with seven "representative" values each month for Biological Oxygen Demand (BOD) & Total Suspended Solids (TSS) loads rather than the previously reported single "compliance" value (typically higher than the average of the representative values) for use in the WRD billing algorithm.	R Schechter
Livelink User Account Initiative	57	The Livelink Team has instituted a process for deleting stale and unused Livelink user accounts. (Livelink is a collaborative software application.) Through this process, we have eliminated 3200 accounts and have a user base of approximately 5100 users. We reduced our current named user licenses from 6490 to 5500 accounts based on the slow trend in user account growth. This resulted in an annual cost savings of \$57K.	R Schechter

**Trends in Total Support Cost by Functional Categories**  
**Los Alamos National Lab/Los Alamos National Sec. (\$000)**  
**FY 2007**

	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>\$ Change 2003 To FY 2007</b>	<b>% Change 2003 To FY 2007</b>
<b>Total Costs</b>	2,108,937	1,989,615	2,104,479	2,147,997	2,052,786	-56,151	-2.7%
<b>Capital Construction</b>	217,249	155,439	192,522	176,616	206,823	-10,426	-4.8%
<b>Total Costs Less Construction</b>	1,891,688	1,834,176	1,911,957	1,971,381	1,845,963	-45,725	-2.4%
<b>Total Support Costs</b>	<b>849,513</b>	<b>889,083</b>	<b>922,656</b>	<b>948,056</b>	<b>953,641</b>	<b>104,128</b>	<b>12.3%</b>
<b>Mission Direct Operation</b>	1,042,175	945,093	989,301	1,023,325	892,322	-149,853	-14.4%
<b>Mission Direct Operation as % of Total Cost</b>	<b>49.4%</b>	<b>47.5%</b>	<b>47.0%</b>	<b>47.6%</b>	<b>43.5%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>10.3%</b>	<b>7.8%</b>	<b>9.1%</b>	<b>8.2%</b>	<b>10.1%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>40.3%</b>	<b>44.7%</b>	<b>43.8%</b>	<b>44.1%</b>	<b>46.5%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>40.3%</b>	<b>44.7%</b>	<b>43.8%</b>	<b>44.1%</b>	<b>46.5%</b>		
<b>TOTAL SUPPORT COST</b>	<b>849,513</b>	<b>889,083</b>	<b>922,656</b>	<b>948,056</b>	<b>953,641</b>	<b>104,128</b>	<b>12.3%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>13.3%</b>	<b>15.1%</b>	<b>15.0%</b>	<b>14.4%</b>	<b>11.7%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>279,694</b>	<b>300,813</b>	<b>315,966</b>	<b>308,872</b>	<b>241,096</b>	<b>-38,598</b>	<b>-13.8%</b>
EXECUTIVE DIRECTION	24,063	26,984	19,489	21,417	10,884	-13,179	-54.8%
HUMAN RESOURCES	23,248	20,669	22,250	22,827	19,193	-4,055	-17.4%
CFO	11,268	11,636	14,614	14,740	10,813	-455	-4.0%
PROCUREMENT	17,438	20,831	22,353	18,497	16,938	-500	-2.9%
LEGAL	9,784	9,161	10,857	9,434	8,565	-1,219	-12.5%
CENTRAL ADMIN SERVICES	27,601	26,261	25,967	23,271	27,444	-157	-0.6%
PROGRAM/PROJECT CONTROL	15,043	15,627	17,544	14,096	28,124	13,081	87.0%
INFORMATION OUTREACH	20,620	19,653	18,781	33,516	27,743	7,123	34.5%
INFORMATION SERVICES	124,248	141,741	148,165	146,939	91,392	-32,856	-26.4%
OTHER	6,381	8,250	15,946	4,135	0	-6,381	-100.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>22.0%</b>	<b>24.0%</b>	<b>23.7%</b>	<b>23.5%</b>	<b>23.7%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>463,681</b>	<b>477,570</b>	<b>497,897</b>	<b>504,667</b>	<b>486,609</b>	<b>22,928</b>	<b>4.9%</b>
ENVIRONMENTAL	17,663	21,873	27,373	23,132	23,503	5,840	33.1%
SAFETY AND HEALTH	87,621	79,530	93,009	80,995	94,495	6,874	7.8%
FACILITIES MANAGEMENT	100,559	105,828	96,693	84,811	76,931	-23,628	-23.5%
MAINTENANCE	63,717	57,124	56,184	74,762	89,882	26,165	41.1%
UTILITIES	60,013	65,869	63,632	65,018	58,568	-1,445	-2.4%
SAFEGUARDS AND SECURITY	101,450	102,620	118,199	118,466	95,093	-6,357	-6.3%
LOGISTICS SUPPORT	10,872	13,476	11,747	11,958	15,112	4,240	39.0%
QUALITY ASSURANCE	17,941	26,457	24,974	38,243	31,115	13,174	73.4%
LABORATORY/TECHNICAL SUPPORT	3,845	4,793	6,086	7,282	1,910	-1,935	-50.3%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>5.0%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>6.3%</b>	<b>11.0%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>106,138</b>	<b>110,700</b>	<b>108,793</b>	<b>134,517</b>	<b>225,936</b>	<b>119,798</b>	<b>112.9%</b>
MANAGEMENT/INCENTIVE FEE	19,031	22,790	19,448	32,616	72,035	53,004	278.5%
TAXES	0	0	0	15,477	76,508	76,508	100.0%
LDRD / PDRD / SDRD	87,107	87,910	89,345	86,424	77,393	-9,714	-11.2%

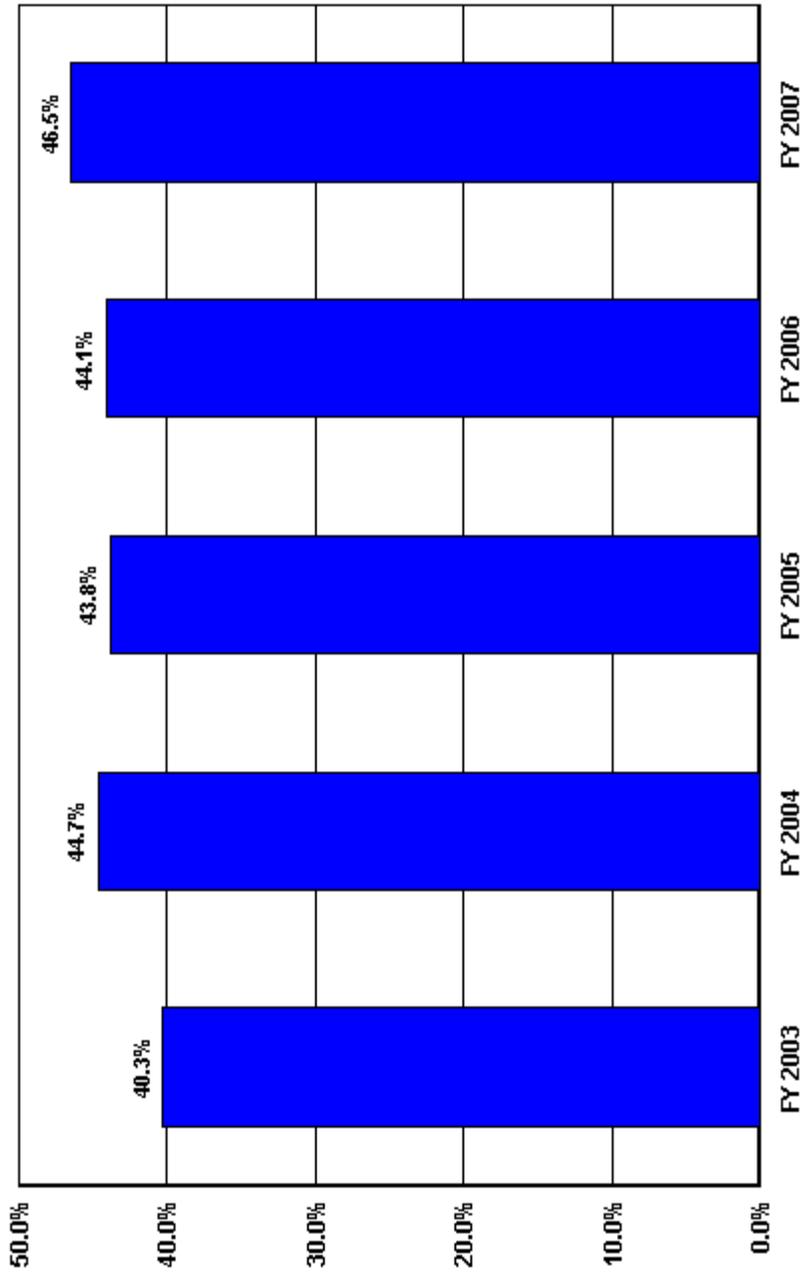
**US Department of Energy  
Total Functional Support  
Los Alamos National Lab/Los Alamos National Sec.**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>849,513</b>	<b>889,083</b>	<b>922,656</b>	<b>948,056</b>	<b>953,641</b>

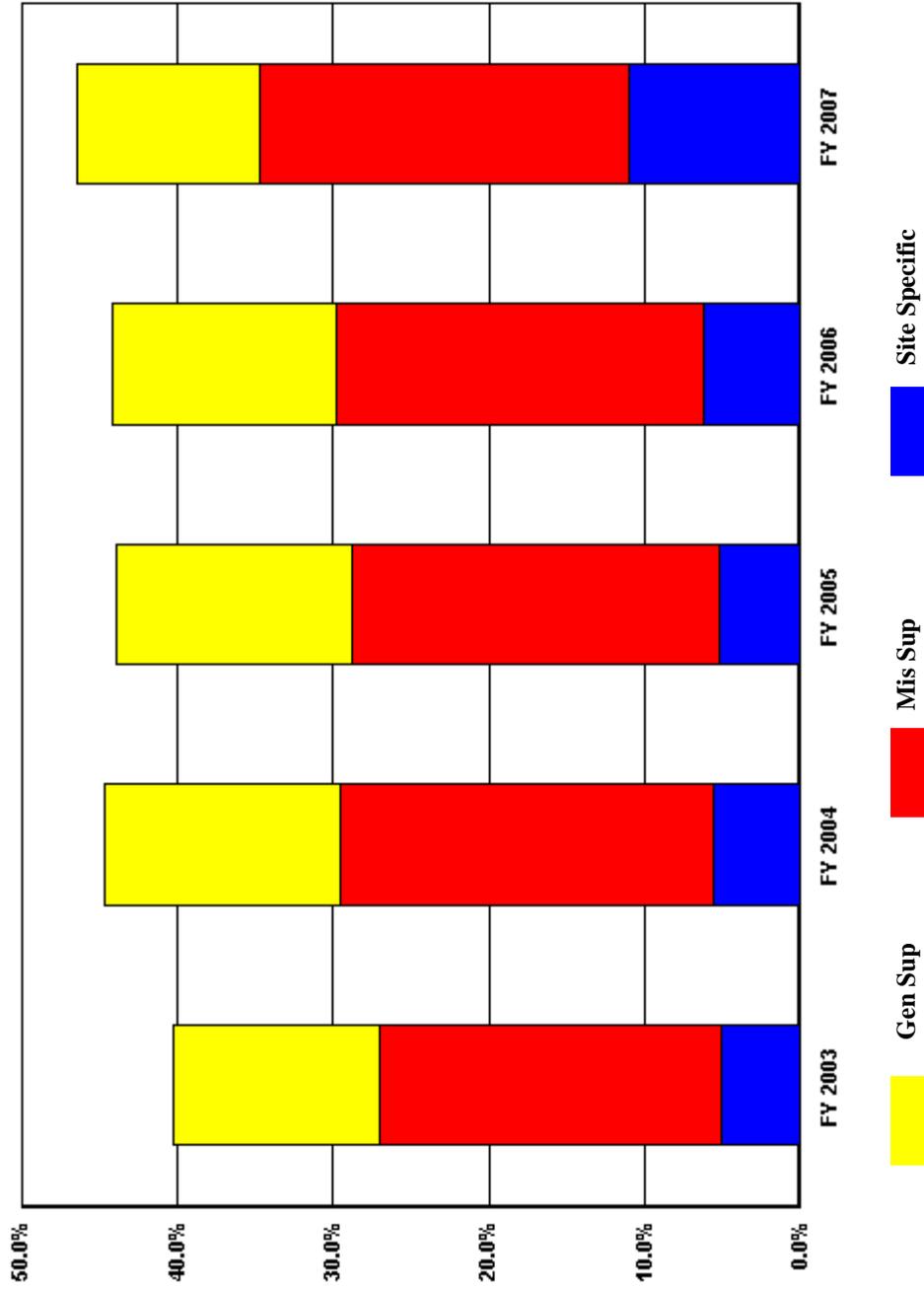
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Los Alamos National Lab/Los Alamos National Sec.**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>40.3%</b>	<b>44.7%</b>	<b>43.8%</b>	<b>44.1%</b>	<b>46.5%</b>

US Department of Energy  
 Percent of Support Category to Total Costs  
 Los Alamos National Lab/Los Alamos National Sec.



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	13.3%	15.1%	15.0%	14.4%	11.7%
Mis Sup	22.0%	24.0%	23.7%	23.5%	23.7%
Site Specific	5.0%	5.6%	6.3%	6.3%	11.0%

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**SITE PROFILE**  
**Los Alamos National Lab/Los Alamos National Sec.**

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**SITE OVERVIEW AND CHARACTERISTIC**

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**EXECUTIVE DIRECTION**

The change in this category is attributed primarily to more detailed binning of general support and mission support functions of the Director's office, Principle Associate Directors' offices, and LANS company offices. The overall spending through these offices increased approximately \$8 million over FY 2006, but much of this cost has now been more specifically identified with other categories. The most significant recategorization of costs was the movement of approximately \$13.5 million associated with institutional program development to category 48 "Program/Project Planning & Control."

**HUMAN RESOURCES**

**CFO**

Costs in this category decreased due to the shifting of costs in the distributed budget support groups to category 48 "Program/Project Planning and Control" as field financial support. Approximately \$5 million was shifted into the new category for FY 2007 reporting. Spending in other areas of the CFO organization increased by an amount of \$1 million dollars to bolster the tax, pension, and payroll administration areas.

**PROCUREMENT**

**LEGAL**

**CENTRAL ADMIN SERVICES**

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**SITE PROFILE**  
**Los Alamos National Lab/Los Alamos National Sec.**

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**PROGRAM/PROJECT CONTROL**

The increase in costs in this category was due to the recategorization of cost reporting. Along with the costs of programmatic finance support, provided by distributed budget groups, the category now captures the costs of institutional program development. These changes in categorization moved approximately \$13.5 million from category 01 "Executive Direction" into this category.

**INFORMATION OUTREACH**

Information Outreach decreased by 5.8M.

**INFORMATION SERVICES**

Information services costs dropped due to a number of factors. With the release of the finance module of the Enterprise Project in October, 2006, investment in the laboratory's business system decreased by \$22.3 million in FY07. Costs of a number of other specific-purpose databases and information systems also dropped, saving an additional \$3.8 million. Spending for capital equipment—now captured entirely in category 46 "Capital and Construction"—which was captured in this category in FY06 totaled \$4.6 million. Finally, a general decline in the demand for information service including on-demand computer-related recharges and telephone services, saved the laboratory almost \$25 million.

**OTHER**

None in FY 2007.

**FACILITIES MANAGEMENT**

**MAINTENANCE**

The increase in maintenance cost is due primarily to the inclusion of special purpose facility maintenance in this category. This maintenance, direct funded in RTBF was previously reported in the mission direct category 31 as an amount approximately \$14.6 million. Due a particularly wet winter in Los Alamos, snow removal costs increased by approximately \$1.1 million over FY 2006.

**LOGISTICS SUPPORT**

Cost increases are due to the recategorization of the following costs: approximately \$1.5 million for packaging and transportation safety (formerly in category 13 "Safety and Health), \$1.4 million for on-site distribution (formerly in category 4 "Procurement") and approximately \$1.2 million for mail services (formerly in category 9 "Information Services").

**QUALITY ASSURANCE**

QA costs decreased by 7.1M.

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## SITE PROFILE

### Los Alamos National Lab/Los Alamos National Sec.

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#### LABORATORY/TECHNICAL SUPPORT

For the FY 2006 report, this category captured a significant amount of costs for internal service centers that provided technical services to projects. The current reporting methodology, adopted for FY 2007, places emphasis on greater identification of services with the functional objective in order to create consistency of service and material categorization - whether provided by an internal or external vendor. The reduction in costs represents the migration of costs to the entire spectrum of mission support and mission direct categories.

#### MANAGEMENT/INCENTIVE FEE

The increase in cost reflects a full twelve month period of fee earned by LANS, LLC. as opposed to a combination of fee earned by the former contractor, the University of California, for the period of October 2005 through May 2006, and the fee earned by LANS, LLC. for the period of June 2006 through September 2006. While the DOE contract with LANS allows a maximum fee that is substantially higher than the maximum fee that could be earned by the University of California, the new contract places the majority of the fee "at risk" based on performance measured against DOE metrics. The increase in fee indicates that LANS is performing satisfactorily or better against these metrics.

#### TAXES

The increase in costs reflects a full twelve month period of transactions subject to New Mexico gross receipt tax. Transactions conducted under the University of California, a not-for-profit entity, were largely exempted from these taxes.

#### COST SAVINGS INITIATIVES

(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
IBM Mainframe Software Maintenance	408	IBM Mainframe Software Maintenance: Reduced cost of software maintenance on IBM mainframe by migrating applications to regattas and changing pricing methodology from 100% Central Processing Unit to actual CPU usage.	Brendon Sehorn

**SITE PROFILE**

**Los Alamos National Lab/Los Alamos National Sec.**

Analysis Planning Process for Water/Soil Sampling	265	Sample and Analysis Planning Process for Water/Soil Sampling: Two similar sample and analysis planning processes were combined into one. This resulted in a staff reduction and process changes including a requirement for a standard sampling and analysis plan before sampling, elimination of non-required sampling and reduction of paperwork re-works.	Brendon Sehorn
Verification & Validation for Water/Soil Sampling	218	Data Management Verification and Validation for Water/Soil Sampling: Two similar verification and validation process were combined into one process resulting in a reduction in FTEs and the combining of two subcontracts providing similar validation services into one.	Brendon Sehorn
Domestic Air Fare	3,094	Domestic Air Fare: Reduced cost of domestic air fare through improved controls on the purchases of air fare (refundable vs. non-refundable) and least cost air fares from September 2006 through August 2007.	Brendon Sehorn
Procurement eAuction	227	Procurement eAuction: Reduced cost of procuring goods and services using eAuction tools.	Brendon Sehorn
TA-55 Retention Pay	635	TA-55 Retention Pay: Requested continuation of retention pay program for only a portion of participants beyond sunset stipulation. Technical Staff Members (TSM) were removed from the program because their compa ratio reached over 100%. Technicians (TEC) and Staff Support Members (SSM) jobs show benefit of continuing the program.	Brendon Sehorn
CCMR Recycling	1,684	The Chemistry and Metallurgy Research Facility Replacement project (CCMR) Recycling: The CCMR project will have reused approximately 207,000 cubic yards of asphalt, and 162 yards of vegetation to generate mulch throughout the Laboratory. In addition, the project delivered 17,000 cubic yards of soil to the Los Alamos County Land Fill for the Eco Station construction and intermediate cover on the landfill.	Brendon Sehorn

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**SITE PROFILE**

**Los Alamos National Lab/Los Alamos National Sec.**

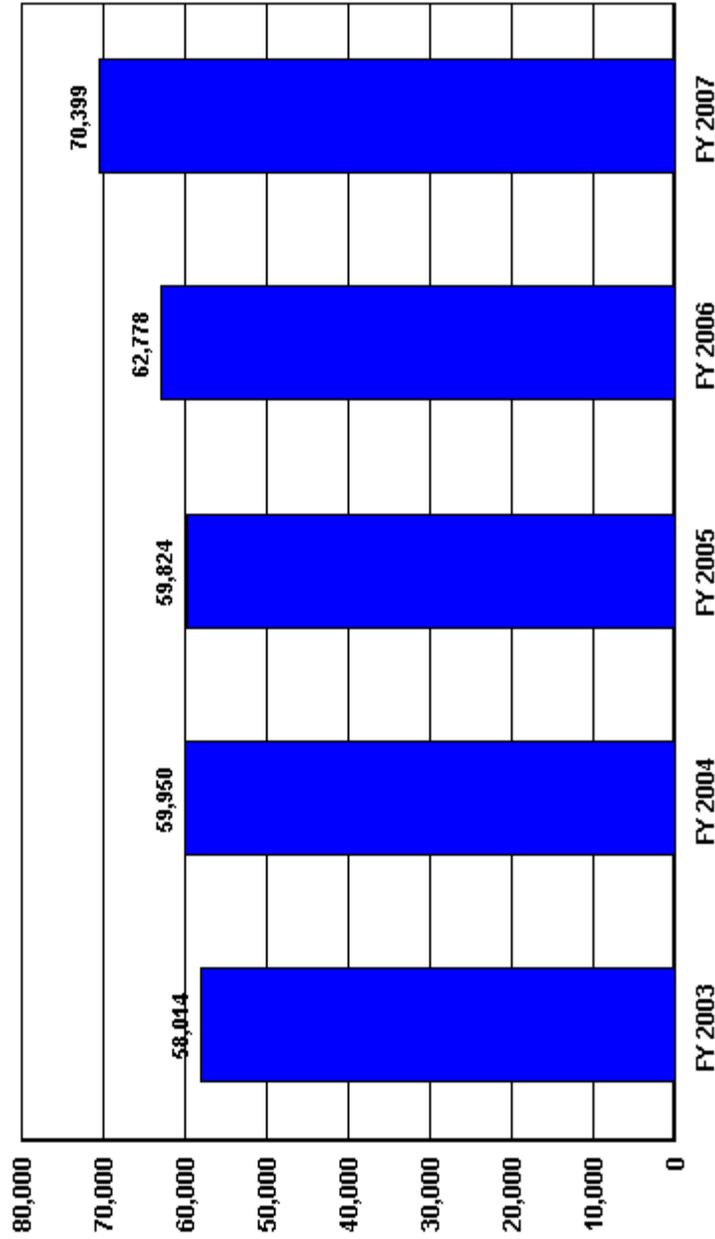
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iProcurement	548	iProcurement: Reduce cost of the process to procure safety-related shoes, clothing and glasses.	Brendon Sehorn
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**Trends in Total Support Cost by Functional Categories**  
**National Renewable Energy Lab/Midwest Research (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	222,231	226,879	209,985	195,604	201,390	-20,841	-9.4%
<b>Capital Construction</b>	6,628	11,563	14,314	18,117	9,955	3,327	50.2%
<b>Total Costs Less Construction</b>	215,603	215,316	195,671	177,487	191,435	-24,168	-11.2%
<b>Total Support Costs</b>	<b>58,014</b>	<b>59,950</b>	<b>59,824</b>	<b>62,778</b>	<b>70,399</b>	<b>12,385</b>	<b>21.3%</b>
<b>Mission Direct Operation</b>	157,589	155,366	135,847	114,709	121,036	-36,553	-23.2%
<b>Mission Direct Operation as % of Total Cost</b>	<b>70.9%</b>	<b>68.5%</b>	<b>64.7%</b>	<b>58.6%</b>	<b>60.1%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>3.0%</b>	<b>5.1%</b>	<b>6.8%</b>	<b>9.3%</b>	<b>4.9%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>26.1%</b>	<b>26.4%</b>	<b>28.5%</b>	<b>32.1%</b>	<b>35.0%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>26.1%</b>	<b>26.4%</b>	<b>28.5%</b>	<b>32.1%</b>	<b>35.0%</b>		
<b>TOTAL SUPPORT COST</b>	<b>58,014</b>	<b>59,950</b>	<b>59,824</b>	<b>62,778</b>	<b>70,399</b>	<b>12,385</b>	<b>21.3%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>16.9%</b>	<b>17.6%</b>	<b>18.5%</b>	<b>20.7%</b>	<b>20.9%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>37,574</b>	<b>39,837</b>	<b>38,797</b>	<b>40,453</b>	<b>42,041</b>	<b>4,467</b>	<b>11.9%</b>
EXECUTIVE DIRECTION	3,896	4,055	4,495	5,565	5,382	1,486	38.1%
HUMAN RESOURCES	1,546	1,895	1,969	1,976	3,245	1,699	109.9%
CFO	2,171	2,225	2,380	2,396	3,254	1,083	49.9%
PROCUREMENT	2,499	2,754	2,892	2,591	2,662	163	6.5%
LEGAL	1,442	1,435	1,513	1,568	1,917	475	32.9%
CENTRAL ADMIN SERVICES	2,486	2,599	2,551	2,390	2,111	-375	-15.1%
PROGRAM/PROJECT CONTROL	1,198	1,455	1,380	1,499	931	-267	-22.3%
INFORMATION OUTREACH	11,644	11,656	11,290	10,772	12,075	431	3.7%
INFORMATION SERVICES	8,751	9,419	8,226	9,609	10,336	1,585	18.1%
OTHER	1,941	2,344	2,101	2,087	128	-1,813	-93.4%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>6.8%</b>	<b>6.5%</b>	<b>7.4%</b>	<b>8.6%</b>	<b>10.4%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>15,031</b>	<b>14,683</b>	<b>15,567</b>	<b>16,890</b>	<b>20,912</b>	<b>5,881</b>	<b>39.1%</b>
ENVIRONMENTAL	0	0	41	417	50	50	100.0%
SAFETY AND HEALTH	1,190	1,157	1,230	1,915	2,315	1,125	94.5%
FACILITIES MANAGEMENT	6,797	6,852	6,980	6,764	9,840	3,043	44.8%
MAINTENANCE	2,824	2,971	3,047	2,794	2,726	-98	-3.5%
UTILITIES	1,155	1,222	1,524	1,934	1,920	765	66.2%
SAFEGUARDS AND SECURITY	1,349	1,164	1,246	1,420	2,444	1,095	81.2%
LOGISTICS SUPPORT	789	524	538	886	852	63	8.0%
QUALITY ASSURANCE	641	508	715	504	580	-61	-9.5%
LABORATORY/TECHNICAL SUPPORT	286	285	246	256	185	-101	-35.3%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>3.7%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>5,409</b>	<b>5,430</b>	<b>5,460</b>	<b>5,435</b>	<b>7,446</b>	<b>2,037</b>	<b>37.7%</b>
MANAGEMENT/INCENTIVE FEE	5,409	5,430	5,460	5,435	5,418	9	0.2%
TAXES	0	0	0	0	0	0	0.0%
LDRD / PDRD / SDRD	0	0	0	0	2,028	2,028	100.0%

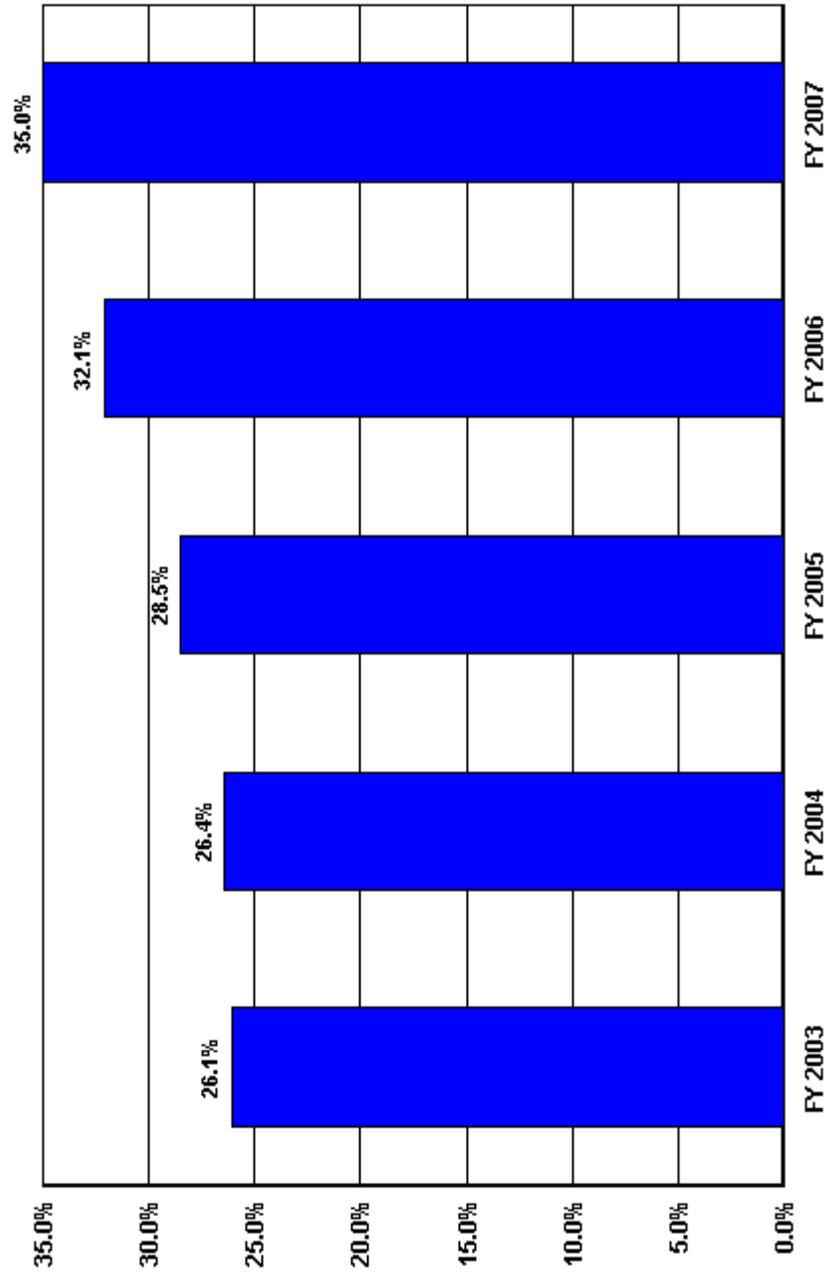
**US Department of Energy  
Total Functional Support  
National Renewable Energy Lab/Midwest Research**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>58,014</b>	<b>59,950</b>	<b>59,824</b>	<b>62,778</b>	<b>70,399</b>

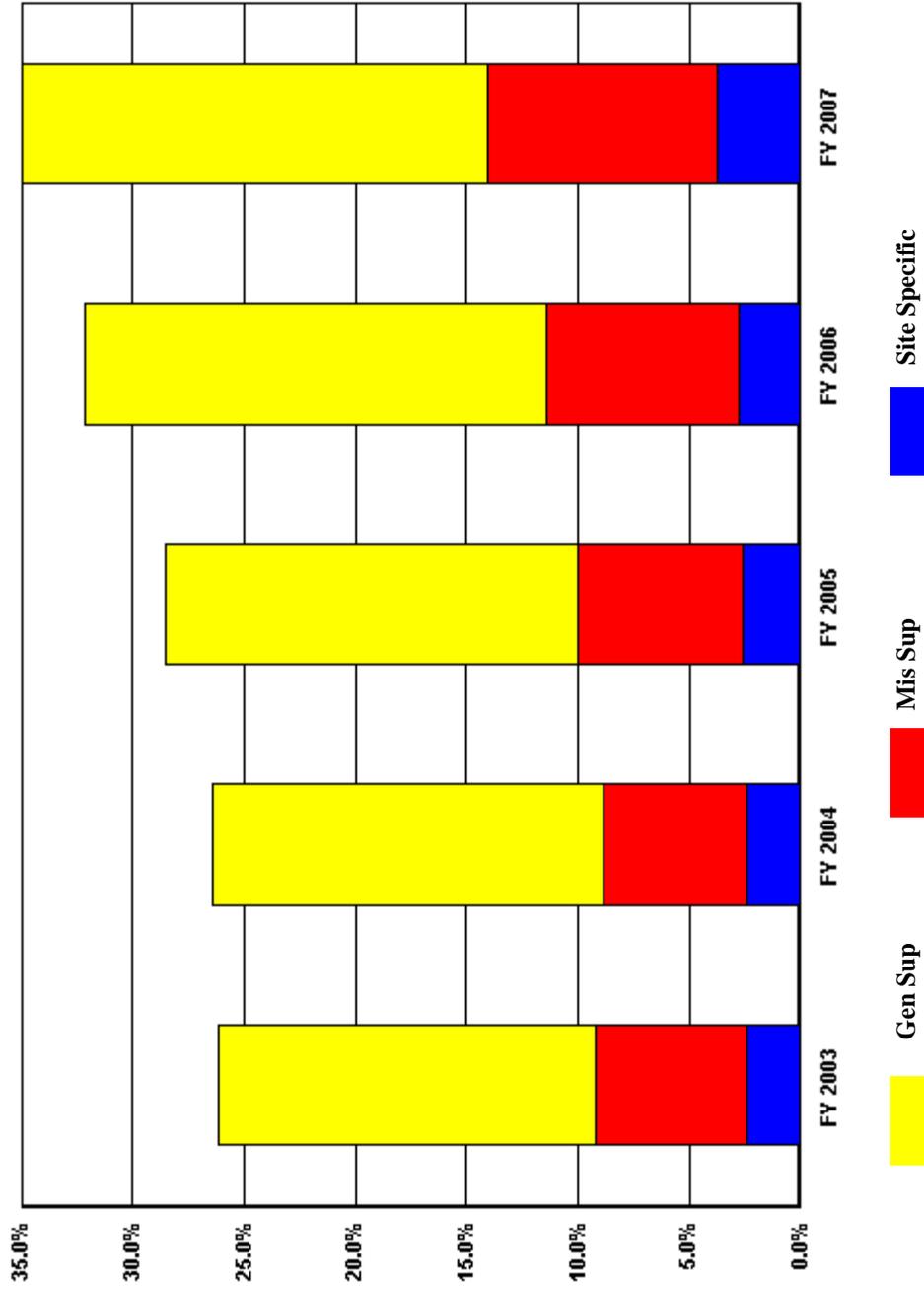
**US Department of Energy  
Total Functional Support as a % of Total Costs  
National Renewable Energy Lab/Midwest Research**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>26.1%</b>	<b>26.4%</b>	<b>28.5%</b>	<b>32.1%</b>	<b>35.0%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
National Renewable Energy Lab/Midwest Research**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	16.9%	17.6%	18.5%	20.7%	20.9%
Mis Sup	6.8%	7.4%	8.6%	10.4%	10.4%
Site Specific	2.4%	2.4%	2.8%	3.7%	3.7%

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## SITE PROFILE

### National Renewable Energy Lab/Midwest Research

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#### SITE OVERVIEW AND CHARACTERISTIC

The National Renewable Energy Laboratory is a “single program” laboratory dedicated to supporting renewable energy and energy efficiency technologies. NREL operates in six separate locations; five are near Golden, Colorado, 8 miles west of Denver, and one in Washington, D.C. The Golden area locations consist of the DOE-owned South Table Mountain (STM) and National Wind Technology Center (NWTC) sites incorporating 327 acres of land at the STM site and 305 acres at the NWTC site, 20 miles north of the STM site. Of the 327 acres of land at the STM site, only about 136 acres can be developed; the balance is restricted via easements. The other locations near Golden and in the District of Columbia are leased facilities.

NREL has achieved “carbon neutrality” in all its operations through the use of energy retrofits, energy efficient new construction, on-site renewable projects (PV and wind), and renewable energy certificate purchases. NREL exceeded the FY 2007 Transformational Energy Action Management (TEAM) Initiative and Executive Order 13423 goals for energy use reduction, greenhouse gas reduction, use of renewable energy, and transportation.

NREL activities occupy about 711,000 square feet of space. Of this, 451,000 square feet are in DOE-owned buildings, and the balance is leased. Most of the research is conducted in DOE-owned buildings, while most of the administrative and support activities are conducted in leased buildings. The cost of leased space is a significant contributor to NREL’s reported cost of facilities, adding about \$4.2 million per year to this category of cost.

NREL had 982 employees and a total staff of 1,186 on site at all its locations at fiscal year end.

NREL provides expertise across the continuum of research, development, and demonstration and supports implementation strategies to accelerate market adoption. These efforts are underpinned by highly effective program management, yielding significant outcomes that advance the nation’s energy goals. In FY 2007 NREL received 94% of its total funding from EERE, the Laboratory’s steward and primary sponsor. Work with DOE’s Office of Science (3% of funding) promotes fundamental research in areas that will lead to breakthrough technologies and scientific advances in energy efficiency and renewable energy. Additional funding came from the DOE Office of Electricity Delivery and Energy Reliability and other offices. Technology Partnership Agreements with non-DOE sponsors represent 3% of the Laboratory’s total budget. In partnership with EERE, NREL supports 10 programs by conducting research and development to advance renewable energy and energy efficiency technologies, providing technical assistance to support the application of technologies, and conducting strategic analyses to inform portfolio planning, research directions, and policy formulation. The Laboratory also received a significant increase in funding for construction, which indicates the nation’s commitment to further developing NREL as a national resource.

A key strength of the Laboratory is its ability to work with and for a broad range of groups outside DOE, including industry, universities, state and local governments, other federal agencies, and

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**SITE PROFILE**  
**National Renewable Energy Lab/Midwest Research**

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domestic and international nongovernmental organizations. This is accomplished through vehicles such as Memorandums of Understanding, Technology Partnership Agreements, and licenses that promote the transfer of the knowledge and technologies produced at NREL. Through these partnerships, DOE's return on investment is realized as the knowledge created is put to use in relevant markets and sectors locally, nationally, and internationally. Through cost-sharing partnerships, NREL also leverages the dollars invested at the Laboratory in support of the DOE mission.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**HUMAN RESOURCES**

Costs increased by \$1.3M. A new management development series was launched in FY2007 to integrate consistent language and approaches to managing people, and developing and communicating performance goals. In addition, the human resources staff was expanded with three additional senior recruiters to better meet increased staffing needs for Laboratory growth and an electronic applicant tracking system was implemented.

**CFO**

Costs increased by \$858K. New business systems projects in FY2007 were added to enhance operational efficiency and controls including a new electronic timekeeping system and upgraded funds management and planning systems. Additional resources were added to meet the DOE accelerated schedule for OMB Circular A-123 requirements.

**LEGAL**

Costs increased by \$349K for outside counsel costs for intellectual property patent prosecution.

**PROGRAM/PROJECT CONTROL**

Costs decreased by \$568K with business development costs reclassified in FY2007 as Information Outreach.

**OTHER**

Other costs decreased by \$2.0M. In FY2007, the LDRD Order was revised to include single program laboratories. NREL included costs for Director's Discretionary Research and Development (DDRD) in FY2006 and prior years. In FY2007, no costs were incurred for DDRD.

**ENVIRONMENTAL**

Costs decreased by \$367K. FY2006 costs included a one time fee for sewer tap.

**SAFETY AND HEALTH**

Safety and Health costs rose by \$400K due to increased staffing to support expanded facilities and on-site construction activities.

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**SITE PROFILE**  
**National Renewable Energy Lab/Midwest Research**

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**FACILITIES MANAGEMENT**

Cost increases of \$3.1M included engineering costs for support for expanded facilities on line for a full fiscal year, accelerated minor construction activities, development of site-wide facilities plans, and purchase of office furnishings for staff growth.

**SAFEGUARDS AND SECURITY**

Costs increased by \$1.0M with addition of staff and other costs for a major expansion of Cyber Security activities.

**LABORATORY/TECHNICAL SUPPORT**

Costs decreased by \$71K with a reduction in staff for this function.

**LDRD / PDRD / SDRD**

Costs increased by \$2.0M. In FY2007, the LDRD Order was revised to include single program laboratories. NREL was not eligible for LDRD in FY2006 and prior years.

**CAPITAL CONSTRUCTION**

In FY2006, the Science and Technology Building was completed.

**COST SAVINGS INITIATIVES**

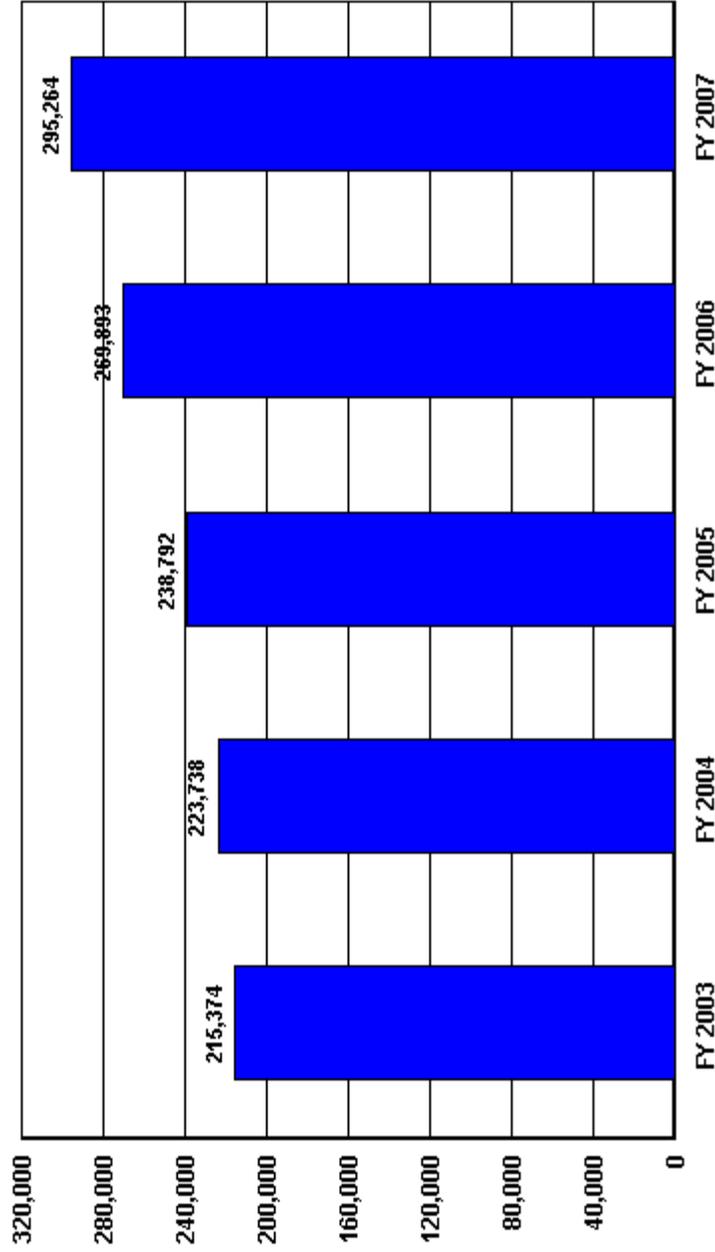
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Electronic Time Collection System	40	In early September FY2007, NREL converted a labor-intensive paper process for time collection to an electronic entry, submission and approval process. The process eliminated redundant data entry, copying and delivery of paper timesheets, and streamlined the review and approval process. Estimated savings are \$500K on an annual basis.	Karen Keeran

**Trends in Total Support Cost by Functional Categories**  
**Nevada/National Securities Tech & Bechtel (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	586,903	579,641	617,831	632,638	653,275	66,372	11.3%
<b>Capital Construction</b>	23,569	33,186	23,944	25,069	31,145	7,576	32.1%
<b>Total Costs Less Construction</b>	563,334	546,455	593,887	607,569	622,130	58,796	10.4%
<b>Total Support Costs</b>	<b>215,374</b>	<b>223,738</b>	<b>238,792</b>	<b>269,893</b>	<b>295,264</b>	<b>79,890</b>	<b>37.1%</b>
<b>Mission Direct Operation</b>	347,960	322,717	355,095	337,676	326,866	-21,094	-6.1%
<b>Mission Direct Operation as % of Total Cost</b>	<b>59.3%</b>	<b>55.7%</b>	<b>57.5%</b>	<b>53.4%</b>	<b>50.0%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>4.0%</b>	<b>5.7%</b>	<b>3.9%</b>	<b>4.0%</b>	<b>4.8%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>36.7%</b>	<b>38.6%</b>	<b>38.7%</b>	<b>42.7%</b>	<b>45.2%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>36.7%</b>	<b>38.6%</b>	<b>38.7%</b>	<b>42.7%</b>	<b>45.2%</b>		
<b>TOTAL SUPPORT COST</b>	<b>215,374</b>	<b>223,738</b>	<b>238,792</b>	<b>269,893</b>	<b>295,264</b>	<b>79,890</b>	<b>37.1%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>10.7%</b>	<b>10.7%</b>	<b>10.5%</b>	<b>9.4%</b>	<b>8.8%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>62,866</b>	<b>61,883</b>	<b>64,719</b>	<b>59,613</b>	<b>57,520</b>	<b>-5,346</b>	<b>-8.5%</b>
EXECUTIVE DIRECTION	6,359	4,489	4,594	2,726	2,823	-3,536	-55.6%
HUMAN RESOURCES	3,919	3,553	4,357	4,462	4,647	728	18.6%
CFO	4,047	4,678	4,851	4,769	4,946	899	22.2%
PROCUREMENT	3,094	3,331	4,297	3,534	3,137	43	1.4%
LEGAL	1,352	1,272	982	751	948	-404	-29.9%
CENTRAL ADMIN SERVICES	11,391	9,332	9,517	7,134	5,856	-5,535	-48.6%
PROGRAM/PROJECT CONTROL	2,329	5,127	5,998	8,075	7,094	4,765	204.6%
INFORMATION OUTREACH	2,353	2,667	2,593	2,477	2,574	221	9.4%
INFORMATION SERVICES	25,135	24,916	24,062	23,303	23,561	-1,574	-6.3%
OTHER	2,887	2,518	3,468	2,382	1,934	-953	-33.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>20.5%</b>	<b>21.5%</b>	<b>22.8%</b>	<b>28.1%</b>	<b>30.8%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>120,128</b>	<b>124,846</b>	<b>140,689</b>	<b>177,792</b>	<b>201,471</b>	<b>81,343</b>	<b>67.7%</b>
ENVIRONMENTAL	1,062	1,097	1,380	3,234	3,603	2,541	239.3%
SAFETY AND HEALTH	20,822	20,489	22,158	22,902	23,347	2,525	12.1%
FACILITIES MANAGEMENT	9,932	11,898	11,470	11,572	11,685	1,753	17.7%
MAINTENANCE	23,710	23,528	24,422	33,061	33,118	9,408	39.7%
UTILITIES	11,821	11,989	13,316	14,291	14,760	2,939	24.9%
SAFEGUARDS AND SECURITY	28,162	30,356	41,818	52,850	61,544	33,382	118.5%
LOGISTICS SUPPORT	12,153	12,359	12,721	13,254	12,885	732	6.0%
QUALITY ASSURANCE	3,737	4,879	5,436	5,758	5,994	2,257	60.4%
LABORATORY/TECHNICAL SUPPORT	8,729	8,251	7,968	20,870	34,535	25,806	295.6%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>5.5%</b>	<b>6.4%</b>	<b>5.4%</b>	<b>5.1%</b>	<b>5.6%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>32,380</b>	<b>37,009</b>	<b>33,384</b>	<b>32,488</b>	<b>36,273</b>	<b>3,893</b>	<b>12.0%</b>
MANAGEMENT/INCENTIVE FEE	23,213	25,539	21,321	20,913	25,000	1,787	7.7%
TAXES	5,452	6,872	7,182	7,199	7,232	1,780	32.6%
LDRD / PDRD / SDRD	3,715	4,598	4,881	4,376	4,041	326	8.8%

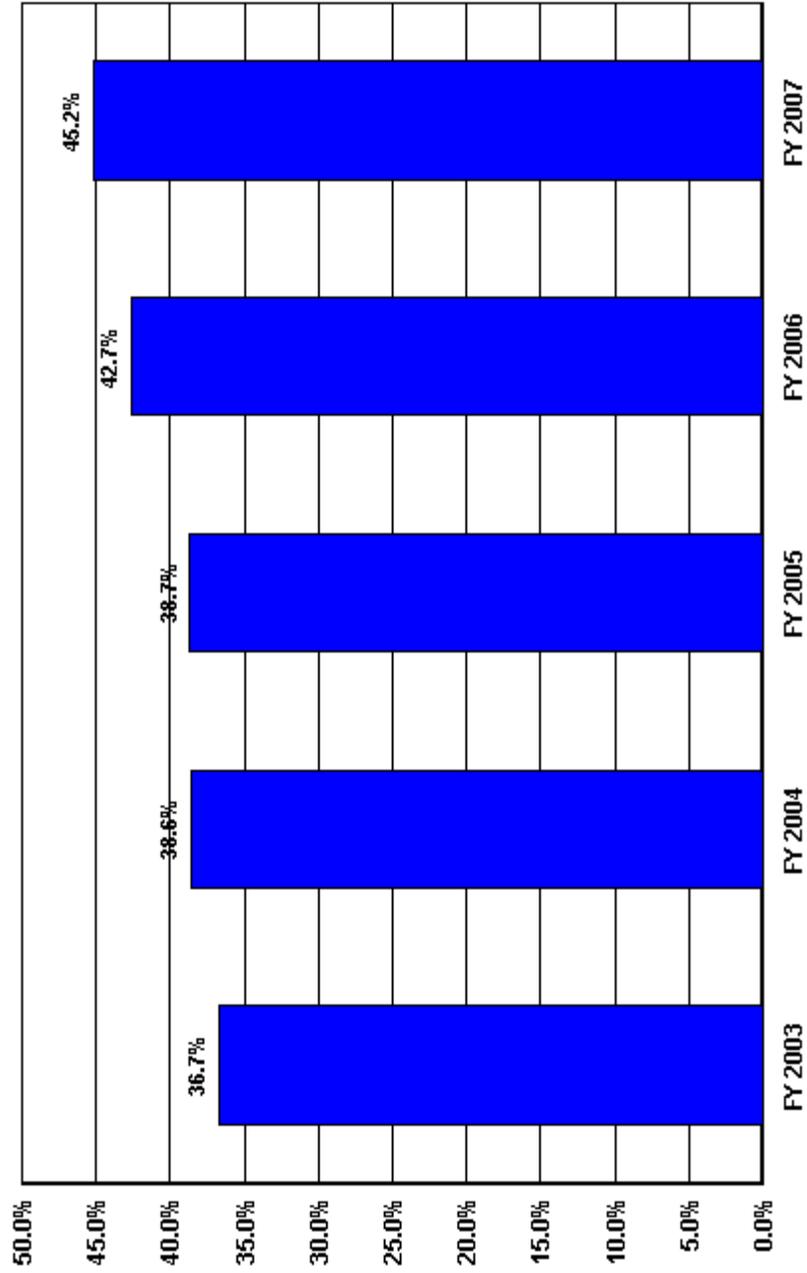
**US Department of Energy  
Total Functional Support  
Nevada/National Securities Tech & Bechtel**



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>215,374</b>	<b>223,738</b>	<b>238,792</b>	<b>269,893</b>	<b>295,264</b>

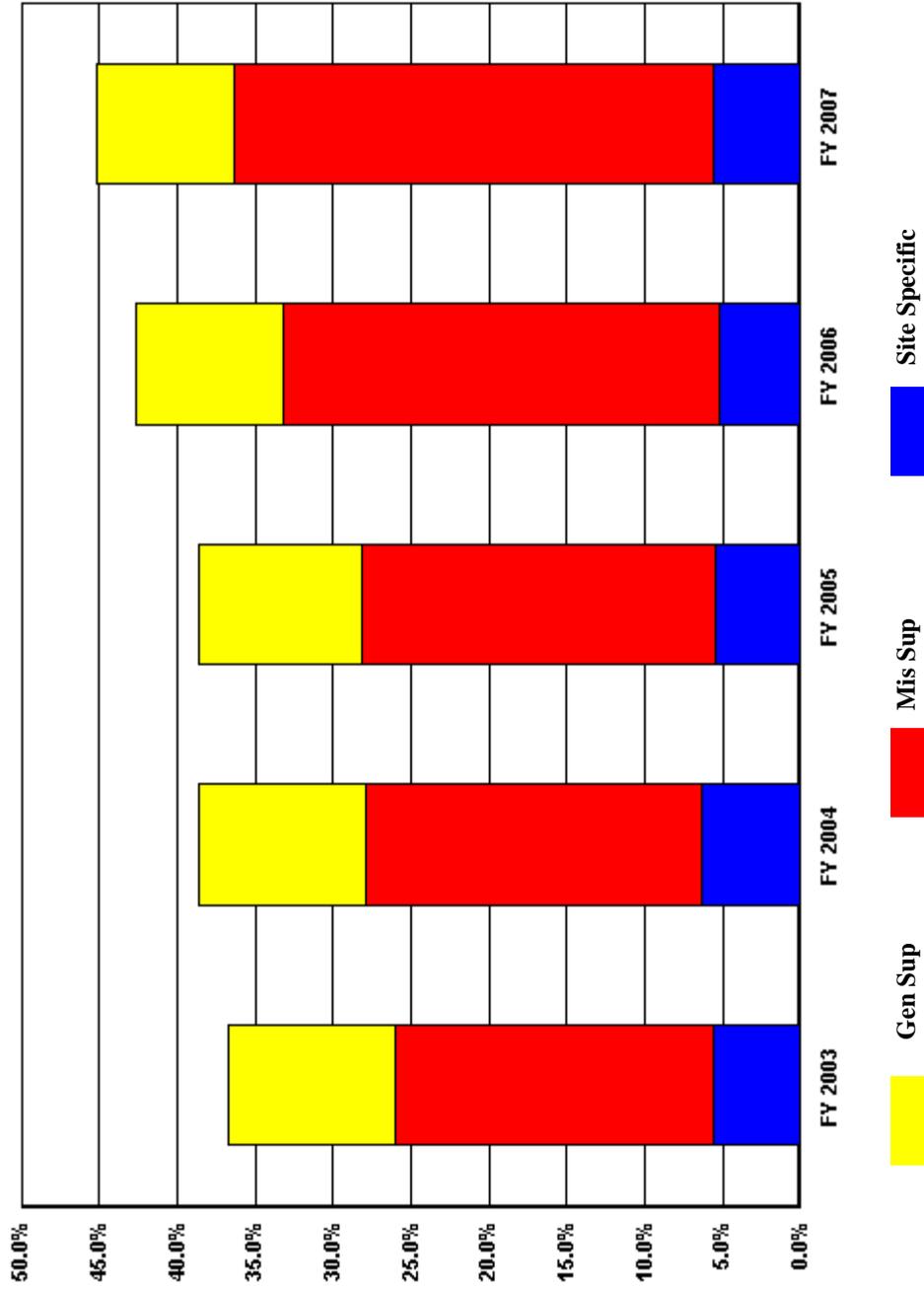
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Nevada/National Securities Tech & Bechtel**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>36.7%</b>	<b>38.6%</b>	<b>38.7%</b>	<b>42.7%</b>	<b>45.2%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Nevada/National Securities Tech & Bechtel**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Gen Sup</b>	10.7%	10.7%	10.5%	9.4%	8.8%
<b>Mis Sup</b>	20.5%	21.5%	22.8%	28.1%	30.8%
<b>Site Specific</b>	5.5%	6.4%	5.4%	5.1%	5.6%

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**SITE PROFILE**  
**Nevada/National Securities Tech & Bechtel**

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**SITE OVERVIEW AND CHARACTERISTIC**

National Security Technologies (NSTec) started on July 1, 2006 pursuant to a joint venture including Northrop Grumman, AECOM, CH2MHILL, and Nuclear Fuel Services. In FY 2007 the Nevada Test Site contract employed approximately 2,800 employees.

NSTec is the Management and Operating contractor that manages operations at the Nevada Test Site (NTS) and its related facilities and laboratories. The primary mission is to maintain the NTS for testing. Located 65 miles north of Las Vegas, the NTS is a massive outdoor laboratory and national experimental center. It is one of the largest restricted access areas in the United States covering approximately 1,375 square miles. There are 400 miles of paved roads and 300 miles of unpaved roads, two airstrips, 10 heliports, several active water wells, and an electric power transmission system. Also located within the boundaries of the Nevada Test Site is the base camp of Mercury with many of the amenities found in a small town. Housing, medical services, fire protection, law enforcement, security, and a cafeteria are all on site. There are 535 support buildings including offices, laboratories, warehouses, training facilities, a hospital, post office, fire station, sheriff's substation; and a large motor pool complete with repair facilities. The climate is that of a high desert basin with an estimated rainfall of less than seven inches and 310 days of sunshine each year. The arid desert climate allows year-round operation.

Most of the mission direct work performed at the NTS is contracted directly with the Nevada Site Office. Therefore, support costs for NSTec may appear higher than other integrated contractors. Besides the Department of Energy/National Nuclear Security Administration Nevada Site Office, NSTec partners with the Lawrence Livermore National Laboratory, Los Alamos National Laboratory, and Sandia National Laboratories on many projects. National Security Technologies also works on projects for other federal agencies such as the Defense Threat Reduction Agency, NASA, the Nuclear Regulatory Commission, and the U.S. Air Force, Army, and Navy.

NSTec is organized under a General Manager (GM) and Deputy General Manager (DGM) with 5 staff offices and 4 line divisions. This organization shortens lines of communications and focuses the attention of the workforce on the 4 core missions: Environmental Management; Experimentation & Stockpile Stewardship; Homeland Security & Defense Applications; and Operations & Infrastructure.

Environmental Management is responsible for Environmental Restoration, Program Integration, Waste Management Programs and Environmental Science and Technology Development.

Experimentation & Stockpile Stewardship provides experimental capabilities necessary to maintain confidence in the safety and performance of weapons in the U.S. nuclear weapons stockpile.

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**SITE PROFILE**  
**Nevada/National Securities Tech & Bechtel**

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Stockpile Stewardship is also responsible for maintaining the ability to resume underground nuclear testing.

Homeland Security & Defense Applications includes several programs that involve high-hazard test and evaluation, applied engineering, and technology. Also, included in this mission is Nonproliferation Test and Evaluation Complex (NPTEC) — fully permitted to release highly hazardous chemicals in a controlled environment for experimental purposes.

Operations & Infrastructure is responsible for handling the daily site operations, site and infrastructure planning, facilities, emergency services support, and site engineering.

Business Operations, Planning & Integration, ESH&Q, and Mission Support Services provides support to the four core programs. In addition, these organizations maintain commercial management and administration, financial, management and systems, human programs and communications, and project management and control systems.

More than half of NSTec's employees work in the Las Vegas area or at the nearby Nevada Test Site. The company has satellite offices in Livermore, California (Livermore Operations) Los Alamos, New Mexico (Los Alamos Operations) as well as the Special Technologies Laboratory in Santa Barbara, California. NSTec also operates the Remote Sensing Laboratory in Nevada and its sister group located near Washington, D.C.

Highlights of Trends

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**PROCUREMENT**

10% decrease in # of employess

**LEGAL**

Replacement of prior contractor legal staff

**CENTRAL ADMIN SERVICES**

Compliance with Peer Review finding # 3

**PROGRAM/PROJECT CONTROL**

Reduction in PCE's from prior contractor

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**SITE PROFILE**  
**Nevada/National Securities Tech & Bechtel**

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**OTHER**

Cost were reduced for; Retirement/Health, Excess Property Sales, Housing, Insurance, Other Adjustments, and Retroactive Workers Comp. Claims.

**ENVIRONMENTAL**

Increase in Scope of work to renew Environmental Impact Statement.

**SAFEGUARDS AND SECURITY**

Increase in WFO S&S and Includes NNSA Nevada Site Office costs.

**LABORATORY/TECHNICAL SUPPORT**

Includes NNSA Nevada Site Office costs.

**MANAGEMENT/INCENTIVE FEE**

Increased amount of available fee

**LDRD / PDRD / SDRD**

SDRD program limitation based on % of NNSA spending.

**CAPITAL CONSTRUCTION**

Scope of Work Increased

**COST SAVINGS INITIATIVES**

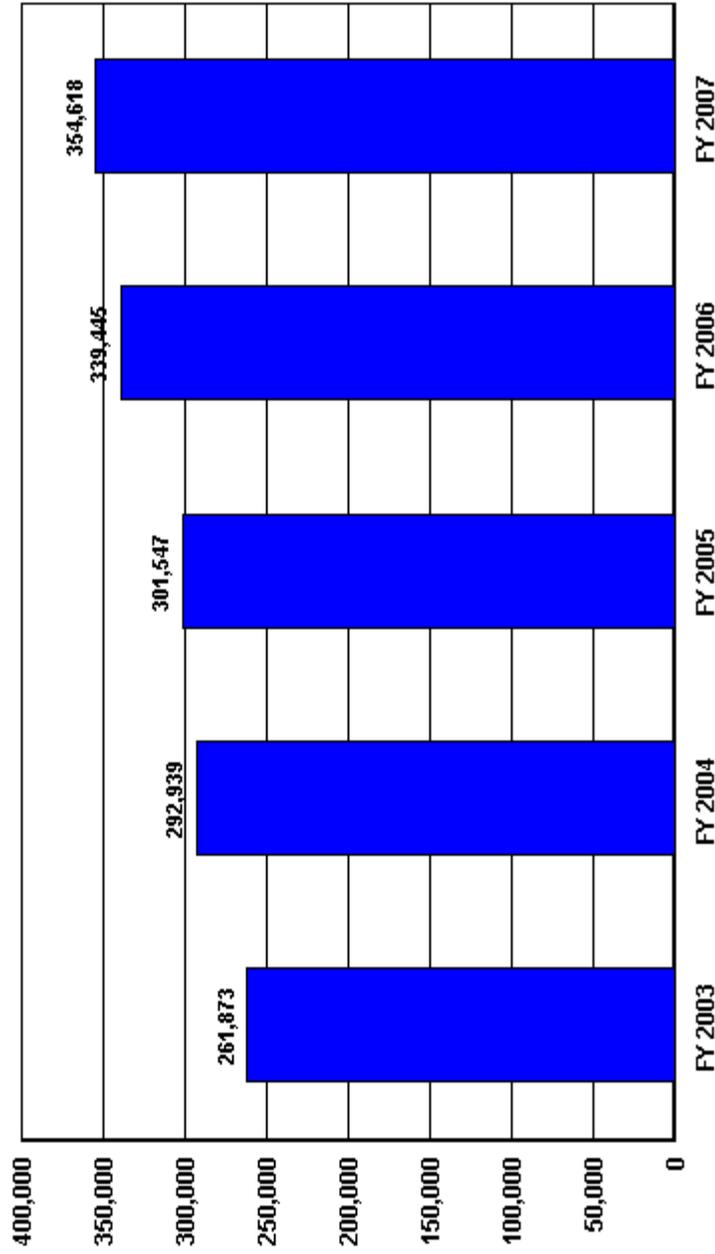
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Six Sigma Program Property Asset Management System	420	Improvements made to reporting practices for property managed under the Sunflower Assets management system result in a better accounting of property assets in use, resulting in a reduction of excess or unwarranted property tax. Untracked assets were assumed to be in service. Until improvements were made to include all qualified assets into the system and enhanced tracking of assets taken out of service, excessive property taxes were being paid.	702-295-43 77

**Trends in Total Support Cost by Functional Categories**  
**Oak Ridge National Lab/UT-Battelle (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	856,308	940,216	990,268	988,324	1,063,388	207,080	24.2%
<b>Capital Construction</b>	174,228	168,729	103,512	53,965	69,118	-105,110	-60.3%
<b>Total Costs Less Construction</b>	682,080	771,487	886,756	934,359	994,270	312,190	45.8%
<b>Total Support Costs</b>	<b>261,873</b>	<b>292,939</b>	<b>301,547</b>	<b>339,445</b>	<b>354,618</b>	<b>92,745</b>	<b>35.4%</b>
<b>Mission Direct Operation</b>	420,207	478,548	585,209	594,914	639,652	219,445	52.2%
<b>Mission Direct Operation as % of Total Cost</b>	<b>49.1%</b>	<b>50.9%</b>	<b>59.1%</b>	<b>60.2%</b>	<b>60.2%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>20.3%</b>	<b>17.9%</b>	<b>10.5%</b>	<b>5.5%</b>	<b>6.5%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>30.6%</b>	<b>31.2%</b>	<b>30.5%</b>	<b>34.3%</b>	<b>33.3%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>30.6%</b>	<b>31.2%</b>	<b>30.5%</b>	<b>34.3%</b>	<b>33.3%</b>		
<b>TOTAL SUPPORT COST</b>	<b>261,873</b>	<b>292,939</b>	<b>301,547</b>	<b>339,445</b>	<b>354,618</b>	<b>92,745</b>	<b>35.4%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>9.4%</b>	<b>9.1%</b>	<b>9.0%</b>	<b>9.2%</b>	<b>8.9%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>80,907</b>	<b>85,217</b>	<b>89,423</b>	<b>90,579</b>	<b>94,201</b>	<b>13,294</b>	<b>16.4%</b>
EXECUTIVE DIRECTION	12,581	12,801	13,906	13,520	14,017	1,436	11.4%
HUMAN RESOURCES	6,627	6,981	7,662	8,308	9,645	3,018	45.5%
CFO	11,232	10,731	12,016	13,133	13,996	2,764	24.6%
PROCUREMENT	4,853	5,320	5,658	6,044	6,067	1,214	25.0%
LEGAL	2,172	1,894	1,568	1,819	1,785	-387	-17.8%
CENTRAL ADMIN SERVICES	5,230	5,663	11,060	8,899	9,756	4,526	86.5%
PROGRAM/PROJECT CONTROL	2,192	1,354	1,136	1,224	1,258	-934	-42.6%
INFORMATION OUTREACH	8,604	9,935	9,228	10,717	10,320	1,716	19.9%
INFORMATION SERVICES	22,713	23,913	21,737	25,549	26,346	3,633	16.0%
OTHER	4,703	6,625	5,452	1,366	1,011	-3,692	-78.5%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>19.0%</b>	<b>19.6%</b>	<b>18.7%</b>	<b>21.8%</b>	<b>21.3%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>162,545</b>	<b>184,725</b>	<b>184,932</b>	<b>215,695</b>	<b>226,431</b>	<b>63,886</b>	<b>39.3%</b>
ENVIRONMENTAL	10,862	10,449	9,888	10,060	9,561	-1,301	-12.0%
SAFETY AND HEALTH	27,414	30,172	25,971	28,787	32,777	5,363	19.6%
FACILITIES MANAGEMENT	27,711	33,889	30,136	47,575	49,813	22,102	79.8%
MAINTENANCE	47,556	51,137	57,405	62,666	66,229	18,673	39.3%
UTILITIES	19,269	20,510	22,929	26,268	25,515	6,246	32.4%
SAFEGUARDS AND SECURITY	15,266	16,985	17,196	19,217	21,886	6,620	43.4%
LOGISTICS SUPPORT	6,067	7,421	6,572	7,300	6,844	777	12.8%
QUALITY ASSURANCE	5,029	4,949	4,662	5,583	4,949	-80	-1.6%
LABORATORY/TECHNICAL SUPPORT	3,371	9,213	10,173	8,239	8,857	5,486	162.7%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>2.2%</b>	<b>2.4%</b>	<b>2.7%</b>	<b>3.4%</b>	<b>3.2%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>18,421</b>	<b>22,997</b>	<b>27,192</b>	<b>33,171</b>	<b>33,986</b>	<b>15,565</b>	<b>84.5%</b>
MANAGEMENT/INCENTIVE FEE	7,056	7,043	8,184	10,700	10,987	3,931	55.7%
TAXES	308	1,353	1,822	2,384	2,357	2,049	665.3%
LDRD / PDRD / SDRD	11,057	14,601	17,186	20,087	20,642	9,585	86.7%

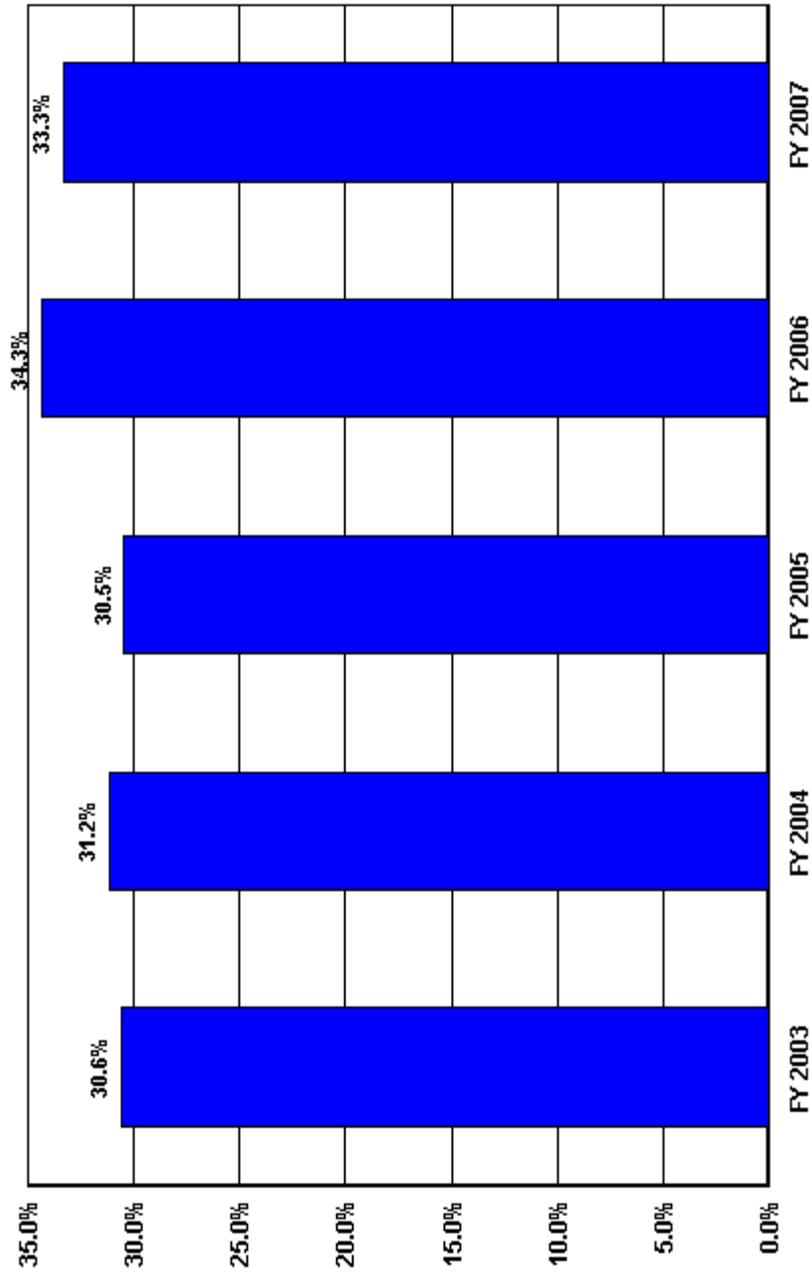
US Department of Energy  
 Total Functional Support  
 Oak Ridge National Lab/UT-Battelle



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>261,873</b>	<b>292,939</b>	<b>301,547</b>	<b>339,445</b>	<b>354,618</b>

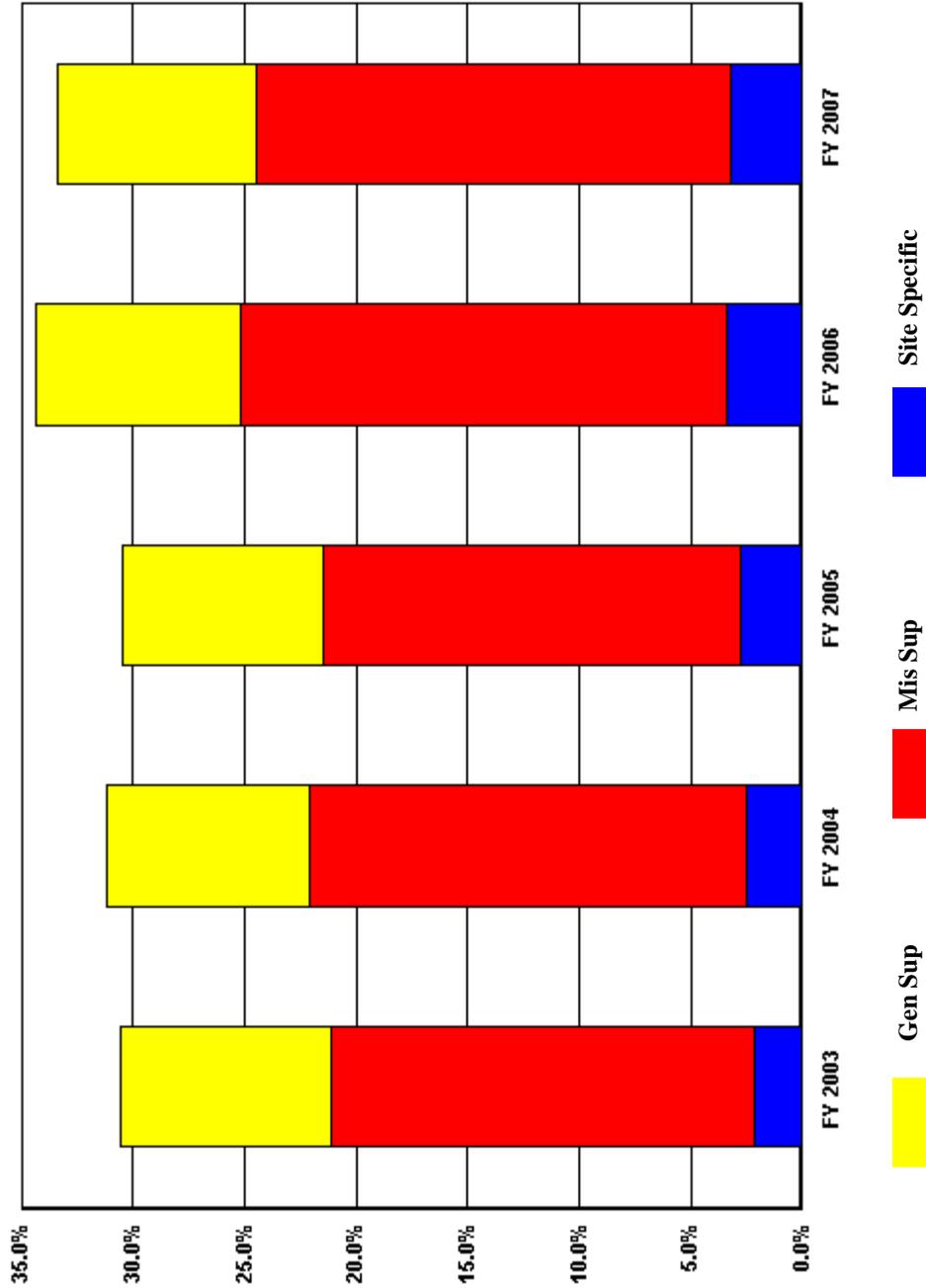
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Oak Ridge National Lab/UT-Battelle**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>30.6%</b>	<b>31.2%</b>	<b>30.5%</b>	<b>34.3%</b>	<b>33.3%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Oak Ridge National Lab/UT-Battelle**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	9.4%	9.1%	9.0%	9.2%	8.9%
Mis Sup	19.0%	19.6%	18.7%	21.8%	21.3%
Site Specific	2.2%	2.4%	3.4%	3.4%	3.2%

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**SITE PROFILE**  
**Oak Ridge National Lab/UT-Battelle**

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**SITE OVERVIEW AND CHARACTERISTIC**

ORNL is a multiprogram science and technology laboratory managed for the U.S. Department of Energy (DOE) by UT-Battelle, LLC. ORNL was established in 1943 as part of the Manhattan Project to pioneer a method for producing and separating plutonium for use in the development of the atomic bomb. The Graphite Reactor served as a pilot-scale plutonium production facility for much larger reactors built in Hanford, Washington. After World War II, material irradiation research was conducted at the Graphite Reactor. During the 1950s and 1960s, ORNL conducted research in several fields related to nuclear energy and built and operated several nuclear research reactors, in addition to performing important life sciences research. With the energy crises of the early 1970s and 1980s, ORNL's activities expanded to include multiprogram research and development in support of national DOE missions.

Major programs at ORNL include materials science and engineering, analytical and separations chemistry and chemical sciences, environmental sciences, fusion science and technology, instrumentation science and technology, nuclear physics and astrophysics with radioactive ion beams, neutron science, life sciences, high-performance computing, social sciences, energy-efficient technologies for buildings, biomass energy, fossil energy, nuclear technology and safety, environmental management science, environmental technology development, life-cycle analysis and health and environmental risk assessment.

ORNL has a staff of over 4,200 contractor employees. The ORNL main site encompasses approximately 1,100 acres in the Bethel and Melton valleys, approximately 10 miles southwest of the center of the city of Oak Ridge, Tennessee, with additional facilities located on the adjacent Copper Ridge. ORNL also occupies space at the Oak Ridge Y-12 Plant and leases some space off-site. The ORNL main site currently has 330 active buildings, 77 active trailers, with approximately 4.3 million square feet of building space.

The last peer review of functional cost was performed at ORNL on 2005 data in January 2006. There were five minor recommendations related to wage pool organization IDs and how to slot them. All five recommendations were agreed to and implemented in the 2006 submission.

**Trends**

Functional Support Costs have increased over the period from FY 1999 to FY 2007 from \$192.4M in FY 1999 to \$354.6 in FY 2007. This is due mainly to increases in the Office of Science funding and Capital/Construction. Over this same time period the percentage of Functional Support costs to total costs has decreased slightly from 36% to slightly over 33%.

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**SITE PROFILE**  
**Oak Ridge National Lab/UT-Battelle**

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FY 2007 Functional Support returned to a more normal pattern as the SNS project moved from a construction project to an operations project. There is still some construction funding at the SNS, as there will be for several years to come — but the majority of the project is now operational. Another item to note that may impact functional cost in the next 5 — 10 years at ORNL is the International Thermonuclear Experimental Reactor (ITER) Project. The FY 07 actual was \$39M and the FY 08 estimate is \$160M. The funding will be Major Item of Equipment (MIE).

For the FY2007 Functional Cost analysis, wage costs were distributed based on the Level 4 organization where the employee worked, thus more accurately reflecting the type of work being performed.

Other — Shows a decrease of \$354K (26%) reflecting a decrease mainly in the plant expense category. This simply states that basic infrastructure maintenance is being more accurately classified as “maintenance” vs “other”.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**OTHER**

The FY 2007 decrease of \$355,000 was mainly due to a decrease in the plant expense category. The basic infrastructure maintenance is being more accurately classified as "Maintenance" vs. "Other".

**COST SAVINGS INITIATIVES**

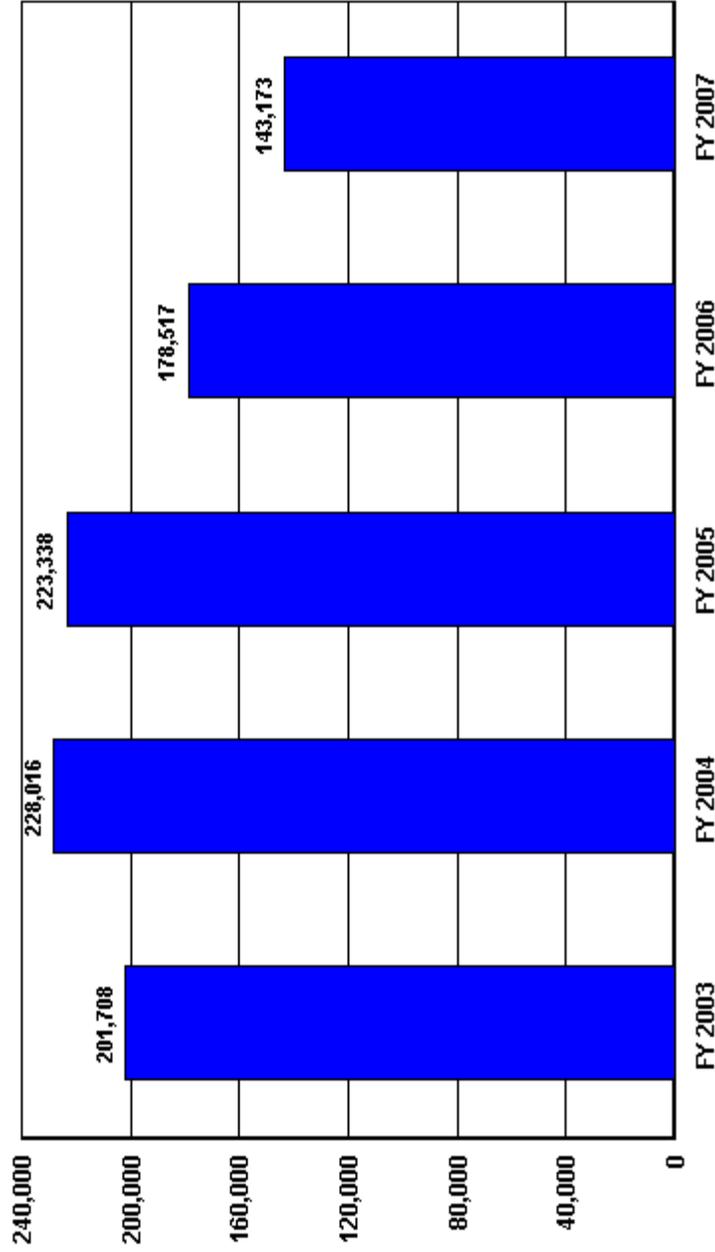
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
(None)			

**Trends in Total Support Cost by Functional Categories**  
**OREMEF/Bechtel Jacobs (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	537,019	654,843	769,055	576,829	402,818	-134,201	-25.0%
<b>Capital Construction</b>	11,242	33,306	43,948	14,060	9,164	-2,078	-18.5%
<b>Total Costs Less Construction</b>	525,777	621,537	725,107	562,769	393,654	-132,123	-25.1%
<b>Total Support Costs</b>	<b>201,708</b>	<b>228,016</b>	<b>223,338</b>	<b>178,517</b>	<b>143,173</b>	<b>-58,535</b>	<b>-29.0%</b>
<b>Mission Direct Operation</b>	324,069	393,521	501,769	384,252	250,481	-73,588	-22.7%
<b>Mission Direct Operation as % of Total Cost</b>	<b>60.3%</b>	<b>60.1%</b>	<b>65.2%</b>	<b>66.6%</b>	<b>62.2%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>2.1%</b>	<b>5.1%</b>	<b>5.7%</b>	<b>2.4%</b>	<b>2.3%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>37.6%</b>	<b>34.8%</b>	<b>29.0%</b>	<b>30.9%</b>	<b>35.5%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>37.6%</b>	<b>34.8%</b>	<b>29.0%</b>	<b>30.9%</b>	<b>35.5%</b>		
<b>TOTAL SUPPORT COST</b>	<b>201,708</b>	<b>228,016</b>	<b>223,338</b>	<b>178,517</b>	<b>143,173</b>	<b>-58,535</b>	<b>-29.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>11.7%</b>	<b>8.8%</b>	<b>7.6%</b>	<b>9.9%</b>	<b>11.1%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>63,095</b>	<b>57,659</b>	<b>58,157</b>	<b>57,192</b>	<b>44,539</b>	<b>-18,556</b>	<b>-29.4%</b>
EXECUTIVE DIRECTION	3,366	3,971	3,187	2,748	1,805	-1,561	-46.4%
HUMAN RESOURCES	11,020	7,661	9,327	10,752	9,866	-1,154	-10.5%
CFO	4,366	4,225	4,071	3,797	3,438	-928	-21.3%
PROCUREMENT	6,398	6,923	6,769	5,150	3,703	-2,695	-42.1%
LEGAL	1,288	1,318	1,572	2,357	2,501	1,213	94.2%
CENTRAL ADMIN SERVICES	7,527	7,299	7,684	4,116	3,743	-3,784	-50.3%
PROGRAM/PROJECT CONTROL	9,259	8,891	9,685	7,758	5,929	-3,330	-36.0%
INFORMATION OUTREACH	1,575	1,303	875	1,172	696	-879	-55.8%
INFORMATION SERVICES	18,248	16,062	14,985	13,462	10,339	-7,909	-43.3%
OTHER	48	6	2	5,880	2,519	2,471	5,147.9%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>22.3%</b>	<b>21.7%</b>	<b>19.3%</b>	<b>20.6%</b>	<b>23.5%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>119,865</b>	<b>141,921</b>	<b>148,299</b>	<b>118,794</b>	<b>94,486</b>	<b>-25,379</b>	<b>-21.2%</b>
ENVIRONMENTAL	7,572	7,323	4,686	4,237	3,494	-4,078	-53.9%
SAFETY AND HEALTH	51,722	56,040	63,749	54,103	38,453	-13,269	-25.7%
FACILITIES MANAGEMENT	2,533	3,046	6,532	5,344	4,172	1,639	64.7%
MAINTENANCE	16,004	13,400	10,610	5,644	4,139	-11,865	-74.1%
UTILITIES	15,815	17,602	19,956	19,326	17,688	1,873	11.8%
SAFEGUARDS AND SECURITY	19,105	37,674	34,332	21,834	20,164	1,059	5.5%
LOGISTICS SUPPORT	1,453	1,757	2,075	2,309	1,902	449	30.9%
QUALITY ASSURANCE	4,911	4,770	5,298	4,932	3,733	-1,178	-24.0%
LABORATORY/TECHNICAL SUPPORT	750	309	1,061	1,065	741	-9	-1.2%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>3.5%</b>	<b>4.3%</b>	<b>2.2%</b>	<b>0.4%</b>	<b>1.0%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>18,748</b>	<b>28,436</b>	<b>16,882</b>	<b>2,531</b>	<b>4,148</b>	<b>-14,600</b>	<b>-77.9%</b>
MANAGEMENT/INCENTIVE FEE	17,914	27,651	15,877	1,213	3,292	-14,622	-81.6%
TAXES	834	785	1,005	1,318	856	22	2.6%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

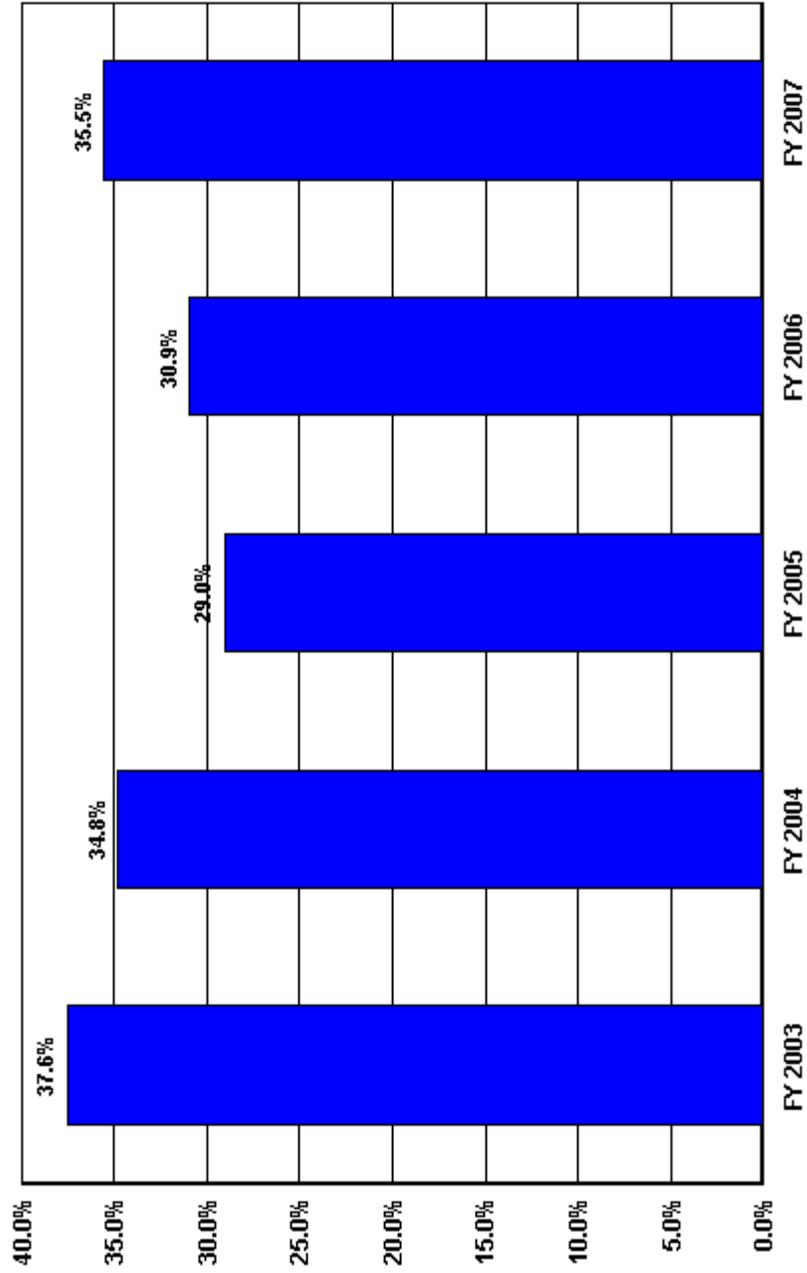
**US Department of Energy  
Total Functional Support  
OREMEF/Bechtel Jacobs**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>201,708</b>	<b>228,016</b>	<b>223,338</b>	<b>178,517</b>	<b>143,173</b>

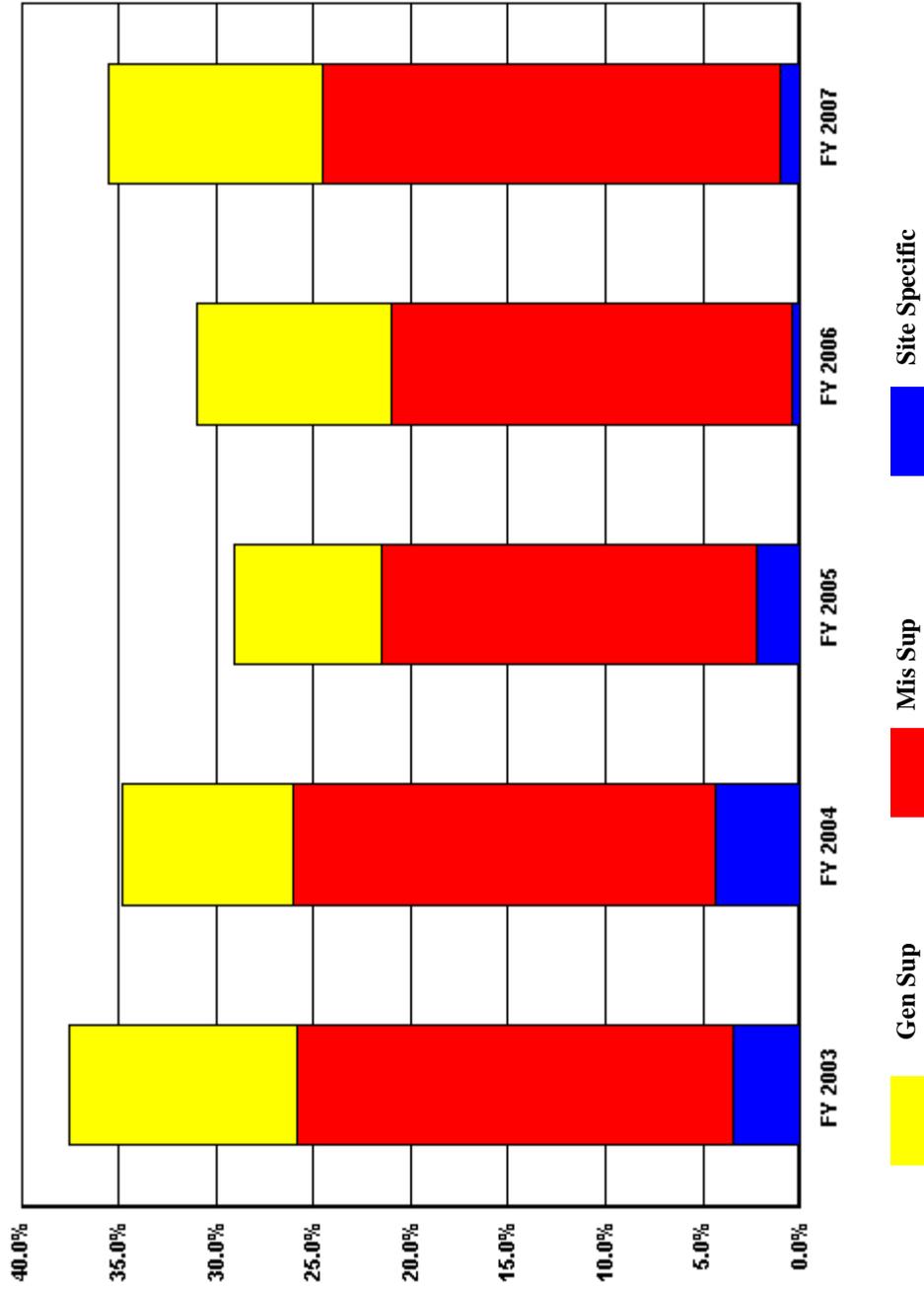
**US Department of Energy  
Total Functional Support as a % of Total Costs  
OREMEF/Bechtel Jacobs**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>37.6%</b>	<b>34.8%</b>	<b>29.0%</b>	<b>30.9%</b>	<b>35.5%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
OREMEF/Bechtel Jacobs**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	11.7%	8.8%	7.6%	9.9%	11.1%
Mis Sup	22.3%	21.7%	19.3%	20.6%	23.5%
Site Specific	3.5%	4.3%	2.2%	0.4%	1.0%

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**SITE PROFILE**  
**OREMEF/Bechtel Jacobs**

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**SITE OVERVIEW AND CHARACTERISTIC**

Functional support costs for the Oak Ridge Environmental Management Enrichment Facility (OREMEF) site represent a compilation of the support costs at the Paducah, Kentucky site; the Portsmouth, Ohio site; and the East Tennessee Technology Park (ETTP) located in Oak Ridge, Tennessee. The mission is three-fold: environmental cleanup and waste management, management of depleted uranium hexafluoride, and reindustrialization of the ETTP. The Department of Energy has reassigned management responsibility for the Paducah and Portsmouth sites to other contractors during FY 2005 and FY 2006. Physical characteristics of each site are as follows:

**ETTP:** Approximately 360 buildings covering 14 million square feet of space. Most buildings are over 30 years old and non-operational. Approximately 1300 Bechtel Jacobs Company employees reside at the site with an additional 1100 subcontractor and Community Reuse Organization of East Tennessee (CROET) tenants also physically located on the site.

**Portsmouth:** DOE is responsible for the maintenance and upkeep on approximately 72 buildings on the Portsmouth site. On June 27, 2005, this scope of work was transitioned in its entirety to new prime contractors and no longer part of the OREMEF submission. During FY 2006 BJC continued to incur support costs for closeout and transition activities during FY 2006. In FY 2007 BJC continued to incur minimal support costs for closeout and transition activities during FY 2007.

**Paducah:** Approximately 135 buildings on 3,556 acres of land with 748 acres inside the security fence. As of June 27, 2005, the Paducah Infrastructure scope of work transitioned to a new prime contractor was no longer part of the OREMEF submission. On April 24, 2006 all remaining scope of work was transitioned to new prime contractors and no longer part of the OREMEF submission. During FY 2006 BJC continued to incur support costs for closeout and transition activities during FY 2006. In FY 2007 BJC continued to incur minimal support costs for closeout and transition activities during FY 2007.

On April 1, 1998, Bechtel Jacobs Company LLC, a Managing and Integrating (M&I) contractor, replaced Lockheed Martin Energy Systems as the managing contractor for the ETTP, Paducah, and Portsmouth sites. As of the end of FY 2000, approximately 85% of the total Bechtel Jacobs workscope had been subcontracted. The subcontractors may support the missions functionally, which would be reflected in the appropriate functional category, or fixed price subcontracts may be utilized for specific scopes of work and would be reflected in the mission direct category. Approximately 6% of the Bechtel Jacobs subcontracted workscope continues to be performed by BWXT Y-12 (formerly Lockheed Martin Energy Systems, Inc.) and UT-Battelle (formerly Lockheed Martin Energy Research Corporation). Other than utilities, these costs are not reflected in the BJC functional report, but are reflected in the BWXT Y-12 and UT-Battelle reports.

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**SITE PROFILE**  
**OREMEF/Bechtel Jacobs**

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Beginning October 1, 2003, the Oak Ridge contract became an Accelerated Cleanup Contract utilizing a cost-plus-incentive fee contract structure. Performance incentives provide the motivation to achieve accelerated cleanup at the lowest cost to the DOE. Schedule incentives include disposal of legacy low level waste and legacy mixed low level waste by September 30, 2005; closure of the Melton Valley Site at ORNL by September 30, 2006; and closure of the ETTP site by September 30, 2008. Due to budget delays and other issues, a contract schedule extension is being negotiated. Meeting these remaining objectives will require continued innovative approaches to achieve these goals as well as streamlining processes and eliminating non-value-added requirements. The outcome of these efforts should be reflected in the functional cost trends over the next few years. The 2005 and 2006 milestones (disposal of legacy low level waste and legacy mixed low level waste and Melton Valley Site) were completed as scheduled.

I. Trends

The functional support cost increased beginning in FY 2002 to FY 2004 primarily due to increased ES&H support required by the projects, information technology, support for network separation, worker's compensation, and safeguards and security. In FY 2004 and FY 2005, the percentage of Support Costs decreased due to the change in the Oak Ridge contract to an Accelerated Cleanup contract, which requires more field work to be performed in order to meet the contract and DOE milestones. In FY 2005 and FY 2006 the functional support costs decreased as a result of the Paducah and Portsmouth sites transition activities. In FY 2007 functional costs continued to decrease due to the full implementation of Paducah and Portsmouth site transition and Oak Ridge budget reductions.

In FY 2007, the OREMEF Site costs reduced in total by \$174.6M. The costs in the areas of Functional Support decreased by (\$12.7M), Mission Support decreased by (\$24.3M), Mission Direct decreased by (\$128.6M), Capital/Construction decreased by (\$5.5M), and Government Transfers decreased (\$5.2M) due to budget reductions and program reprioritizations. The reduction in overall costs in FY 2007 is due in part to Paducah and Portsmouth being removed from the Bechtel Jacobs Company contract OR22980. The functional costs reductions in FY 2006 continued and the full impact of the contract change realized in FY 2007. Employment decreased by approximately 86 FTE's (BJC +15 and Subcontractor's -101) in FY 2007. The BJC employment changes were to administrative and technical staff (non-manuals) being reduced by 120 and building trades/bargaining unit staff (manuals) increasing by 135. The increase in manuals was due to the decision to self-perform various D&D activities at ETTP in FY 2007.

Major year-to-year anomalies include the following:

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**SITE PROFILE**  
**OREMEF/Bechtel Jacobs**

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**Executive Direction:** Includes Bechtel Jacobs Company Executive Management and the Six Sigma Initiatives. **Historical Information:** The FY 2004 increase (\$600K) was due to the addition of senior management positions to support the Accelerated Cleanup Plan. The FY 2005 decrease was due to the transitioning of Black Belts to field positions (\$300K). The FY 2006 decrease reflects moving the Closure Projects Evaluation Board (CPEB) costs to QA (\$160K). The FY 2007 decrease (\$.9M) was due primarily to the reduction of 4 FTE's.

**Human Resources:** Includes Human Resources Department Management, compensation administration, employment and staffing, benefits services, training services and HR systems support, diversity program, employee recognition and awards, labor relations, and current Worker's Compensation cost. Training cost increases are reflected in the FY 2003 amount (~\$1.4M). The decreases (\$3.5M) in FY 2004 were a result of stabilization of Worker's Compensation Cost, decrease in training costs since most required training was developed in FY 2003, and a reduction of 10 Human Resource employees during the year. The increase in FY 2005 was due to Worker's Compensation cost (\$800K), an additional employee in Labor Relations (\$100K), accrual of the variable pay plan earned in FY 2005 (\$300K), an increase in the benefits service center in support of WFT employees (\$500K), and an increase in Human Resource management (\$160K). The increase in FY 2006 was due to Worker's Compensation Costs and Claim payments (1.4M).

**Chief Financial Officer:** Includes payroll, general accounting, accounts payable, accounts receivable, treasury, travel, funds control, cost accounting, business systems, rates administration, internal audit, and outside audit coordination. The reduction in FY 2005 reflects the loss of 1.5 FTEs (\$200K) of which .5 FTE transitioned with the Paducah/Portsmouth scopes of work.

**Procurement:** Includes procurement administration, purchasing activities and most particularly, subcontract procurement and administration, as well as procedure compliance and prime contract management. The decrease in FY 2006 (\$1.6M) was due to Paducah and Portsmouth contract transitioning. The FY 2007 decrease (\$1.4M) was due to the reduction of 14 FTE's.

**Legal:** Includes cost associated with legal counsel support and litigation support. The FY 2005 increase was due to additional support required from outside counsel (\$250K) as well as increased risk management support. The increase in FY 2006 was due to the addition of outside counsel costs that had previously been categorized as Mission Direct costs (\$785K).

**Central Administrative Services:** Includes administrative services, records management, and copy machine services. The FY 2002 increase was due to additional personnel hired to support increased records management requirements. The FY 2004 decrease (\$200K) was due to the reduction of 11 employees during the year. The decrease in FY 2006 (\$4.3M) was due to the reclassification of

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**SITE PROFILE**  
**OREMEF/Bechtel Jacobs**

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administrative service costs per the Peer Review Team.

**Program/Project Planning & Control:** Includes overall project management and project controls, systems programs, baseline control and reporting, program performance, technical integration, and programmatic assessments. The decrease in FY 2003 reflects the reclassification of the Closure Projects Evaluation Board to Executive Management and cost efficiencies. The FY 2004 decrease (\$300K) was due to the reduction of five employees during the year. Project Control cost increased in FY 2005 due to a comprehensive baseline support (5 FTEs, \$550K) and additional support required to facilitate the EVMS review (\$200K). The decrease (\$1.9M) in FY 2006 was due to Paducah and Portsmouth contract transitioning. The FY 2007 decrease (\$1.8M) was due to the reduction of 14 FTE's.

**Information/Outreach Activities:** Includes all public affairs activities and the Site Specific Activity Boards for Oak Ridge and Paducah. Cost decreased in FY 2003 and FY 2004 because the Site Specific Activity Board became a programmatic responsibility and the staff was reduced by 4 employees. The FY 2006 increase (\$300) was due to reclassification of Technical Integration costs per the Peer Review Team. The FY 2007 decrease (\$.5M) was partially due to reduction of 2 FTE's.

**Information Services:** Includes Information Technology administration and management; PC maintenance; Server and Desktop support; Application management, maintenance, enhancements, and improvements; software licenses; network support; radios, pagers, cell phones, and telephones. Historical information: FY 2002 increases were due to continued network independence efforts and system upgrades. Reduction in FY 2003 due to decreased desktop services and decreased application enhancements, as well as reduced telephone costs. FY 2005 decreases due to reduction in application maintenance costs (\$1M) and PC maintenance and asset management (\$1.3M). Some of these decreases were due to the transition of Paducah and Portsmouth scopes of work. The FY 2006 decrease (\$1.4M) was due to removal of IT Support from Paducah and Portsmouth sites. The FY 2007 decrease (\$3.1M) was primarily due to the reduction of 13 FTE's and hardware procurement.

**Other:** The increase (\$5.9M) in FY 2006 due to reallocating Legacy Workers Compensation and RIF costs from Mission Direct. The FY 2007 decrease (\$4.3M) was due in part to less Legacy Worker Compensation claims and Dr. Panel claims.

**Environmental:** Includes environmental compliance and monitoring, water quality, Clean Air Act, EPCRA, NPDES, Clean Water Act, and cleanup standards. Historical information: Increases in FY 2003 were due to increased emphasis and required subcontractor oversight in the area of environmental compliance. Decreases in FY 2005 were due to the restructuring of the sampling and

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**SITE PROFILE**  
**OREMEF/Bechtel Jacobs**

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analysis subcontract and reduction of FTEs in environmental services (\$2.5M).

**Safety and Health:** Includes safety and health costs, radiation protection, industrial hygiene, medical, fire protection, emergency management, Radcon support, dosimetry and analysis, facility safety, occupational safety, ISMS revalidation, EH investigations, nuclear safety, criticality safety, and shift superintendent operations. Historical information: FY 2002 through FY 2003 increases was due to continued heightened emphasis on safety and additional Health Physics support required by the projects, as well as the ISMS re-validation in FY 2003. The FY 2004 increase (\$800K) was due to the accelerated work in the field and the requirement for Radcon support. Additional Radcon support caused the increase in S&H cost in FY 2005 (\$8M) including the cost of 7 additional FTEs. The FY 2006 decrease was due to completed activities requiring Radcon (\$7M) and HP (\$2.6M) services.

**Facilities Management:** Includes engineering and construction management, facility transition management, and technical functions management. Historical information: Since the category definition requires facility engineering, only facility engineering was included as well as some engineering management and the facilities management organizations. Changes in FY 2002 were due to increased building rental/lease and increased construction management, and FY 2003 increases were a result of engineering management. Increases in FY 2005 were due to the lease of four buildings from CROET (\$1.6M) and increases in field services and engineering management (\$1M). Additional increases were due to moves due to reorganizations and repositioning employees from buildings scheduled for demolition to other areas (\$1M). The decrease in FY 2006 was due to reduced facility management (\$400K), engineering management (\$200K), and reclassification of Information/Outreach Activities costs per the Peer Review. The FY 2007 decrease (\$1.2M) was due to the completion of D&D facilities at ETTP.

**Maintenance:** Includes all maintenance activities and real property management, roads & grounds, and cost to support the infrastructure of the sites. Historical information: The increase in FY 2003 was due to increased Infrastructure cost at ETTP (+\$2M, which includes Material Management reclassification) and Portsmouth (+\$2M). With the emphasis on accelerated closure in FY 2004, maintenance costs began to decrease as buildings tagged for D&D or demolition are no longer being maintained and the site is in a “run to failure” mode. Decreases in FY 2005 were due to leasing of four buildings from CROET, which transferred the cost from the maintenance category to facilities management (\$1.6). In addition, demolished facilities contributed to the further reduction in maintenance cost. The FY 2006 decrease (\$5M) is predominantly the result of reduced costs in the areas of building maintenance, roads and grounds, and fleet maintenance at the Paducah and Portsmouth sites. The FY 2007 decrease (\$1.5M) was due to the decision to minimize facilities maintenance support at ETTP that are scheduled for demolition.

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**SITE PROFILE**  
**OREMEF/Bechtel Jacobs**

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**Utilities:** Includes utility costs for infrastructure of the site, as procured by contract, or purchased from BWXT Y-12. **Historical information:** The responsibility for power and utility distribution ceased to be an ETTP responsibility on April 1, 1998. The employees associated with providing power and utilities were transferred to Y-12 (power) or OMI (utilities). In accordance with functional cost instructions, the utility cost purchased from BWXT Y-12 is included in this category, and should be deducted from the BWXT Y-12 utility category cost. FY 2004 increases were due to higher utility costs and the increased cost to maintain and manage the utility systems. FY 2005 increases were due to higher utility charges (\$2M).

**Safeguards/Security:** Includes all cost of personnel for protective forces, program management, protective systems, information security, NMC&A, and costs currently direct funded by program FS50 for Safeguards/Security operations. **Historical information:** Costs have increased by \$4.3M in FY 2002 and by \$3.6M in FY 2003 due to heightened security requirements imposed after 9/11. The increases in FY 2004 were due to a retroactive rate adjustment back to 2002 charged to Bechtel Jacobs at Paducah (\$4.5M) and Portsmouth (\$1.7) by the United States Enrichment Corporation (USEC), as well as increased rates for FY 2004. The guard force at Paducah and Portsmouth is purchased from USEC. Safeguards and Security cost decreased in FY 2005 due to the transition of contractors at Paducah and Portsmouth in which the security support became GFSI (\$4M). The FY 2006 decrease (\$12.5M) is due to the Paducah and Portsmouth contract transitioning.

**Logistics Support:** Includes materials management, property sales, transportation services, fleet management, and shipping/receiving activities. **Historical information:** In FY 2003, materials management was integrated into Infrastructure cost at ETTP and was re-classified as Maintenance (~\$1.5M). Increases in FY 2005 were due to the implementation of a Central

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**OTHER**

The FY 2007 decrease of \$3,361,000 was due to fewer Worker Compensation and Dr. Panel claims.

**COST SAVINGS INITIATIVES**

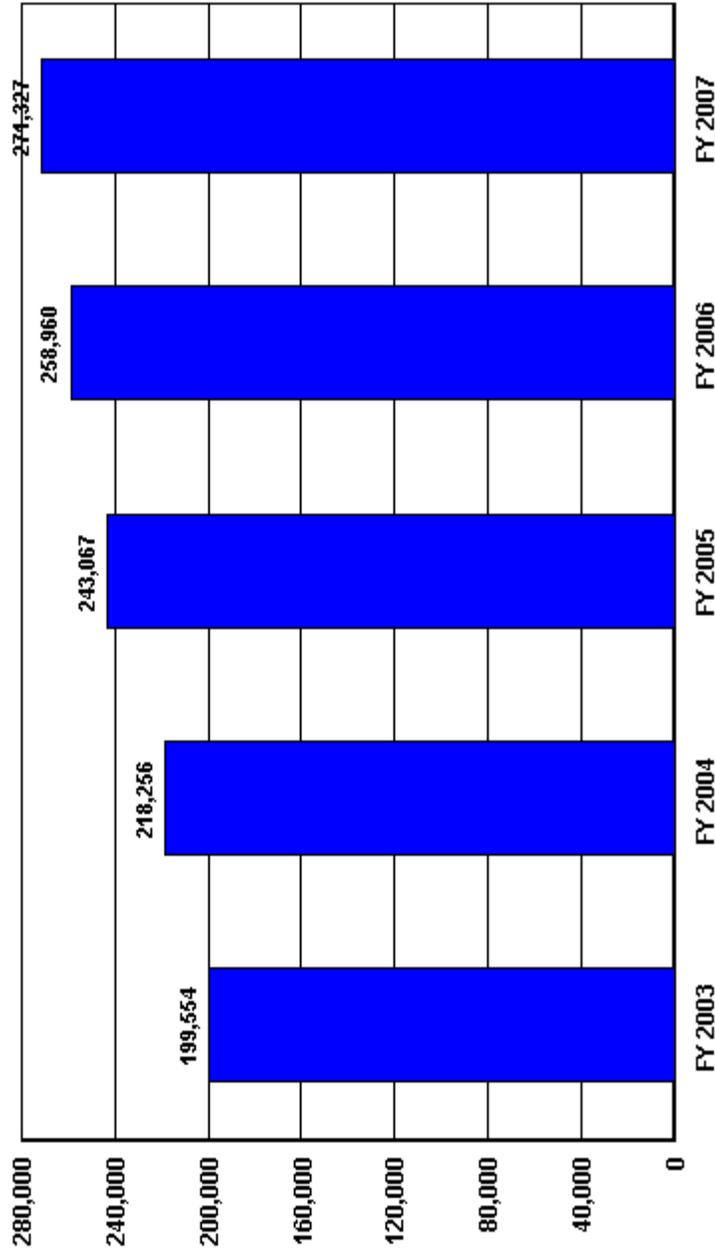
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Pacific Northwest National Lab/Battelle Memorial (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	564,955	614,443	719,778	734,007	753,274	188,319	33.3%
<b>Capital Construction</b>	12,843	11,563	17,901	20,931	34,685	21,842	170.1%
<b>Total Costs Less Construction</b>	552,112	602,880	701,877	713,076	718,589	166,477	30.2%
<b>Total Support Costs</b>	<b>199,554</b>	<b>218,256</b>	<b>243,067</b>	<b>258,960</b>	<b>271,327</b>	<b>71,773</b>	<b>36.0%</b>
<b>Mission Direct Operation</b>	352,558	384,624	458,810	454,116	447,262	94,704	26.9%
<b>Mission Direct Operation as % of Total Cost</b>	<b>62.4%</b>	<b>62.6%</b>	<b>63.7%</b>	<b>61.9%</b>	<b>59.4%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>2.3%</b>	<b>1.9%</b>	<b>2.5%</b>	<b>2.9%</b>	<b>4.6%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>35.3%</b>	<b>35.5%</b>	<b>33.8%</b>	<b>35.3%</b>	<b>36.0%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>35.3%</b>	<b>35.5%</b>	<b>33.8%</b>	<b>35.3%</b>	<b>36.0%</b>		
<b>TOTAL SUPPORT COST</b>	<b>199,554</b>	<b>218,256</b>	<b>243,067</b>	<b>258,960</b>	<b>271,327</b>	<b>71,773</b>	<b>36.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>16.4%</b>	<b>15.3%</b>	<b>14.0%</b>	<b>14.7%</b>	<b>15.0%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>92,896</b>	<b>93,904</b>	<b>100,486</b>	<b>107,807</b>	<b>113,107</b>	<b>20,211</b>	<b>21.8%</b>
EXECUTIVE DIRECTION	3,887	4,697	7,288	7,977	8,117	4,230	108.8%
HUMAN RESOURCES	4,935	4,887	5,353	6,224	6,207	1,272	25.8%
CFO	11,452	11,510	11,849	13,402	14,813	3,361	29.3%
PROCUREMENT	5,713	6,194	6,710	7,274	8,646	2,933	51.3%
LEGAL	941	890	955	1,054	1,116	175	18.6%
CENTRAL ADMIN SERVICES	4,808	6,193	5,747	6,026	7,172	2,364	49.2%
PROGRAM/PROJECT CONTROL	2,976	3,096	3,617	3,697	4,695	1,719	57.8%
INFORMATION OUTREACH	35,419	36,777	41,162	41,431	38,596	3,177	9.0%
INFORMATION SERVICES	22,765	19,660	17,805	20,722	23,745	980	4.3%
OTHER	0	0	0	0	0	0	0.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>14.4%</b>	<b>15.6%</b>	<b>15.7%</b>	<b>16.1%</b>	<b>16.7%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>81,113</b>	<b>95,827</b>	<b>113,029</b>	<b>118,395</b>	<b>126,042</b>	<b>44,929</b>	<b>55.4%</b>
ENVIRONMENTAL	4,161	4,176	3,949	4,594	5,066	905	21.7%
SAFETY AND HEALTH	16,497	19,385	21,936	22,425	24,673	8,176	49.6%
FACILITIES MANAGEMENT	20,273	26,851	31,403	33,544	34,680	14,407	71.1%
MAINTENANCE	9,801	11,842	13,194	14,458	13,445	3,644	37.2%
UTILITIES	8,527	6,986	6,073	7,111	7,383	-1,144	-13.4%
SAFEGUARDS AND SECURITY	10,061	11,108	17,983	16,522	20,771	10,710	106.5%
LOGISTICS SUPPORT	1,538	2,056	2,579	2,893	2,474	936	60.9%
QUALITY ASSURANCE	4,319	4,128	3,982	4,317	4,419	100	2.3%
LABORATORY/TECHNICAL SUPPORT	5,936	9,295	11,930	12,531	13,131	7,195	121.2%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>4.5%</b>	<b>4.6%</b>	<b>4.1%</b>	<b>4.5%</b>	<b>4.3%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>25,545</b>	<b>28,525</b>	<b>29,552</b>	<b>32,758</b>	<b>32,178</b>	<b>6,633</b>	<b>26.0%</b>
MANAGEMENT/INCENTIVE FEE	10,648	12,492	12,487	13,863	13,618	2,970	27.9%
TAXES	928	2,630	2,840	2,566	3,349	2,421	260.9%
LDRD / PDRD / SDRD	13,969	13,403	14,225	16,329	15,211	1,242	8.9%

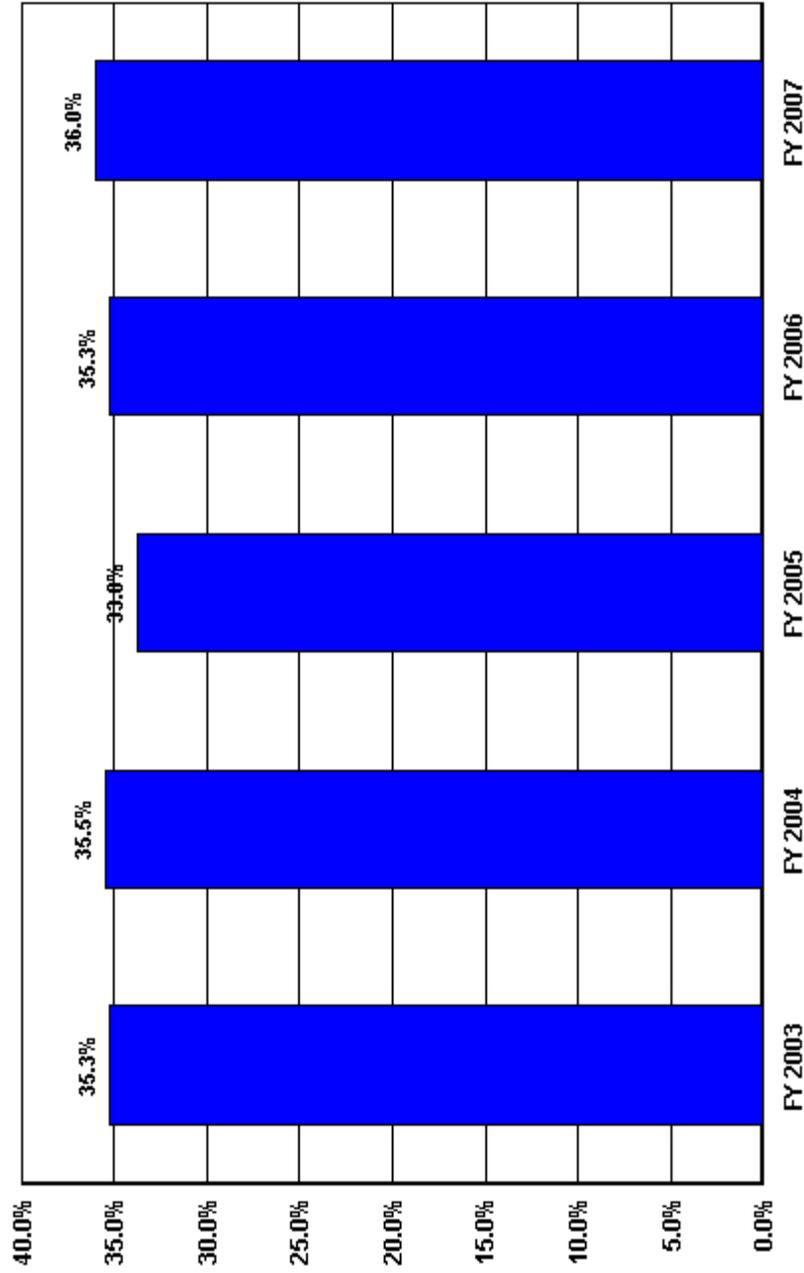
**US Department of Energy  
Total Functional Support  
Pacific Northwest National Lab/Battelle Memorial**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>199,554</b>	<b>218,256</b>	<b>243,067</b>	<b>258,960</b>	<b>271,327</b>

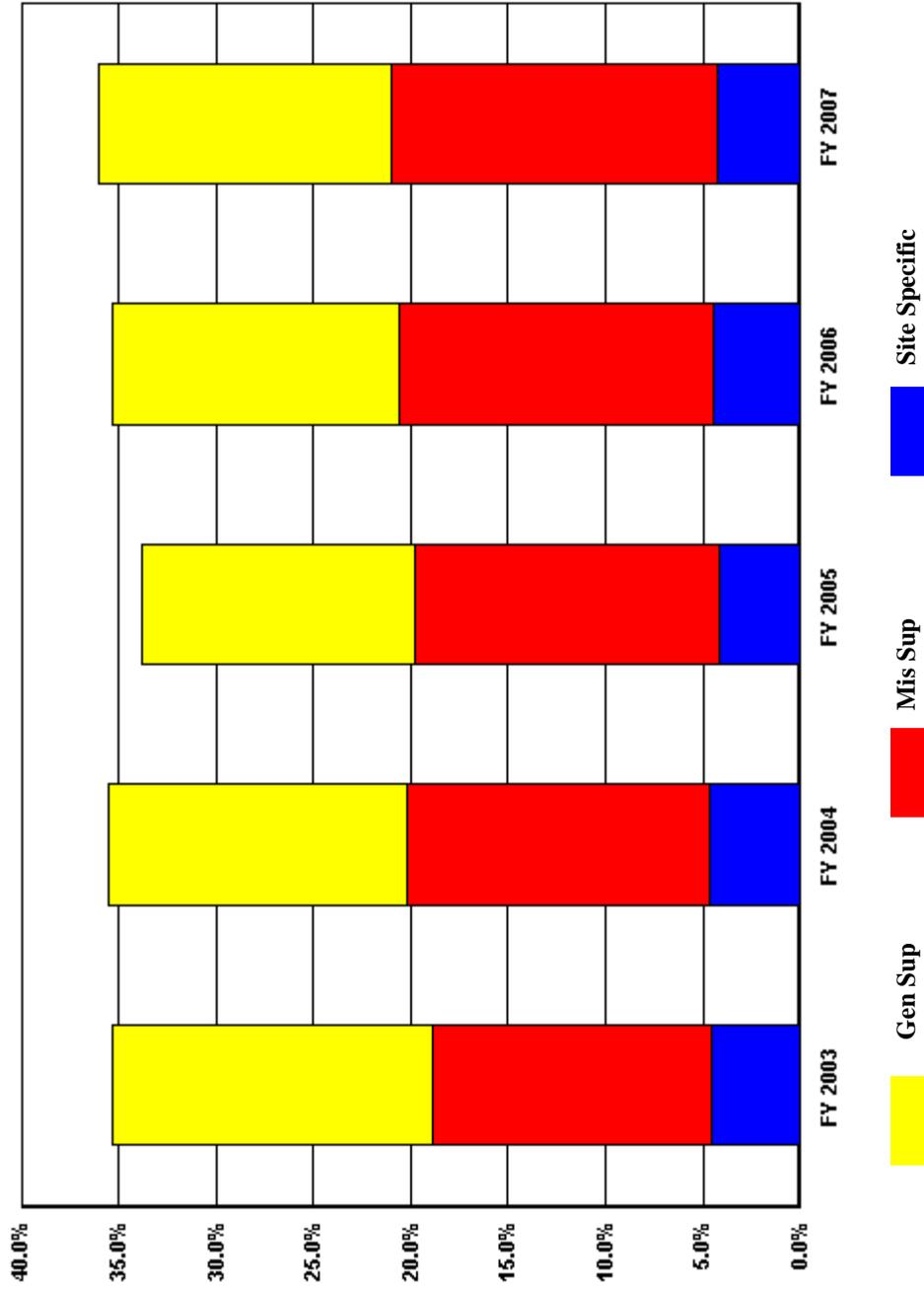
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Pacific Northwest National Lab/Battelle Memorial**



 Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>35.3%</b>	<b>35.5%</b>	<b>33.8%</b>	<b>35.3%</b>	<b>36.0%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Pacific Northwest National Lab/Battelle Memorial**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Gen Sup</b>	16.4%	15.3%	14.0%	14.7%	15.0%
<b>Mis Sup</b>	14.4%	15.6%	15.7%	16.1%	16.7%
<b>Site Specific</b>	4.5%	4.6%	4.1%	4.5%	4.3%

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**SITE PROFILE**  
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**SITE OVERVIEW AND CHARACTERISTIC**

Pacific Northwest National Laboratory (PNNL) was established in 1965 as part of a reconfiguration of the U.S. Department of Energy's (DOE's) Hanford Site in Richland, Washington. Its forerunner, the Hanford Laboratories, was part of the World War 2 Manhattan Project. PNNL has evolved from a nuclear engineering laboratory dedicated to Hanford operations to a full-fledged multi-program laboratory focused on scientific discovery and the translation of discoveries into technical solutions to meet national scientific needs. PNNL was designated an Office of Science Laboratory in 1984. Today, PNNL performs nearly \$760 million of research annually, mainly for DOE, but also for other federal agencies, including the Department of Homeland Security (DHS), the Department of Defense (DoD), and the National Institutes of Health (NIH), and private research for government and industry. PNNL is also home to the (William R. Wiley) Environmental Molecular Sciences Laboratory (EMSL), a 200,000-square-foot national scientific user facility. EMSL is central to and leverages PNNL's R&D programs and provides research resources to more than 1,000 non-PNNL users each year from academia, other R&D laboratories, and industry.

Special provisions of Battelle's contract with DOE allows for a unique agreement called a Use Permit. This agreement allows Battelle to utilize government owned facilities and equipment to conduct private work subject to full cost recovery to the government. As a result of the use permit Battelle has made investments in Battelle owned facilities and equipment at PNNL that are made available to work under the M&O contract and combined with government-owned facilities is referred to as a consolidated laboratory.

**Mission:**

PNNL performs basic and applied research to deliver energy, environmental, and national security for our nation. PNNL's mission is being realized by executing the Laboratory's strategy, which is principally focused on sustaining PNNL as a world-class research organization by building world-class S&T capabilities and stewarding PNNL's assets. In order to execute this strategy, PNNL maintains four overarching business lines -foundational science, energy

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**SITE PROFILE**  
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S&T, national and homeland security S&T, and environmental S&T -that span fundamental science to technology development and, in some cases, to full-scale deployment. The business lines are aligned with PNNL's major customers and are served by multiple product lines that deliver products.

PNNL currently has six science and technology core competencies (skills and capabilities) that differentiate the Laboratory from other national laboratories and competitors:

1. Microbial and Cellular Biology
2. Environmental Sciences
3. Analytical and Interfacial Chemical and Material Sciences
4. Radiological Sciences
5. Information Analytics
6. Sensor and Measurement Technology

PNNL's principal strategic intent is to Be World Class by delivering the Mission Outcomes defined in the PNNL strategy and to steward the Laboratory's assets by optimizing investment in facilities, infrastructure, and equipment. PNNL intends to deliver on these strategic objectives by building world class capabilities and operating the Laboratory with excellence to deliver real, sustained value to the nation.

#### 11. HIGHLIGHTS OF TRENDS

The trend in PNNL's total Functional Support Costs is as follows: The trend in PNNL's total Functional Support Costs as a percent of Total Costs has decreased since 2002. The percentage in 2002 was 37.4% compared to 36.0% in 2007. This represents a decrease of 1.3 percentage points. The long term trend of support cost decreasing is bolstered by other measures such as an increase in the direct ratio (direct FTE's to total FTE") going from 50.1% in FY02 to 51.9% in FY07. The functional support cost percentage shows more volatility due to variation in subcontracts and procurements reflected in the functional cost percentage. For instance, subcontracts and procurements peaked in FY05 at 33% of total cost driving the functional support cost artificially low which returned to a more normal level of 28% of total cost in FY06 and 26% in FY07. This resulted in an increase in the support cost percentage that in reality

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is a factor of the change in subcontract and procurement volume and not reflective of any significant increase in support cost. PNNL labor rates increased above the norm in FY06 and FY07 reflecting the return to normal pension following contributions after an extended period of minimal contributions due to outstanding performance in the investment of pension assets.

#### IV. FY 2007 PNNL COST SAVINGS INITIATIVES

**Accelerated 300 Area Building Modifications:** In FY07 the Capability Replacement Laboratory (CRL) Project accelerated four PWL overhead funded projects in the retained 300 Area Facilities. These projects were scheduled for FY09 and resulted in an estimated escalation savings of \$35K. In FY08 the remaining PNNL OH funded 300 Retained Facilities have been accelerated to FY08 from FY09 and FY10. This acceleration has an estimated escalation savings of \$141K.

**Server Virtualization:** Virtualizing server infrastructure and shared storage results in cost savings and improved business continuity. In FY 2007, the PNNL Virtual Infrastructure grew from 69 to 136 servers running on 23 physical servers achieving a new ratio of 6:1. This effort continues the reduction in the number of hardware servers that must be purchased, refreshed, and maintained. Estimated cost savings during FY 2006 and FY 2007 is \$175K, excluding savings for data center power and cooling which was reduced by 7% in FY 2006 and 6% in FY 2007. During FY 2008 we plan to virtualize another 40 servers, and by the end of FY 2009, we anticipate we will have reduced the number of physical servers by 50%.

**Computer Maintenance Contracts:** The Laboratory has been able to obtain cost savings through centralized management of hardware and software maintenance contracts and taking advantage of DOE enterprise pricing. In FY07, the Laboratory saved \$20K by renewing our Entrust software licenses through a DOE-wide contract and over \$13K on Mathematics maintenance by consolidating and renewing individual licenses under a DOE enterprise program. By closer management of the maintenance renewals, additional savings have been made by eliminating items for which maintenance is no longer required. For Cisco and HP maintenance contracts alone, this saved an additional \$35K in FY07.

**File Share Self-Service:** During FY 2007, the Laboratory successfully completed a project to automate the provisioning process for network file shares and enable

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laboratory staff to request file shares online. This service also allows staff to list the shares for which they have access and request new service. This new process reduced the amount of labor required to maintain the service by \$30K and reduced process time for a new share from 1day to approximately 20 minutes.

Asset Management: Eliminated Declaration of Excess (DOE) form related to disposing of property and implemented e-REX an electronic tool for excessing property. This eliminated the paper form, time spent by property custodians, property representatives and the Excess Materials & Redeployment Services (Ems) organization managing the paper trail from start to finish. Approximately a \$200K savings in transaction costs in FY07. Wall-to-wall Inventory -PNNL performed a wall-to-wall inventory of controlled and sensitive property (anything with a numbered property tag). In the past, this has been a manual paper-based process performed by designated Property Reps. For this inventory, we developed a web based system which allowed property custodians to view number tagged property that they are responsible for and the custodian will electronically verify the status of their property item@). The web-based system replaced the manual "interview and clipboard" process traditionally used for inventories, saving hundreds of staff hours.

Travel Savings: PML generates cost savings in airfare over published rates through corporate agreements negotiated on the strength of overall Battelle volume. In addition, Corporate rental car and other travel agreements (travel services, travel card, reservations system fees, etc.) also generate cost savings. The total estimated annual savings for airfare and travel agreements is approximately \$2M.

B2B Purchasing: Business-to-Business is a streamlined electronic purchasing mechanism for PNNL staff to purchase commercial, off-the-shelf items, at competitive prices from preselected suppliers. This purchasing mechanism provides more controls over what is bought and from whom, allows PNNL to consolidate purchases to fewer suppliers who are predominately small businesses with long history in government contracting, and will result in the Lab obtaining pricing and discounts on items routinely purchased. It is estimated that the B2B purchasing mechanism saved \$388K in transaction cost when compared to P-Cards during FY07.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

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**SITE PROFILE**  
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**EXECUTIVE DIRECTION**

Executive Direction includes the Laboratory Director's Office, Strategic Planning, Research Associate Laboratory Directors' Offices and Planning & Operational Effectiveness (D7P46). Executive Direction increased \$140K or 1.8%.

**HUMAN RESOURCES**

Includes cost associated with Human Resource activities associated with recruiting, wage and salary administration, EEO and diversity activities. Also, included in this category is benefits administration and educational programs. Human Resource cost had a slight decrease of \$17K, or 0.3% from FY06.

**CFO**

Includes cost associated with the CFO Office and the Audit & Oversight Directorate less Corporate G&A. CFO cost includes activities associated with central accounting activities, funds control, cost accounting, financial systems management and budget control. In total, the CFO category increased \$1,411K or 10.5%.

**PROCUREMENT**

Includes procurement cost from contracting activities, legal/contracts, acquisition services, and cost price. Procurement cost increased by \$1,372K or 18.9%. This increase is primarily due to increased business demand for procurement and subcontract support in three areas --The DHS Radiation Portal Monitoring Project (RPMP), the Capability Replacement Laboratory (CRL) Project, and the NNSA International Material Protection and Cooperation (IMPC) NA-25 Program

**LEGAL**

Includes cost associated with legal council and litigation support. Legal cost remained fairly constant with an increase of \$62K or 5.9%.

**CENTRAL ADMIN SERVICES**

Includes cost related with Service & Equipment Centers, including the Duplicating Service Center, Hanford Technical Library, Technical Library Walk-In Services, and the Office Support Service Center. Central Administrative Support cost increased by \$1,146K or 19.0%. This increase is driven by a reclassification of the Technical Library from the Information Outreach category to the Central Administrative category. This change was made based on the recommendation from the peer review team.

**PROGRAM/PROJECT CONTROL**

Includes cost from Project Management Systems Group. Program/Project Planning & Control cost is \$998K or 27.0%. This increase is primarily due to increased business demand for project planning and control in three areas --The DHS Radiation Portal Monitoring project (RPMP), the Capability Replacement Laboratory (CRL) Project, and the MegaPorts portion of the NNSA International Material Protection and Cooperation (IMPC) NA-25 Program.

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**SITE PROFILE**  
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**INFORMATION OUTREACH**

This category includes cost associated with technology transfer activities, technical information management activities, program development activities, employee outreach programs and university science & education cost. The Information Outreach category decreased by \$2,835K or 6.8%. The decrease is primarily driven by the reclassification of the Technical Library from the Information Outreach category to the Central Administrative category.

**INFORMATION SERVICES**

Includes cost from Information Sciences organization, including EMSL Computer Service Center and the Information Technology Service Center. Information services cost increased by \$3,023K or 14.6% from FY06.

**ENVIRONMENTAL**

Includes cost 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. The cost in Environmental is \$472K or 10.3%.

**SAFETY AND HEALTH**

Includes costs associated with the safety and health programs such as emergency preparedness, fire protection, industrial hygiene, industrial safety, occupational, medical services, nuclear safety, radiation protection, transportation safety, and management and oversight. Cost in this category is UJ \$2,248K or 10.0%.

**FACILITIES MANAGEMENT**

Includes costs associated with facilities and their ability to function effectively. Facilities management includes engineering, rental of buildings and land and other activities related to facilities management and plant engineering such as remodeling, utilization, facility modification and facility upgrades. Cost in this category increased \$1,136K or 3.4%.

**MAINTENANCE**

Includes costs associated with Facilities Operations. Costs are associated with the requirements to sustain property, plant and equipment related to preventive, predictive and corrective maintenance. Maintenance cost decreased \$1,013K or 7.0%.

**UTILITIES**

Includes cost associated with Buildings & Utilities related to operating plants and equipment, contract level services for fuel, water and support need to provide electric, power, heat, and other elements. Utilities cost is UJ \$272K or 3.8%.

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**SITE PROFILE**  
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**SAFEGUARDS AND SECURITY**

Includes cost associated with the development and implementation of the safeguards and security program such as program direction, protective forces, physical security protection systems, transportation, information security, material control and accountability, research and development, personal security, and cyber security. Cost in Safeguards and Security increased \$4,249K or 25.7%. This increase is largely driven by the reclassification of the orgs D7D23 (Cyber Security) and D7D26 (Cyber Security Defense) from the Mission Direct category to the Safeguards and Security category. This change was made based on the peer review team recommendation.

**LOGISTICS SUPPORT**

Costs associated with shipping, receiving, transportation, warehousing, motor pools, office equipment pools, property management and other logistics activities. Logistics cost decreased \$419K or 14.5%.

**QUALITY ASSURANCE**

Includes cost within Quality & Integrated Safety. Costs are associated with quality engineering, quality assurance and operational readiness activities. Cost in Quality Assurance increased by \$102K or 2.4%.

**LABORATORY/TECHNICAL SUPPORT**

Laboratory/Technical Support cost is associated with field investigations and other scientific studies as well as technical support activities such as electronic services. Cost in this category is \$600K or 4.8%.

**MANAGEMENT/INCENTIVE FEE**

Includes cost for Management Award Incentive Fee category, Corporate G&A and DOE Sector Integration. Management Award Incentive Fee cost is down \$245K or 1.8%.

**TAXES**

Includes cost for Tax category. Tax cost increased \$783K or 30.5%. In past years a portion of the total tax amount was spread through all cost categories. This year we reviewed and changed the method used to classify the tax amounts and the tax category now reflects more accurate amount of the tax expenditures.

**LDRD / PDRD / SDRD**

Includes cost for LDRD category. Cost is down \$1,118K or 6.8%.

**COST SAVINGS INITIATIVES**

(\$ in 000's)

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**SITE PROFILE**  
**Pacific Northwest National Lab/Battelle Memorial**

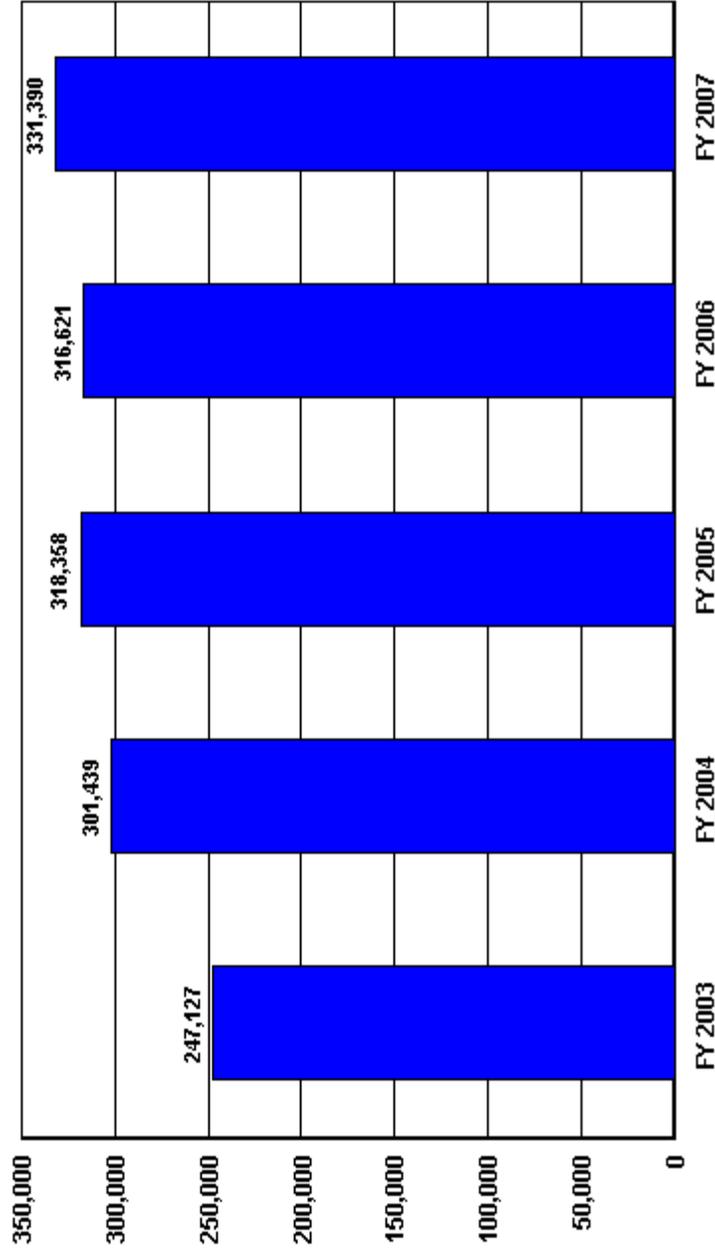
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<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Pantex/BWXT (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	401,110	464,429	491,626	477,423	492,933	91,823	22.9%
<b>Capital Construction</b>	17,008	25,635	31,469	29,343	19,792	2,784	16.4%
<b>Total Costs Less Construction</b>	384,102	438,794	460,157	448,080	473,141	89,039	23.2%
<b>Total Support Costs</b>	<b>247,127</b>	<b>301,439</b>	<b>318,358</b>	<b>316,621</b>	<b>331,390</b>	<b>84,263</b>	<b>34.1%</b>
<b>Mission Direct Operation</b>	136,975	137,355	141,799	131,459	141,751	4,776	3.5%
<b>Mission Direct Operation as % of Total Cost</b>	<b>34.1%</b>	<b>29.6%</b>	<b>28.8%</b>	<b>27.5%</b>	<b>28.8%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>4.2%</b>	<b>5.5%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>4.0%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>61.6%</b>	<b>64.9%</b>	<b>64.8%</b>	<b>66.3%</b>	<b>67.2%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>61.6%</b>	<b>64.9%</b>	<b>64.8%</b>	<b>66.3%</b>	<b>67.2%</b>		
<b>TOTAL SUPPORT COST</b>	<b>247,127</b>	<b>301,439</b>	<b>318,358</b>	<b>316,621</b>	<b>331,390</b>	<b>84,263</b>	<b>34.1%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>9.1%</b>	<b>10.7%</b>	<b>10.9%</b>	<b>10.8%</b>	<b>10.6%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>36,560</b>	<b>49,619</b>	<b>53,552</b>	<b>51,405</b>	<b>52,474</b>	<b>15,914</b>	<b>43.5%</b>
EXECUTIVE DIRECTION	1,163	1,259	1,243	1,555	1,413	250	21.5%
HUMAN RESOURCES	6,034	6,251	7,325	6,740	7,611	1,577	26.1%
CFO	4,061	5,276	5,526	4,876	5,029	968	23.8%
PROCUREMENT	3,014	4,682	4,594	4,090	4,502	1,488	49.4%
LEGAL	1,120	1,194	1,036	1,228	1,618	498	44.5%
CENTRAL ADMIN SERVICES	3,136	7,963	8,784	7,375	7,598	4,462	142.3%
PROGRAM/PROJECT CONTROL	4,003	5,911	7,996	8,177	7,822	3,819	95.4%
INFORMATION OUTREACH	542	1,632	1,526	1,528	1,078	536	98.9%
INFORMATION SERVICES	12,609	15,336	15,430	15,754	15,705	3,096	24.6%
OTHER	878	115	92	82	98	-780	-88.8%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>45.8%</b>	<b>48.5%</b>	<b>48.1%</b>	<b>49.3%</b>	<b>49.3%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>183,552</b>	<b>225,266</b>	<b>236,683</b>	<b>235,298</b>	<b>242,987</b>	<b>59,435</b>	<b>32.4%</b>
ENVIRONMENTAL	9,799	9,517	11,589	10,805	9,982	183	1.9%
SAFETY AND HEALTH	40,776	42,388	45,485	46,123	45,327	4,551	11.2%
FACILITIES MANAGEMENT	17,227	35,700	33,435	20,119	17,591	364	2.1%
MAINTENANCE	38,894	43,554	43,820	45,236	49,162	10,268	26.4%
UTILITIES	8,538	9,227	10,704	11,528	11,008	2,470	28.9%
SAFEGUARDS AND SECURITY	58,922	67,571	74,572	78,987	84,981	26,059	44.2%
LOGISTICS SUPPORT	5,934	7,151	7,884	9,136	9,901	3,967	66.9%
QUALITY ASSURANCE	3,462	6,235	6,333	6,755	7,543	4,081	117.9%
LABORATORY/TECHNICAL SUPPORT	0	3,923	2,861	6,609	7,492	7,492	100.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>6.7%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>6.3%</b>	<b>7.3%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>27,015</b>	<b>26,554</b>	<b>28,123</b>	<b>29,918</b>	<b>35,929</b>	<b>8,914</b>	<b>33.0%</b>
MANAGEMENT/INCENTIVE FEE	21,250	23,940	25,644	27,500	32,695	11,445	53.9%
TAXES	621	391	1,091	888	1,787	1,166	187.8%
LDRD / PDRD / SDRD	5,144	2,223	1,388	1,530	1,447	-3,697	-71.9%

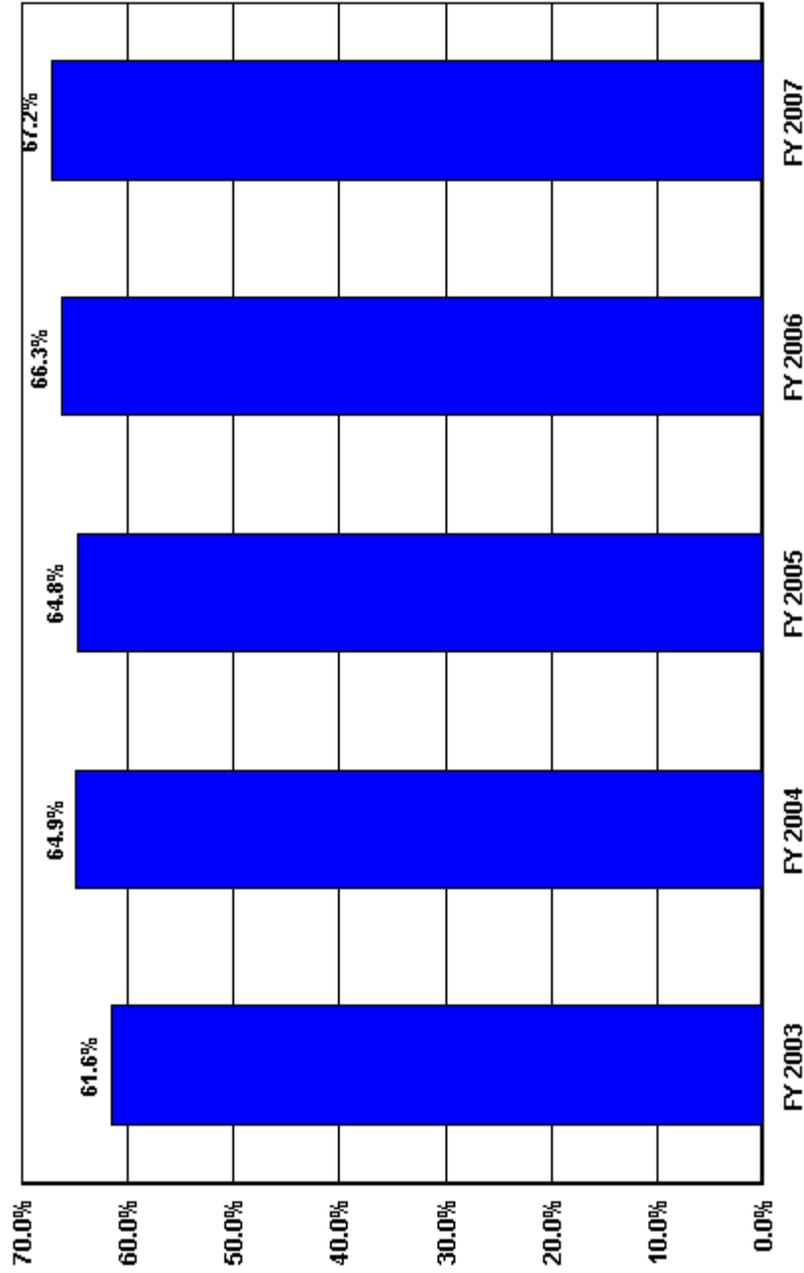
**US Department of Energy  
Total Functional Support  
Pantex/BWXT**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>247,127</b>	<b>301,439</b>	<b>318,358</b>	<b>316,621</b>	<b>331,390</b>

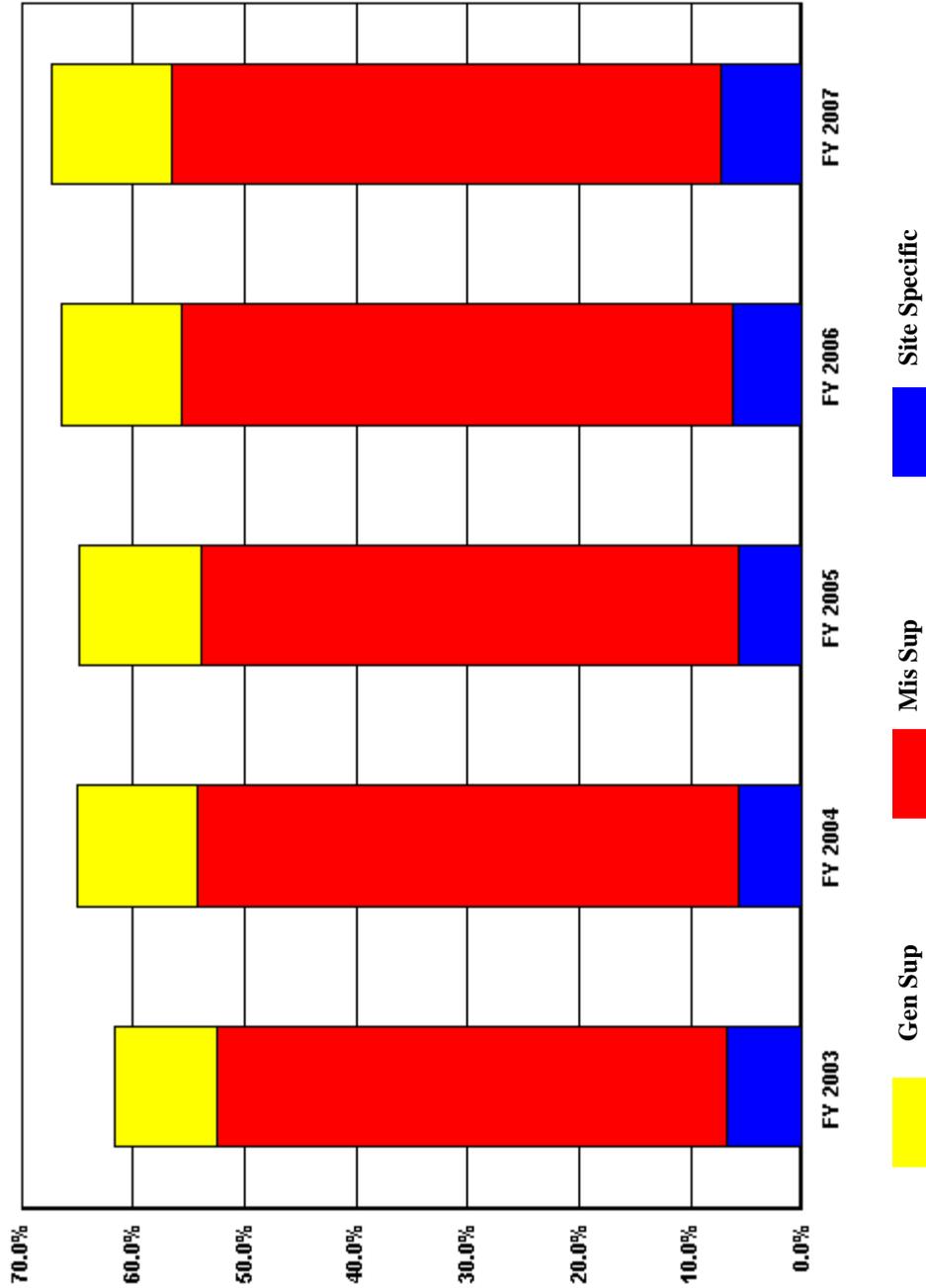
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Pantex/BWXT**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>61.6%</b>	<b>64.9%</b>	<b>64.8%</b>	<b>66.3%</b>	<b>67.2%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Pantex/BWXT**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	9.1%	10.7%	10.9%	10.8%	10.6%
Mis Sup	45.8%	48.5%	48.1%	49.3%	49.3%
Site Specific	6.7%	5.7%	5.7%	6.3%	7.3%

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**SITE PROFILE**  
**Pantex/BWXT**

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**SITE OVERVIEW AND CHARACTERISTIC**

Pantex Plant is operated for the Department of Energy/National Nuclear Security Administration by BWXT Pantex. The site is located on 16,000 acres in Carson County northeast of Amarillo, Texas. It houses 646 buildings containing slightly over 3 million square feet and employs approximately 3,300 people. Constructed by the U.S. Army in 1942 as a conventional bomb plant, Pantex was decommissioned after World War II and sold to Texas Tech University as excess government property. In 1951, the Atomic Energy Commission reclaimed 10,000 acres of the site for nuclear weapons work. The remaining 6,000 acres were reclaimed by 1989 and are leased from Texas Tech.

Pantex assumed responsibility for weapons maintenance and modification in the mid 1960s when plants that had been performing those tasks closed. With the close of the AEC Burlington Plant in Iowa in 1975, Pantex became the nation's only assembly and disassembly point for nuclear weapons.

BWXT Pantex maintains, builds and retires nuclear weapons in support of our nation's nuclear deterrent. This mission includes:

1. Safeguarding special materials and assets
2. High explosives manufacturing and testing
3. Nuclear explosives operations
4. Analytic and scientific capabilities.

**I. TRENDS:**

Functional Support Costs as a percentage of total site costs have trended upward over the past five years due to increased challenges and requirements surrounding support efforts such as infrastructure, safety, and security. It should be noted that throughput at Pantex has increased 139% since FY2004 yet production costs have remained fairly stable.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**LEGAL**

The increase in Legal was driven by increased outside legal counsel required for PGU negotiations conducted in FY2007 and defensive efforts in various law suits.

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**SITE PROFILE**  
**Pantex/BWXT**

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**INFORMATION OUTREACH**

The decrease in Information Outreach is the result of a re-org involving the Business Systems Office. The functional organization known as Business Services was disbanded in FY2007. The functions were either eliminated or absorbed into other areas and are no longer identifiable.

**TAXES**

The increase to Taxes is a reflection of a correcting entry tied to Franchise Fee for FY2007 along with the corresponding increase to taxes that goes with an increased fee.

**CAPITAL CONSTRUCTION**

Discussed with Angie Viner (806)477-3694, the rationale of why Capital/Construction decreased by 48% (9,551 Million). According to Angie Viner the U.S. DOE FY 2007 SCFA Report Definition of Attachment (3), states under Capital/Construction, "All identifiable support cost should be included in the appropriate General Support, Mission Support and Site Specific categories." Therefore, Pantex pulled the labor component out of this category and was put into the General Support, Mission Support and Site Specific categories.

**COST SAVINGS INITIATIVES**

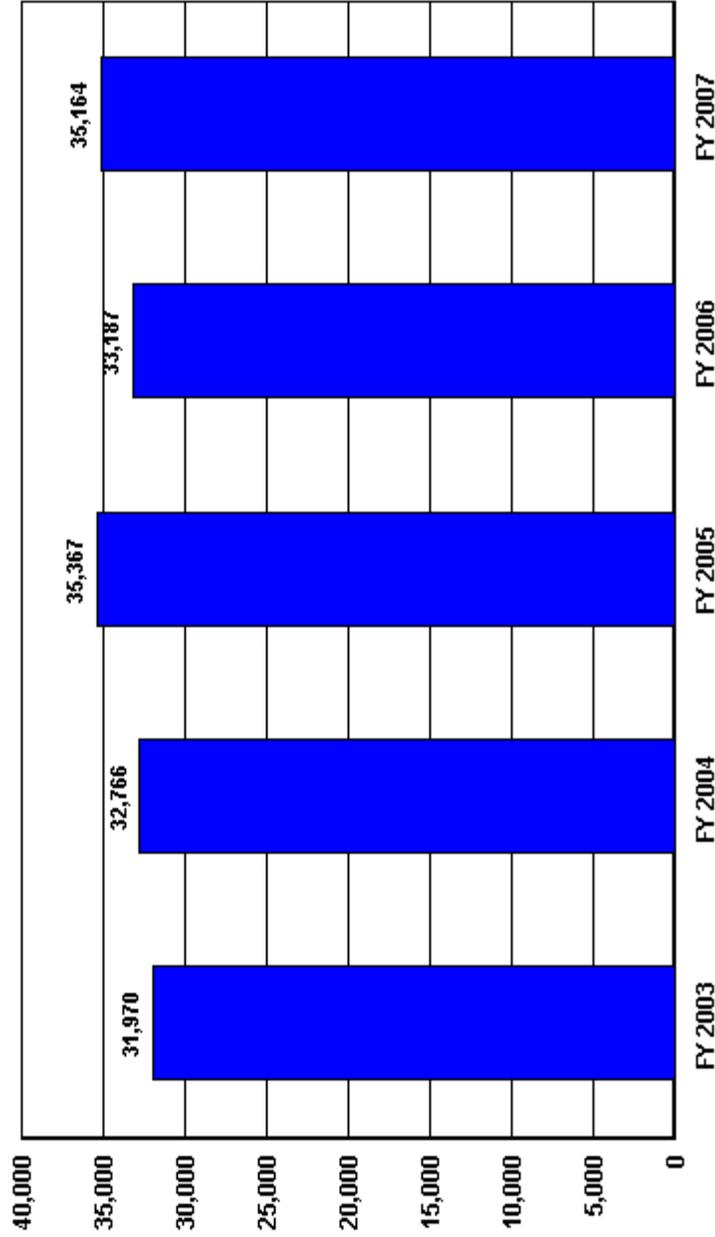
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Manufacturing: Process Improvement	4,048		Angie Viner
Radiation Safety Department Survey Forms Improve	51		Angie Viner

**Trends in Total Support Cost by Functional Categories**  
**Princeton Plasma Physics Lab/Princeton University (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	66,456	75,117	81,158	78,151	76,635	10,179	15.3%
<b>Capital Construction</b>	5,398	12,297	16,671	16,513	15,178	9,780	181.2%
<b>Total Costs Less Construction</b>	61,058	62,820	64,487	61,638	61,457	399	0.7%
<b>Total Support Costs</b>	<b>31,970</b>	<b>32,766</b>	<b>35,367</b>	<b>33,187</b>	<b>35,164</b>	<b>3,194</b>	<b>10.0%</b>
<b>Mission Direct Operation</b>	29,088	30,054	29,120	28,451	26,293	-2,795	-9.6%
<b>Mission Direct Operation as % of Total Cost</b>	<b>43.8%</b>	<b>40.0%</b>	<b>35.9%</b>	<b>36.4%</b>	<b>34.3%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>8.1%</b>	<b>16.4%</b>	<b>20.5%</b>	<b>21.1%</b>	<b>19.8%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>48.1%</b>	<b>43.6%</b>	<b>43.6%</b>	<b>42.5%</b>	<b>45.9%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>48.1%</b>	<b>43.6%</b>	<b>43.6%</b>	<b>42.5%</b>	<b>45.9%</b>		
<b>TOTAL SUPPORT COST</b>	<b>31,970</b>	<b>32,766</b>	<b>35,367</b>	<b>33,187</b>	<b>35,164</b>	<b>3,194</b>	<b>10.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>16.9%</b>	<b>14.1%</b>	<b>15.8%</b>	<b>11.9%</b>	<b>13.3%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>11,205</b>	<b>10,595</b>	<b>12,847</b>	<b>9,266</b>	<b>10,226</b>	<b>-979</b>	<b>-8.7%</b>
EXECUTIVE DIRECTION	817	809	808	824	901	84	10.3%
HUMAN RESOURCES	1,036	960	790	765	781	-255	-24.6%
CFO	1,333	1,405	1,307	1,253	1,272	-61	-4.6%
PROCUREMENT	555	635	648	671	693	138	24.9%
LEGAL	0	0	0	0	11	11	100.0%
CENTRAL ADMIN SERVICES	214	203	204	232	257	43	20.1%
PROGRAM/PROJECT CONTROL	739	705	664	692	901	162	21.9%
INFORMATION OUTREACH	3,125	2,925	2,982	2,939	2,899	-226	-7.2%
INFORMATION SERVICES	2,981	2,890	2,391	2,515	2,482	-499	-16.7%
OTHER	405	63	3,053	-625	29	-376	-92.8%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>27.2%</b>	<b>25.7%</b>	<b>24.2%</b>	<b>26.7%</b>	<b>27.8%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>18,065</b>	<b>19,271</b>	<b>19,620</b>	<b>20,871</b>	<b>21,311</b>	<b>3,246</b>	<b>18.0%</b>
ENVIRONMENTAL	0	0	0	256	277	277	100.0%
SAFETY AND HEALTH	1,555	1,852	1,798	1,833	1,865	310	19.9%
FACILITIES MANAGEMENT	3,334	3,387	3,473	3,492	3,355	21	0.6%
MAINTENANCE	7,144	6,461	6,699	7,241	7,847	703	9.8%
UTILITIES	2,348	3,554	3,788	3,887	3,513	1,165	49.6%
SAFEGUARDS AND SECURITY	1,346	1,598	1,485	1,464	1,680	334	24.8%
LOGISTICS SUPPORT	872	797	732	826	889	17	1.9%
QUALITY ASSURANCE	454	626	657	775	800	346	76.2%
LABORATORY/TECHNICAL SUPPORT	1,012	996	988	1,097	1,085	73	7.2%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>4.1%</b>	<b>3.9%</b>	<b>3.6%</b>	<b>3.9%</b>	<b>4.7%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>2,700</b>	<b>2,900</b>	<b>2,900</b>	<b>3,050</b>	<b>3,627</b>	<b>927</b>	<b>34.3%</b>
MANAGEMENT/INCENTIVE FEE	2,700	2,900	2,900	3,050	3,100	400	14.8%
TAXES	0	0	0	0	0	0	0.0%
LDRD / PDRD / SDRD	0	0	0	0	527	527	100.0%

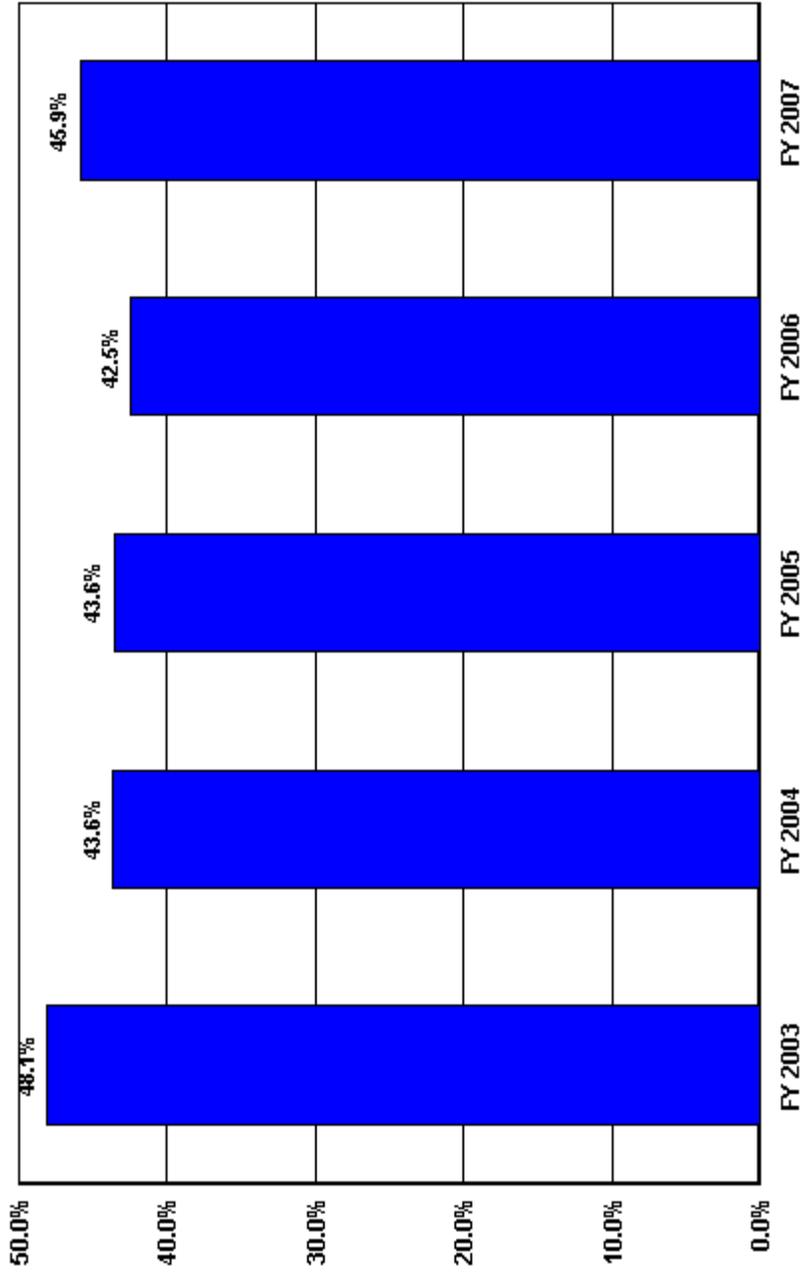
**US Department of Energy**  
**Total Functional Support**  
 Princeton Plasma Physics Lab/Princeton University



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>31,970</b>	<b>32,766</b>	<b>35,367</b>	<b>33,187</b>	<b>35,164</b>

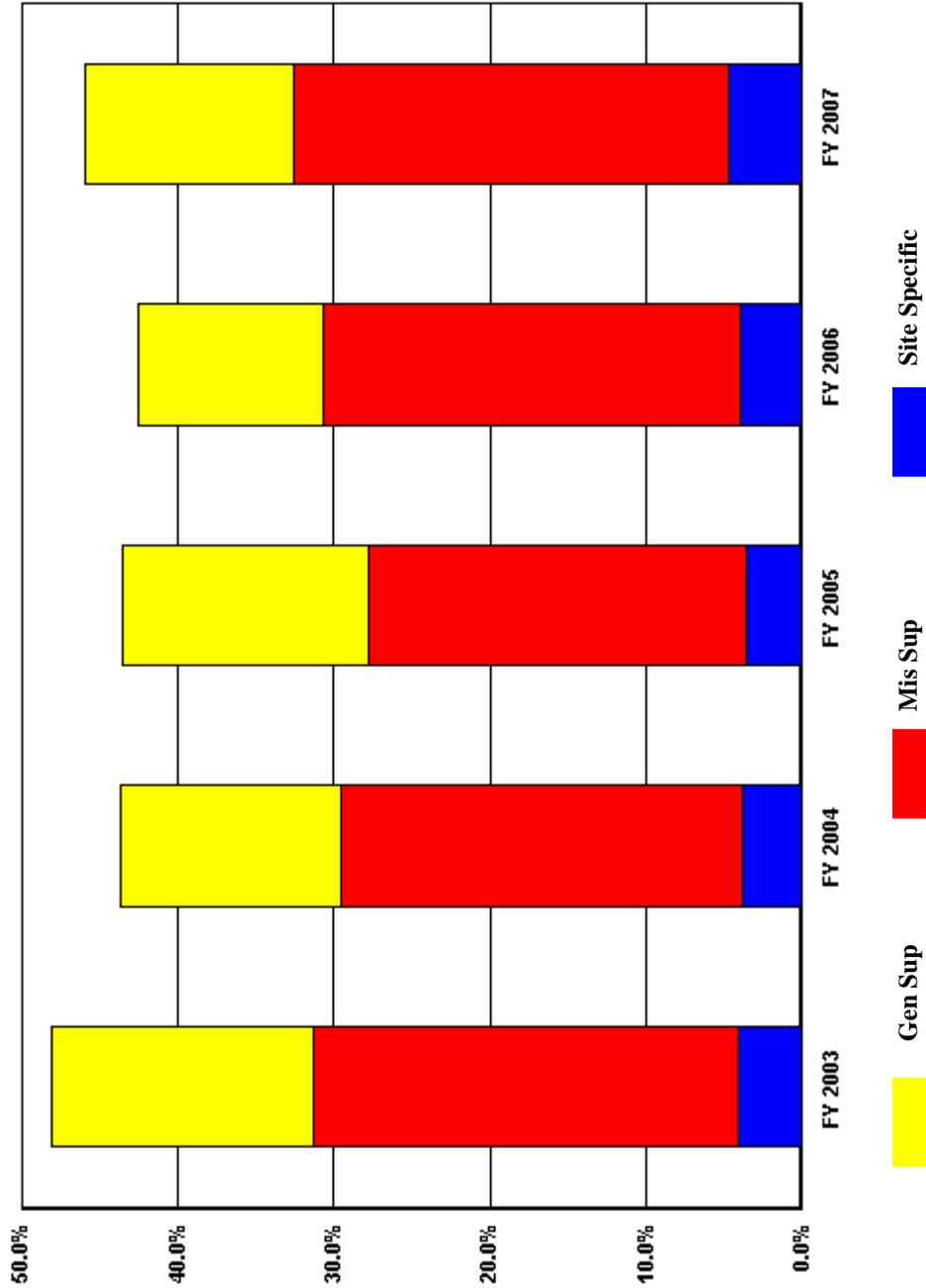
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Princeton Plasma Physics Lab/Princeton University**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>48.1%</b>	<b>43.6%</b>	<b>43.6%</b>	<b>42.5%</b>	<b>45.9%</b>

US Department of Energy  
 Percent of Support Category to Total Costs  
 Princeton Plasma Physics Lab/Princeton University



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	16.9%	14.1%	15.8%	11.9%	13.3%
Mis Sup	27.2%	24.2%	26.7%	26.7%	27.8%
Site Specific	4.1%	3.9%	3.6%	3.9%	4.7%

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**SITE PROFILE**  
**Princeton Plasma Physics Lab/Princeton University**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Princeton Plasma Physics Laboratory (PPPL) is a Collaborative National Center for plasma and fusion science. Its primary mission is to develop the scientific understanding and key innovations which will lead to an attractive fusion energy source. This research program is carried out in close collaboration with other national and international institutions. Associated missions at PPPL include conducting world-class research along the broad frontier of plasma science and providing the highest quality of scientific education.

PPPL is managed by Princeton University. The Laboratory is sited on 88 acres of Princeton University's James Forrestal Campus, about four miles from the main campus. There are two sites at the Laboratory: C-Site that houses most of the Laboratory's workforce and the smaller experimental devices; and D-Site which is the site of the National Spherical Torus Experiment (NSTX) that began operations in FY1999. D-Site was initially constructed for the Tokamak Fusion Test Reactor (TFTR) that ceased operations in FY1997. A new fusion device, the National Compact Stellarator Experiment, is currently under construction at the Laboratory.

PPPL's FY2007 funding was approximately \$78 million, of which approximately \$73.4 million was provided from the Office of Fusion Energy Sciences (including \$4.3 million for ITER provided via ORNL), approximately \$3.7 million from other DOE programs, and approximately \$1.2 million from other feder

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**LEGAL**

A legal action was initiated in FY2007; there were no actions in FY2006.

**PROGRAM/PROJECT CONTROL**

Additional resources were required in FY2007 for planning and control primarily to support the increase in ITER activity.

**OTHER**

FY2006 costs include a non-recurring credit of \$.5M which represents a cost reversal for an accrual for liabilities that was no longer required.

**LDRD / PDRD / SDRD**

Initial year for PPPL's LDRD program - LDRD was extended to single purpose laboratories in FY2007.

**COST SAVINGS INITIATIVES**

(\$ in 000's)

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**SITE PROFILE****Princeton Plasma Physics Lab/Princeton University**

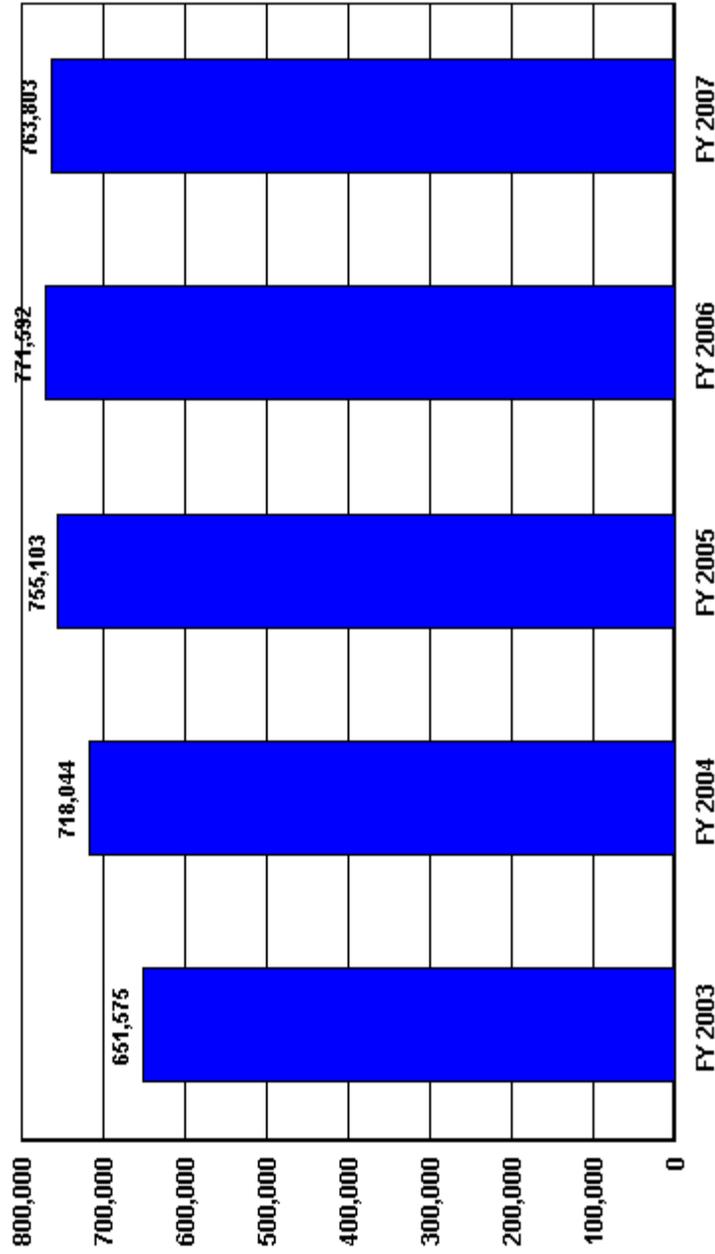
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<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b> (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
Utility Savings - Computing Clusters	80	The old "falcon" and "petrel" computing clusters were replaced with new dual-core systems which consume 35% less power. In addition, the new cluster was relocated to the Laboratory's main computer center enabling us to turn off two air conditioning units in the basement computer center. Calculated cost savings in consumption and cooling for FY2007 were estimated at \$80 thousand.	Anthony Bleach
Utility - Electricity	100	Upon conclusion of the NSTX run, and during the peak electrical demand period of the summer months, the Laboratory's electrical distribution system was re-configured to be able to power-down two 138kV to 13.8kV transformers (XST-1, XST-2), two 138kV to 4.16kV transformers (XQT-1, XQT-2), one 13.8kV to 4.16kV transformer (SQT-10), and several 4.16kV to 480V transformers, by combining loads on other transformers. This reduction of the number of energized transformers and associated magnetizing currents is estimated to have saved the Laboratory approximately \$100 thousand	Anthony Bleach

**Trends in Total Support Cost by Functional Categories**  
**Sandia National Lab/Lockheed Martin (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	1,944,556	2,193,341	2,273,769	2,272,618	2,239,578	295,022	15.2%
<b>Capital Construction</b>	192,109	264,797	219,298	212,445	119,599	-72,510	-37.7%
<b>Total Costs Less Construction</b>	1,752,447	1,928,544	2,054,471	2,060,173	2,119,979	367,532	21.0%
<b>Total Support Costs</b>	<b>651,575</b>	<b>718,044</b>	<b>755,103</b>	<b>771,592</b>	<b>763,803</b>	<b>112,228</b>	<b>17.2%</b>
<b>Mission Direct Operation</b>	1,100,872	1,210,500	1,299,368	1,288,581	1,356,176	255,304	23.2%
<b>Mission Direct Operation as % of Total Cost</b>	<b>56.6%</b>	<b>55.2%</b>	<b>57.1%</b>	<b>56.7%</b>	<b>60.6%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>9.9%</b>	<b>12.1%</b>	<b>9.6%</b>	<b>9.3%</b>	<b>5.3%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>33.5%</b>	<b>32.7%</b>	<b>33.2%</b>	<b>34.0%</b>	<b>34.1%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>33.5%</b>	<b>32.7%</b>	<b>33.2%</b>	<b>34.0%</b>	<b>34.1%</b>		
<b>TOTAL SUPPORT COST</b>	<b>651,575</b>	<b>718,044</b>	<b>755,103</b>	<b>771,592</b>	<b>763,803</b>	<b>112,228</b>	<b>17.2%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>13.0%</b>	<b>12.4%</b>	<b>12.4%</b>	<b>12.6%</b>	<b>12.9%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>253,663</b>	<b>272,516</b>	<b>282,871</b>	<b>286,403</b>	<b>288,357</b>	<b>34,694</b>	<b>13.7%</b>
EXECUTIVE DIRECTION	25,817	23,574	24,124	24,311	24,511	-1,306	-5.1%
HUMAN RESOURCES	28,780	28,412	29,143	30,707	25,947	-2,833	-9.8%
CFO	9,223	10,431	11,006	11,563	11,693	2,470	26.8%
PROCUREMENT	14,223	14,728	15,638	17,311	16,859	2,636	18.5%
LEGAL	5,501	5,315	6,043	6,777	9,265	3,764	68.4%
CENTRAL ADMIN SERVICES	14,942	15,745	15,953	15,552	14,207	-735	-4.9%
PROGRAM/PROJECT CONTROL	35,904	46,087	55,332	55,893	63,653	27,749	77.3%
INFORMATION OUTREACH	14,762	15,215	15,697	13,084	13,048	-1,714	-11.6%
INFORMATION SERVICES	103,679	113,066	105,703	111,657	103,299	-380	-0.4%
OTHER	832	-57	4,232	-452	5,875	5,043	606.1%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>11.9%</b>	<b>12.1%</b>	<b>12.2%</b>	<b>12.7%</b>	<b>12.5%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>230,616</b>	<b>266,071</b>	<b>276,616</b>	<b>287,639</b>	<b>278,907</b>	<b>48,291</b>	<b>20.9%</b>
ENVIRONMENTAL	1,022	1,585	1,707	11,262	7,380	6,358	622.1%
SAFETY AND HEALTH	33,805	32,944	39,140	50,408	54,427	20,622	61.0%
FACILITIES MANAGEMENT	88,261	95,093	102,712	74,448	74,037	-14,224	-16.1%
MAINTENANCE	30,530	37,278	37,511	46,462	50,117	19,587	64.2%
UTILITIES	20,875	19,036	21,180	25,979	25,212	4,337	20.8%
SAFEGUARDS AND SECURITY	43,143	67,242	61,118	64,373	52,309	9,166	21.2%
LOGISTICS SUPPORT	12,342	12,063	12,523	13,359	14,160	1,818	14.7%
QUALITY ASSURANCE	638	830	725	1,348	1,265	627	98.3%
LABORATORY/TECHNICAL SUPPORT	0	0	0	0	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>8.6%</b>	<b>8.2%</b>	<b>8.6%</b>	<b>8.7%</b>	<b>8.8%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>167,296</b>	<b>179,457</b>	<b>195,616</b>	<b>197,550</b>	<b>196,539</b>	<b>29,243</b>	<b>17.5%</b>
MANAGEMENT/INCENTIVE FEE	23,143	24,288	24,726	26,045	24,985	1,842	8.0%
TAXES	57,128	63,575	68,883	67,578	69,162	12,034	21.1%
LDRD / PDRD / SDRD	87,025	91,594	102,007	103,927	102,392	15,367	17.7%

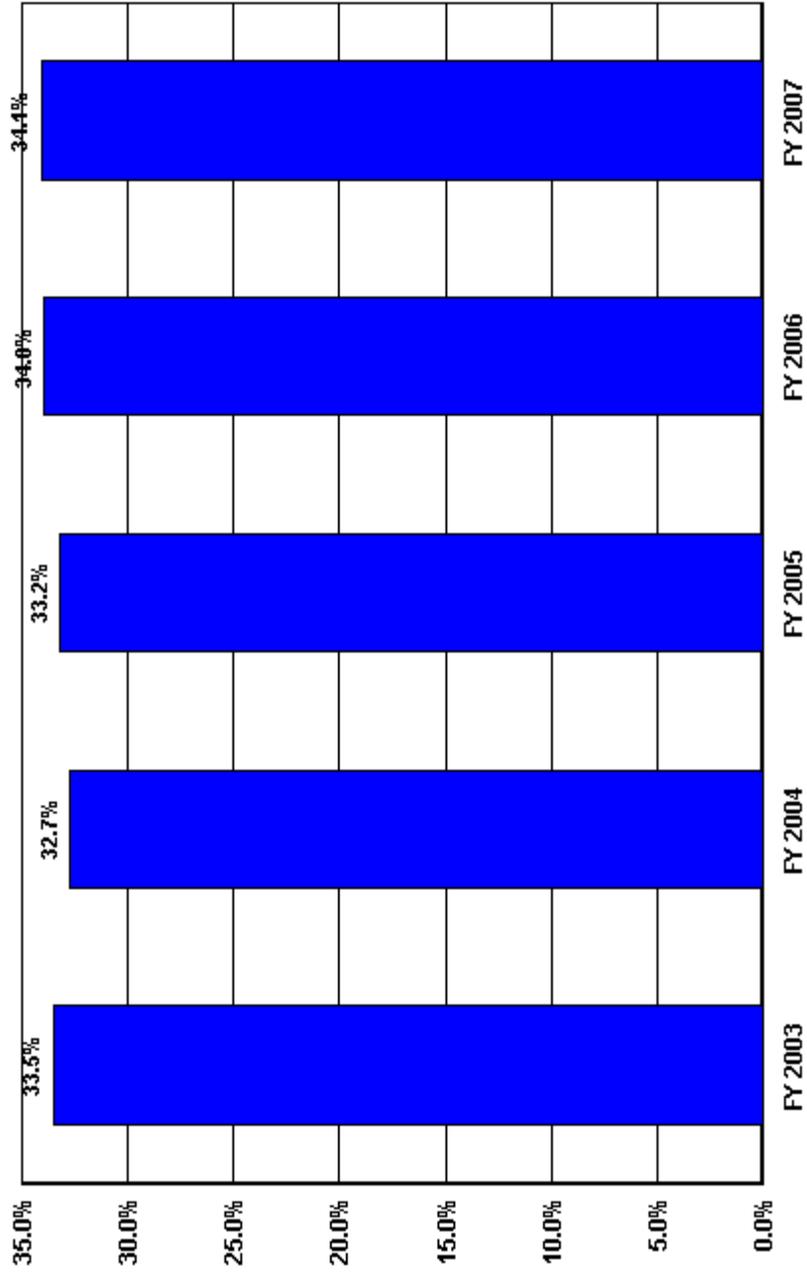
US Department of Energy  
 Total Functional Support  
 Sandia National Lab/Lockheed Martin



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>651,575</b>	<b>718,044</b>	<b>755,103</b>	<b>771,592</b>	<b>763,803</b>

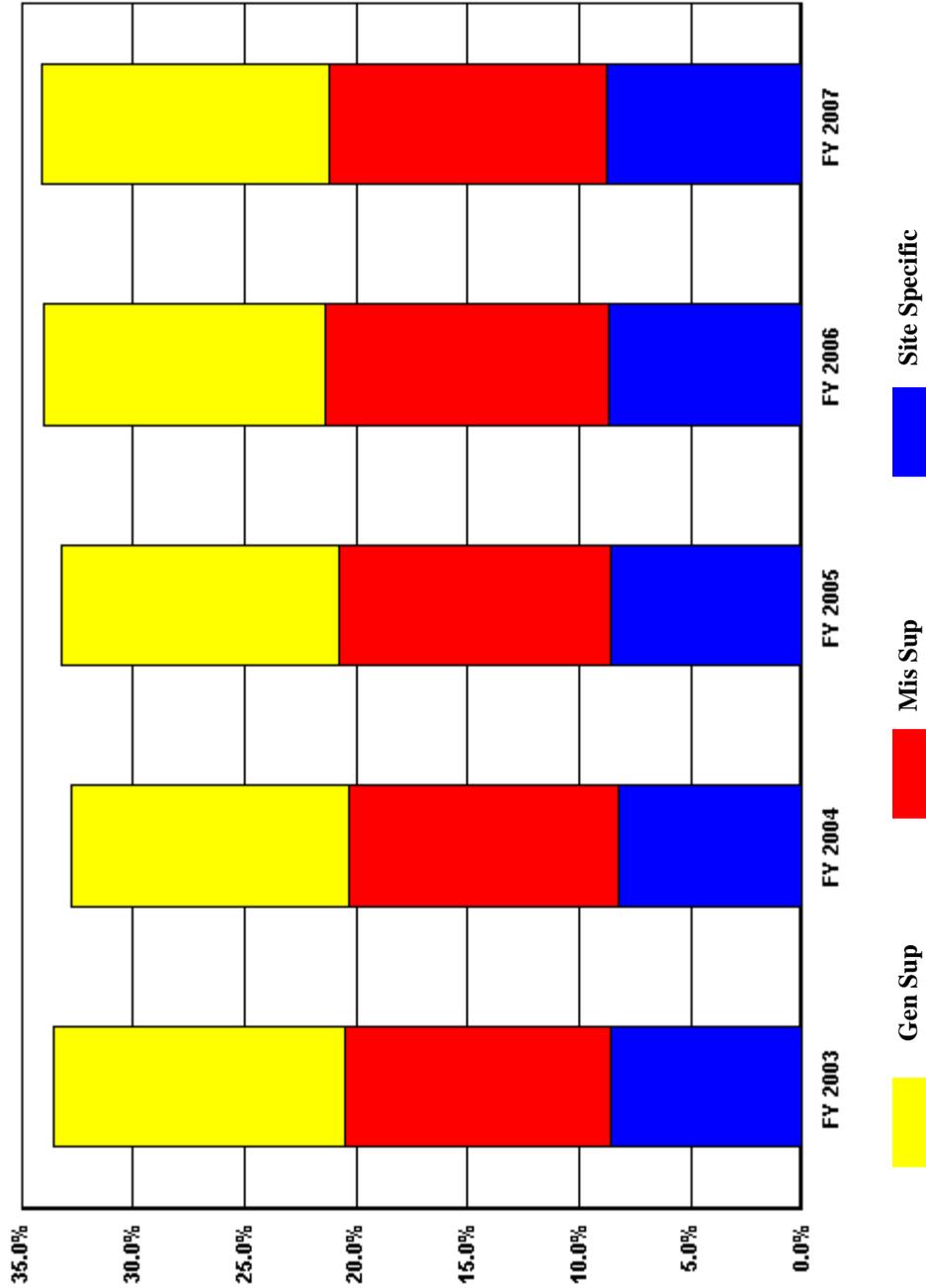
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Sandia National Lab/Lockheed Martin**



 Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>33.5%</b>	<b>32.7%</b>	<b>33.2%</b>	<b>34.0%</b>	<b>34.1%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Sandia National Lab/Lockheed Martin**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	13.0%	12.4%	12.4%	12.6%	12.9%
Mis Sup	11.9%	12.1%	12.2%	12.7%	12.5%
Site Specific	8.6%	8.2%	8.6%	8.7%	8.8%

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**SITE PROFILE**  
**Sandia National Lab/Lockheed Martin**

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**SITE OVERVIEW AND CHARACTERISTIC**

Sandia is a National Security Laboratory operated for the U.S. Department of Energy by the Sandia Corporation, a Lockheed Martin Company. We design all non-nuclear components for the nation's nuclear weapons; perform a wide variety of energy research and development projects, and work on assignments that respond to national security threats -- both military and economic. We encourage and seek partnerships with appropriate U.S. industry and government groups to collaborate on emerging technologies that support our mission.

Mission Statement

Sandia National Laboratories provides scientific and engineering solutions to meet national needs in nuclear weapons and related defense systems, energy security, and environmental integrity, and to address emerging national challenges for both government and industry. As a Department of Energy National Laboratory, Sandia works in partnership with universities and industry to enhance the security, prosperity, and well being of the nation.

Attributes of SNL — FY07 approximations

4 major sites (Albuquerque, NM; Livermore, CA; Tonopah Test Range, NV; Kauai Test Range, HI)  
Acres of land — 188,327  
Number of buildings — 1,197  
Building square footage — 7,022,000  
Number of buildings leased — 48  
Leased building square footage — 419,000  
Employees — 8,500

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**LEGAL**

The increase is due to litigation costs associated with a legal settlement.

**OTHER**

The increase is due to accruing JIT and staff augmentation costs in addition to a legal settlement.

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**SITE PROFILE**  
**Sandia National Lab/Lockheed Martin**

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**ENVIRONMENTAL**

The decrease is due to a funding shift to Safety and Health activities.

**CAPITAL CONSTRUCTION**

The decrease is due to a change in Congressional funding priorities and completion of major projects.

**COST SAVINGS INITIATIVES**

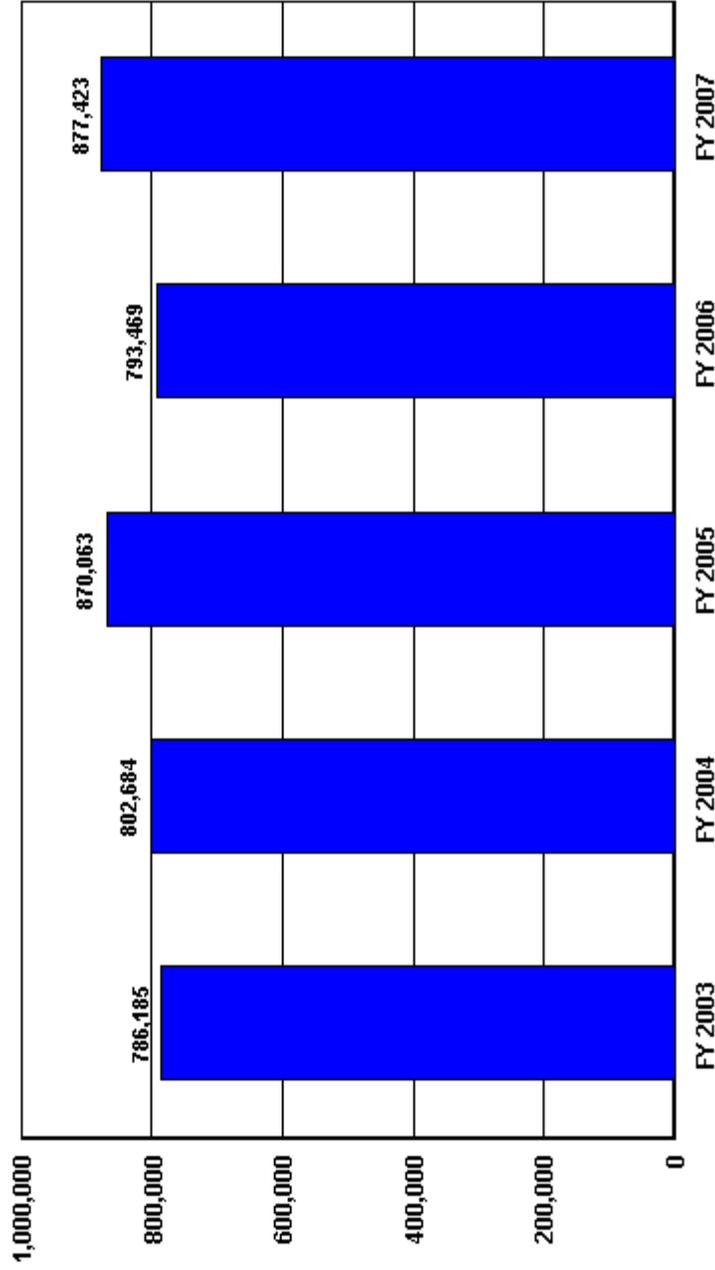
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Computer and License reduction	1,300	Redundant and non-technical computers and licenses were reduced which resulted in a cost savings of \$1.3M.	David Hattrup
Technical Library Changes	38	The Technical Library stopped printing for SAND documents which achieved a cost savings of \$38K.	David Hattrup
Automated Cost Transfer Tool	76	Automated cost transfer request tool that allows line organizations to electronically prepare, review, and approve cost transfers which generated a net savings of \$76K. Savings in FY2007 of \$130K were reduced by an investment of \$54K necessary to develop the tool.	David Hattrup

**Trends in Total Support Cost by Functional Categories**  
**Savannah River/Westinghouse & Wackenhut (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	1,593,028	1,531,255	1,597,448	1,675,307	1,538,969	-54,059	-3.4%
<b>Capital Construction</b>	161,509	104,796	68,871	71,042	63,215	-98,294	-60.9%
<b>Total Costs Less Construction</b>	1,431,519	1,426,459	1,528,577	1,604,265	1,475,754	44,235	3.1%
<b>Total Support Costs</b>	<b>786,185</b>	<b>802,684</b>	<b>870,063</b>	<b>793,469</b>	<b>877,423</b>	<b>91,238</b>	<b>11.6%</b>
<b>Mission Direct Operation</b>	645,334	623,775	658,514	810,796	598,331	-47,003	-7.3%
<b>Mission Direct Operation as % of Total Cost</b>	<b>40.5%</b>	<b>40.7%</b>	<b>41.2%</b>	<b>48.4%</b>	<b>38.9%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>10.1%</b>	<b>6.8%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>4.1%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>49.4%</b>	<b>52.4%</b>	<b>54.5%</b>	<b>47.4%</b>	<b>57.0%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>49.4%</b>	<b>52.4%</b>	<b>54.5%</b>	<b>47.4%</b>	<b>57.0%</b>		
<b>TOTAL SUPPORT COST</b>	<b>786,185</b>	<b>802,684</b>	<b>870,063</b>	<b>793,469</b>	<b>877,423</b>	<b>91,238</b>	<b>11.6%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>11.4%</b>	<b>11.0%</b>	<b>13.5%</b>	<b>10.9%</b>	<b>10.9%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>181,502</b>	<b>168,899</b>	<b>215,593</b>	<b>182,919</b>	<b>167,189</b>	<b>-14,313</b>	<b>-7.9%</b>
EXECUTIVE DIRECTION	7,133	7,095	7,361	8,036	8,306	1,173	16.4%
HUMAN RESOURCES	13,462	13,778	13,669	13,123	13,538	76	0.6%
CFO	14,180	13,205	13,353	12,517	13,193	-987	-7.0%
PROCUREMENT	14,861	11,711	15,158	16,331	16,336	1,475	9.9%
LEGAL	6,089	4,222	3,626	3,932	3,548	-2,541	-41.7%
CENTRAL ADMIN SERVICES	20,417	18,799	19,123	12,376	12,357	-8,060	-39.5%
PROGRAM/PROJECT CONTROL	37,366	37,819	41,920	36,538	35,437	-1,929	-5.2%
INFORMATION OUTREACH	4,072	5,073	5,607	5,107	5,040	968	23.8%
INFORMATION SERVICES	59,190	48,312	47,256	42,981	45,367	-13,823	-23.4%
OTHER	4,732	8,885	48,520	31,978	14,067	9,335	197.3%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>32.0%</b>	<b>33.2%</b>	<b>33.7%</b>	<b>29.7%</b>	<b>33.1%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>509,105</b>	<b>508,494</b>	<b>538,724</b>	<b>498,226</b>	<b>508,862</b>	<b>-243</b>	<b>0.0%</b>
ENVIRONMENTAL	27,340	24,972	21,673	18,693	21,530	-5,810	-21.3%
SAFETY AND HEALTH	114,215	110,972	126,978	130,196	135,548	21,333	18.7%
FACILITIES MANAGEMENT	45,227	41,137	39,318	28,822	26,638	-18,589	-41.1%
MAINTENANCE	120,135	123,801	133,417	106,184	103,898	-16,237	-13.5%
UTILITIES	45,700	45,437	46,521	51,594	46,947	1,247	2.7%
SAFEGUARDS AND SECURITY	81,536	86,495	87,924	91,697	101,571	20,035	24.6%
LOGISTICS SUPPORT	23,602	21,828	28,307	25,801	23,880	278	1.2%
QUALITY ASSURANCE	21,719	24,552	24,182	21,178	22,921	1,202	5.5%
LABORATORY/TECHNICAL SUPPORT	29,631	29,300	30,404	24,061	25,929	-3,702	-12.5%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>6.0%</b>	<b>8.2%</b>	<b>7.2%</b>	<b>6.7%</b>	<b>13.1%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>95,578</b>	<b>125,291</b>	<b>115,746</b>	<b>112,324</b>	<b>201,372</b>	<b>105,794</b>	<b>110.7%</b>
MANAGEMENT/INCENTIVE FEE	95,505	124,870	115,746	111,206	200,173	104,668	109.6%
TAXES	73	421	0	610	691	618	846.6%
LDRD / PDRD / SDRD	0	0	0	508	508	508	100.0%

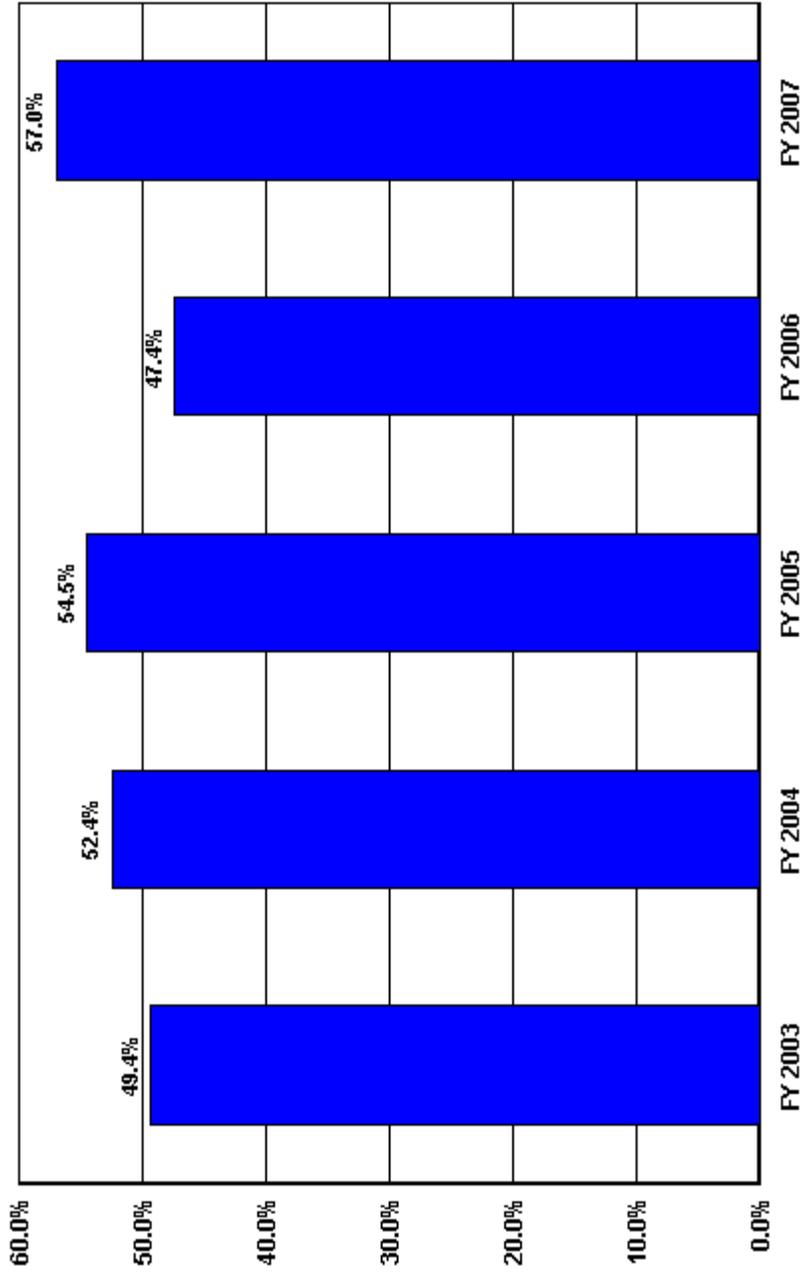
**US Department of Energy  
Total Functional Support  
Savannah River/Westinghouse & Wackenhut**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>786,185</b>	<b>802,684</b>	<b>870,063</b>	<b>793,469</b>	<b>877,423</b>

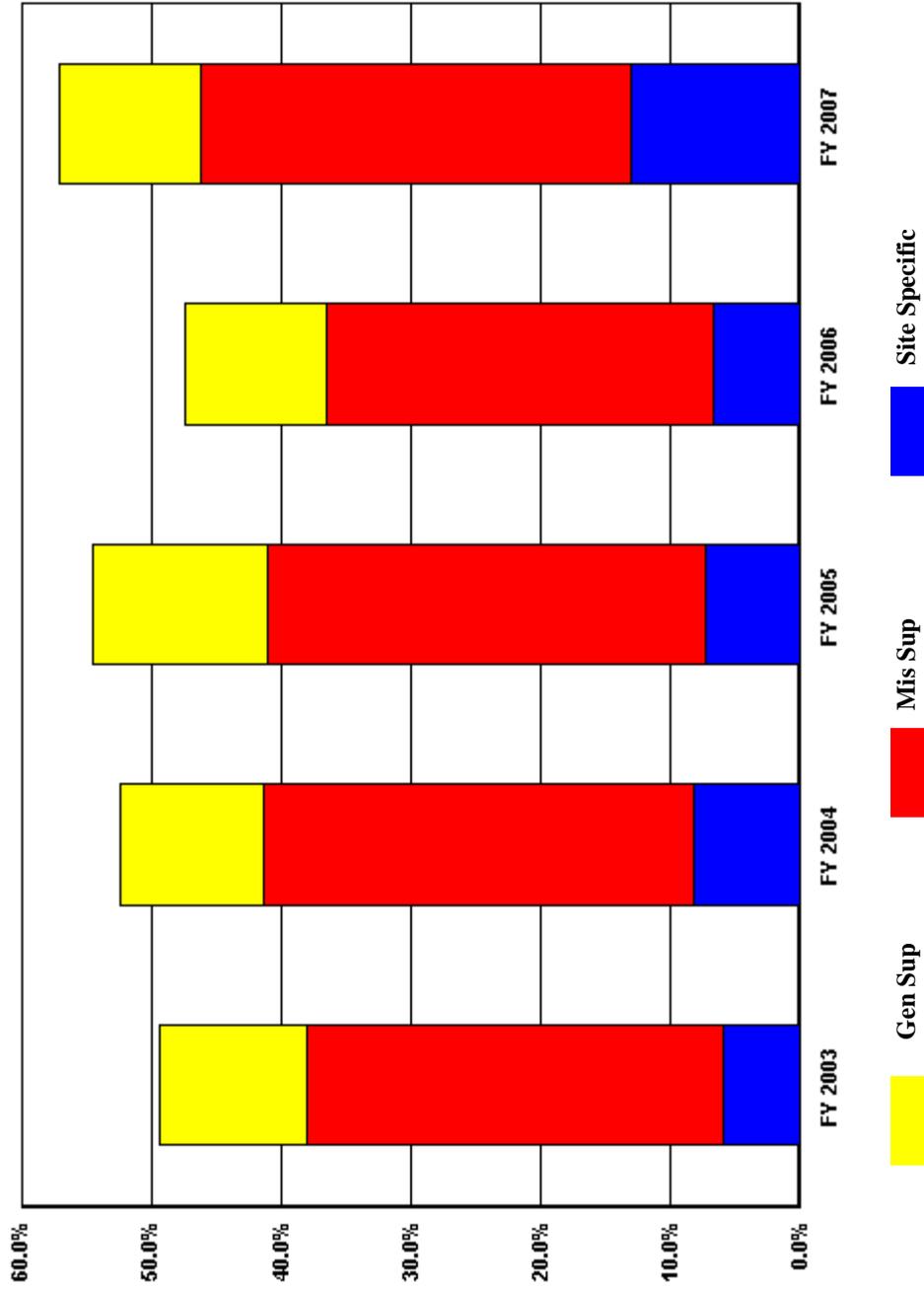
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Savannah River/Westinghouse & Wackenhut**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>49.4%</b>	<b>52.4%</b>	<b>54.5%</b>	<b>47.4%</b>	<b>57.0%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Savannah River/Westinghouse & Wackenhut**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Gen Sup</b>	<b>11.4%</b>	<b>11.0%</b>	<b>13.5%</b>	<b>10.9%</b>	<b>10.9%</b>
<b>Mis Sup</b>	<b>32.0%</b>	<b>33.2%</b>	<b>33.7%</b>	<b>29.7%</b>	<b>33.1%</b>
<b>Site Specific</b>	<b>6.0%</b>	<b>8.2%</b>	<b>7.2%</b>	<b>6.7%</b>	<b>13.1%</b>

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**SITE PROFILE**  
**Savannah River/Westinghouse & Wackenhut**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Savannah River Site (SRS) is a unique site comprised of blended and interdependent missions critically linked to both Department of Energy (DOE) and National Nuclear Security Administration (NNSA) strategic goals.

Several DOE Office of Environmental Management (EM) facilities, such as the H Canyon Complex and site waste treatment facilities are also processing NNSA legacy nuclear materials including highly enriched uranium and waste from the tritium facilities. Other NNSA missions such as the Mixed Oxide Fuel (MOX) Facility and the Pit Disassembly and Conversion Facility, are being constructed or planned.

Common infrastructure, waste handling and treatment facilities serve DOE, NNSA, the United States Forestry Service, and other smaller entities located at SRS. At present, the landlord infrastructure of the site is provided by EM and EM missions currently comprise approximately 72% of the site's efforts.

The complex covers 198,344 acres, or 310 square miles in three counties in South Carolina, bordering the Savannah River. The site was constructed during the early 1950s to produce basic materials used in nuclear weapons, primarily tritium and plutonium-239.

At FY07 year-end, 9,907 full time equivalent (FTEs) personnel were employed on site. This included 7,748 full-service FTEs for Washington Savannah River Company (WSRC) (includes the four major contractors) and 872 Wackenhut Services, Incorporated (WSI) FTEs. The remainder is either construction craft or employed by DOE, Forest Service and various subcontractors.

**TRENDS IN SUPPORT COSTS FROM FY03 TO FY07**

The SRS Functional Support Cost Report combines costs for WSRC and WSI into an integrated report. As a percent of total site costs, Functional Support Costs increased from FY03 to FY07. Total Functional Support Costs for SRS (including WSI) increased by 11.9% or \$93M from FY03 to FY07. This compares to an increase in the consumer price index of 15% over the same period. While total Functional Support Costs have increased, after adjusting for the costs of work force restructuring and other extraordinary items, WSRC's core Functional Support Costs decreased from \$613M to \$577M.

During the past five years, emphasis has been placed on:  
consolidation of materials and operations,  
elimination of hazards with high control costs,

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**SITE PROFILE**  
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reduction of "hotel loads" associated with maintaining the operational status of nuclear facilities with redundant capabilities,  
and reduction of landlord infrastructure.

This emphasis has resulted in decommissioning 737,000 square feet of buildings and facilities in FY05, 973,000 square feet in FY06 and an additional 53,284 square feet in FY07. These changes have allowed SRS to focus more personnel on mission activities while decreasing overall headcount.

**General Support**

The overall change in General Support costs from FY03 to FY07 was a decrease of 7.9% (\$14M). This net decrease reflects an increase of \$9M in the Other category (primarily caused by work force restructuring) offset by a combination of other increases and decreases.

**Mission Support**

This area reflected a stable trend from FY03 to FY07 with an increase in Safeguards & Security of 24.6% (\$20M) offset by other increases and decreases. Following the events of September 11, 2001, DOE made a series of programmatic decisions to consolidate nuclear materials and enhance associated security. Implementing these decisions increased costs for staff associated with K Area Material Storage (KAMS), heightened security and related preventive measures such as Design Basis Threat (DBT), and Pu Stabilization. The WSI increase was \$15.3M and the WSRC increase was \$4.7M.

**Site Specific**

Management/Award/Incentive Fee increased from FY03 to FY07. WSRC's contract has gone through a significant evolution since its initial award in 1996. The FY03 changes required the contractor to accept significantly increased risk and provided a corresponding increase in earnings opportunity. This contract period ended in FY07 and resulted in a one-time, EM fee payment based on cumulative contract performance. In addition WSRC received NNSA super stretch fees for successful completion of the Tritium Extraction Facility (TEF) under budget and ahead of schedule.

**ANALYSIS OF CHANGE IN SUPPORT COSTS FROM PRIOR YEAR**

As a percent of total costs, Functional Support Costs increased from FY06 to FY07, primarily due to the one time EM fee payment discussed above.

**General Support**

The overall change in General Support costs from the prior year was a decrease of 8.6% (\$15.7M). This net decrease was caused by a decrease in the Other category. This category is primarily work force restructuring (WFR) cost and reflects the FY06 WFR of 639 employees and the FY07 WFR of 310 employees.

**Mission Support**

Mission Support costs increased 2.1% (\$10.6M) from FY06 to FY07, caused primarily by an

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increase in Safeguards & Security for computer media sanitation and Homeland Security Presidential Directive (HSPD) 12 implementation of common identification standards for federal employees and contractors.

#### Site Specific

Site Specific cost increases from the prior year were caused primarily by the one-time, end of contract fee payment discussed above and the first full year of Laboratory Directed Research and Development (LDRD) program costs. The LDRD program was approved and initiated late in fiscal year 2006 while the program was in place for all of FY07 resulting in an increase of \$2M in this activity.

**COST SAVINGS INITIATIVES** In FY07, WSRC began implementing a Six Sigma program aimed at improving performance throughout the organization. The program includes training key resources in the use of statistical and process management tools to identify and narrow performance gaps in core business processes. We identified and implemented methods to make work processes more efficient and effective, thereby reducing defects and associated rework, improving quality and productivity.

Process improvement projects resulted in nearly \$75 million of savings in FY07, 43.5% of which is hard dollar. Documentation substantiating savings calculations, using unburdened rates, is reviewed by a Finance Department representative and is validated by a Controller. Summaries of the significant project savings in FY07 are provided below:

Administrative (improvements in administrative processes)-\$4,289.9K

Electronic TRS Form W-2 (Wage and Tax Statement) Printing and Distribution Process

Reduce Badging Personnel Needed for HSPD-12(Homeland Security Presidential Directive 12) Implementation

Reduce Fiscal Year 2007 Annual Pension Contributions (via lump sum payment schedule)

Reduce Non Exempt Personnel Training Costs (align course start times with shift start times)

Site-wide redesign of the document handling process

Design (improvements in design or construction of projects) -\$18,031.5K

Anchor Bolt Template (replacing hand calculations for concrete anchor bolts with a software program)

Const / Design Optimization -Vault 4 Organics Cable Tray (Design)

Const/Design Optimization -Plutonium (Pu) Disposition

Design Optimization -Tank 49 B5 Riser Pump

Eliminate 3rd Submersible Mixing Pump (SMP) for Tank 6

FY07Construction -Design Integration (CDI)

FY07Construction -Design Integration (CDI) -Design Basis Threat (DBT) Aircraft Deterrent

Reduce Arc Flash Evaluation Time for Low Voltage Electrical Panels

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**SITE PROFILE**  
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Reduce Cost Associated with the H-Area Control Room Consolidation  
Reduce Cost of Generating Crane Lift Permits in Liquid Waste  
Reduce Cost of Mixed-Oxide Fuel (MOX) Concrete Component Repairs  
Reduce Subcontracting Costs on the Engineered Fill Placement for MOX  
Decommissioning & Demolition -\$5,721.1K  
Alternative for Comprehensive Environmental Response, Compensation, and Liability (CERCLA)  
Waste Disposal from 211-F Outside Facilities  
Characterization of the P-Area Operable Unit  
Environmental Commitment Log  
R Reactor Seepage Basin (demonstrated to regulators that a reduced remediation process was appropriate)  
Reduce cost of wire cable removal in Nuclear Materials Management (NMM)  
Reduce the Costs of Crane Utilization for the 96H Building Demolition & Removal (D&R)  
Information Technology -\$145.OK  
Improve Cost Effectiveness of Data Storage and System Backups  
Improve Cost Effectiveness of IT Disaster Recovery Process  
Operations -\$36,126.5K  
2H Evaporator Chemical Cleaning  
Avoid Pump Replacement for Tank 7  
Decrease H Area Material Disposition (HMD) Maintenance Planning Cycle Time  
Environmental Bioassay Laboratory (EBL) Business Plan -Design for Six Sigma Project  
Eliminate Non-Value Added Activities for the Sludge Batch Qualification Program  
Evaluate Conduct of Operations (ConOps) Leading Performance Indicators  
Evaluate Industrial Hygiene (M) instrument calibration costs  
Improve Hearing Conservation Medical Surveillance Program  
Improve Infrastructure & Services (I&S) Transportation Waste Compactor Pan Operations  
Improve Legal Weight Truck (LWT) Cask Processing Times  
Improve Savannah River National Laboratory (SRNL) Nuclear-Side Maintenance Work Time  
Improved Defense Waste Processing Facility (DWPF) Attainment by Use of Heated Bellows Liners  
Increase Schedule Float of Integrated Salt Disposition (ISD) Program Schedule  
Optimize Low Enriched Uranium (LEU) Process in H-Area  
Optimize Saltstone Staffing  
Optimize Steam Atomized Scrubber Operations  
Optimize Utilization of Spare 2F Evaporator Pot  
Reduce 235-F Instrument Air Cost  
Reduce Corrective Maintenance Backlog at the Defense Waste Processing Facility (DWPF)  
Reduce Rework in the Procedure Approval Process  
Reduce Slurry Pump Run Times  
Reduce Surveillance and Maintenance Man-hours at Inactive Facilities

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**SITE PROFILE**  
**Savannah River/Westinghouse & Wackenhut**

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Reduce the cost of producing Labels  
Reduce Tamper Indicating Device (TID) Program Defects  
Reduce Water Additions that Impact the 3H Evaporator Load  
Tank 30 Optimization to Reduce Evaporator Load  
Procurement and Subcontracting -\$369.5K  
Commercial Grade Dedication (CGD) of Maxi-Bolts  
Optimize the Use of Existing Jumper Components  
Phase 3 Receipt Inspection Process Optimization  
Reduce Subcontract Technical Representative (STR) Administrative Functions  
Improved Subcontract Technical Representative (STR) Man Hour Reporting Process by reducing manual input  
Radiological Control -\$2,180.6K  
Enhance Operating Efficiencies in H-Canyon Hot Sample Aisle  
Nuclear Materials Management (NMM) Radiological Control Operations (RCO) Manpower Assessment  
Optimize Utilization of Liquid Waste (LW) Radiological Control Inspectors  
Radiological Control On the Job Training Job Performance Measures (OJT/JPM) Process Improvement  
Reduce Glove Replacement in Defense Programs (DP) Gloveboxes  
Tank 37 Transfer Line Jacket Repair  
Radiological Waste Management -\$7,821.6K  
Improve Blackbox Processing in H-Canyon  
Improve Non-Legal Weight Trailer (Non-LWT) Cask Processing Times  
Optimize Slurry Mix Evaporator (SME) Disposition  
Optimize Transuranic (TRU) Drum Vent and Purge Process

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**OTHER**

The 227% reduction in this category is primarily work force restructuring (WFR) cost and reflects the FY06 Work Force restructuring of 310 employees.

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**SITE PROFILE**  
**Savannah River/Westinghouse & Wackenhut**

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**MANAGEMENT/INCENTIVE FEE**

The 80% increase is a result of contract evolution since its initial award in 1996. The FY 2003 changes required the contractor to accept significantly increased risk and provided a corresponding increase in earnings opportunity. This contract period ended in FY07 and resulted in a one-time, EM fee payment based on cumulative contract performance. In addition, WSRC received NNSA super stretch fees for successful completion of the Tritium Extraction Facility (TEF) under budget and ahead of schedule.

**COST SAVINGS INITIATIVES**

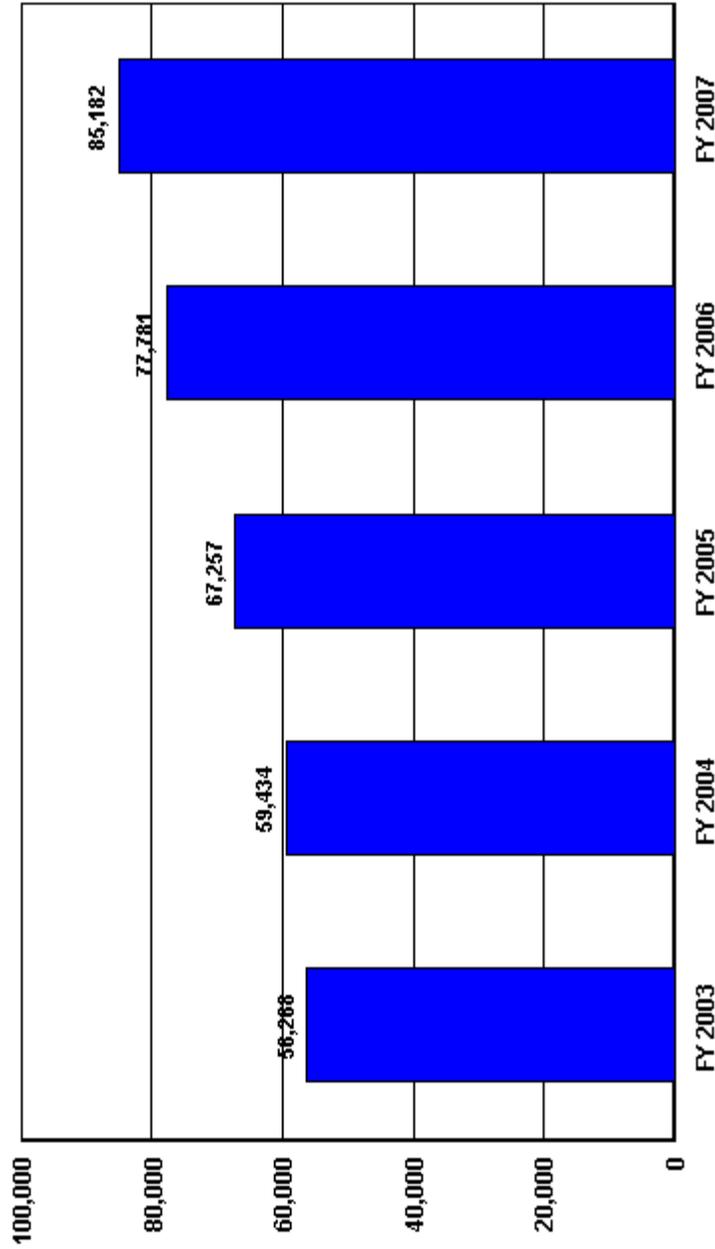
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Stanford Linear Accelerator Center/Stanford Univ. (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	238,531	263,766	269,840	319,781	352,698	114,167	47.9%
<b>Capital Construction</b>	55,195	63,028	65,295	97,193	107,959	52,764	95.6%
<b>Total Costs Less Construction</b>	183,336	200,738	204,545	222,588	244,739	61,403	33.5%
<b>Total Support Costs</b>	<b>56,268</b>	<b>59,434</b>	<b>67,257</b>	<b>77,781</b>	<b>85,182</b>	<b>28,914</b>	<b>51.4%</b>
<b>Mission Direct Operation</b>	127,068	141,304	137,288	144,807	159,557	32,489	25.6%
<b>Mission Direct Operation as % of Total Cost</b>	<b>53.3%</b>	<b>53.6%</b>	<b>50.9%</b>	<b>45.3%</b>	<b>45.2%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>23.1%</b>	<b>23.9%</b>	<b>24.2%</b>	<b>30.4%</b>	<b>30.6%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>23.6%</b>	<b>22.5%</b>	<b>24.9%</b>	<b>24.3%</b>	<b>24.2%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>23.6%</b>	<b>22.5%</b>	<b>24.9%</b>	<b>24.3%</b>	<b>24.2%</b>		
<b>TOTAL SUPPORT COST</b>	<b>56,268</b>	<b>59,434</b>	<b>67,257</b>	<b>77,781</b>	<b>85,182</b>	<b>28,914</b>	<b>51.4%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>10.7%</b>	<b>10.1%</b>	<b>10.2%</b>	<b>9.2%</b>	<b>8.9%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>25,590</b>	<b>26,693</b>	<b>27,626</b>	<b>29,436</b>	<b>31,546</b>	<b>5,956</b>	<b>23.3%</b>
EXECUTIVE DIRECTION	2,759	2,898	3,013	3,442	3,174	415	15.0%
HUMAN RESOURCES	2,168	2,455	2,555	2,739	2,573	405	18.7%
CFO	4,205	4,565	5,057	5,054	5,287	1,082	25.7%
PROCUREMENT	1,974	1,802	1,980	2,192	2,425	451	22.8%
LEGAL	99	102	104	103	115	16	16.2%
CENTRAL ADMIN SERVICES	619	730	768	868	908	289	46.7%
PROGRAM/PROJECT CONTROL	1,284	1,259	1,075	1,149	1,339	55	4.3%
INFORMATION OUTREACH	2,793	3,123	3,147	3,396	3,747	954	34.2%
INFORMATION SERVICES	6,414	6,404	6,289	6,250	7,421	1,007	15.7%
OTHER	3,275	3,355	3,638	4,243	4,557	1,282	39.1%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>12.9%</b>	<b>12.4%</b>	<b>14.7%</b>	<b>15.1%</b>	<b>15.2%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>30,678</b>	<b>32,741</b>	<b>39,631</b>	<b>48,345</b>	<b>53,636</b>	<b>22,958</b>	<b>74.8%</b>
ENVIRONMENTAL	2,235	3,559	2,876	3,403	3,372	1,137	50.9%
SAFETY AND HEALTH	5,330	5,775	7,609	8,305	8,887	3,557	66.7%
FACILITIES MANAGEMENT	1,980	2,182	2,334	3,316	4,558	2,578	130.2%
MAINTENANCE	6,346	7,040	7,097	10,341	12,928	6,582	103.7%
UTILITIES	10,533	8,964	14,641	17,994	18,197	7,664	72.8%
SAFEGUARDS AND SECURITY	1,922	2,023	2,121	2,115	2,373	451	23.5%
LOGISTICS SUPPORT	2,153	3,005	2,759	2,667	3,014	861	40.0%
QUALITY ASSURANCE	179	193	194	204	307	128	71.5%
LABORATORY/TECHNICAL SUPPORT	0	0	0	0	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
MANAGEMENT/INCENTIVE FEE	0	0	0	0	0	0	0.0%
TAXES	0	0	0	0	0	0	0.0%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

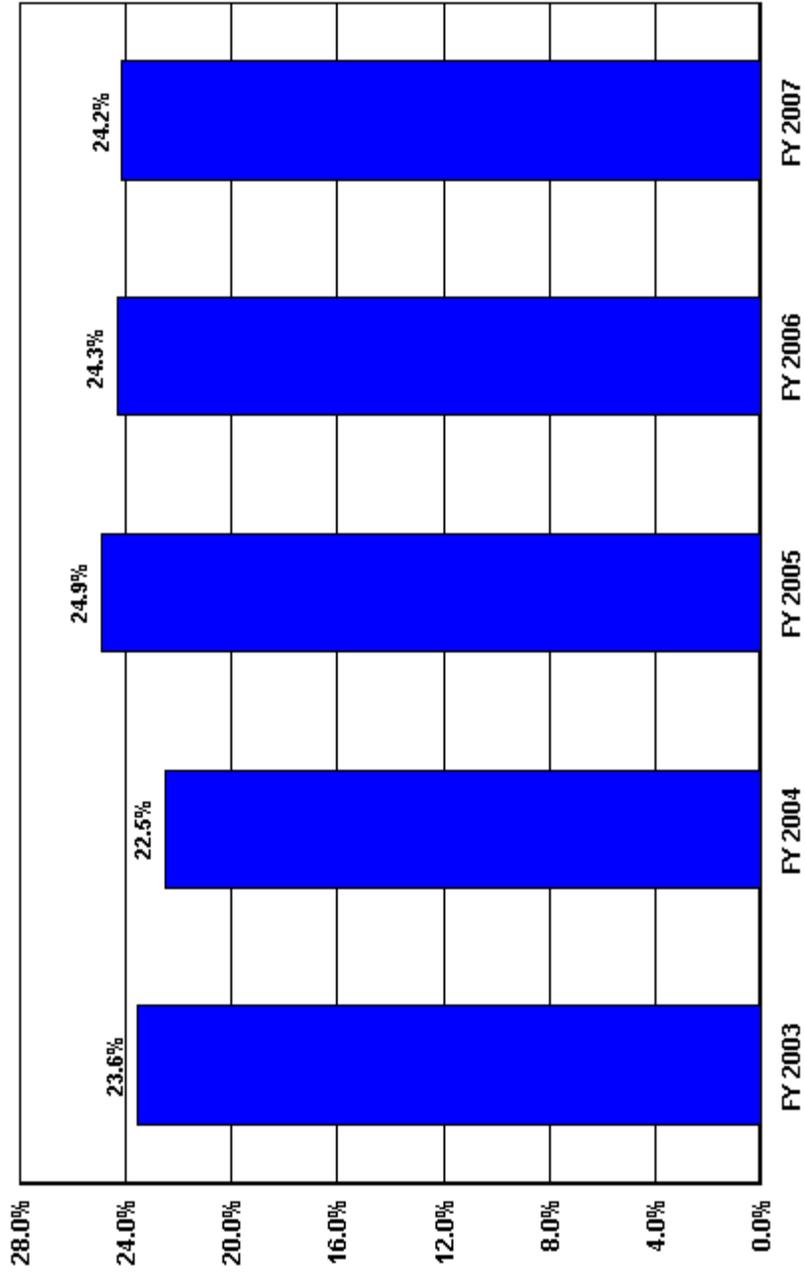
**US Department of Energy  
Total Functional Support  
Stanford Linear Accelerator Center/Stanford Univ.**



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>56,268</b>	<b>59,434</b>	<b>67,257</b>	<b>77,781</b>	<b>85,182</b>

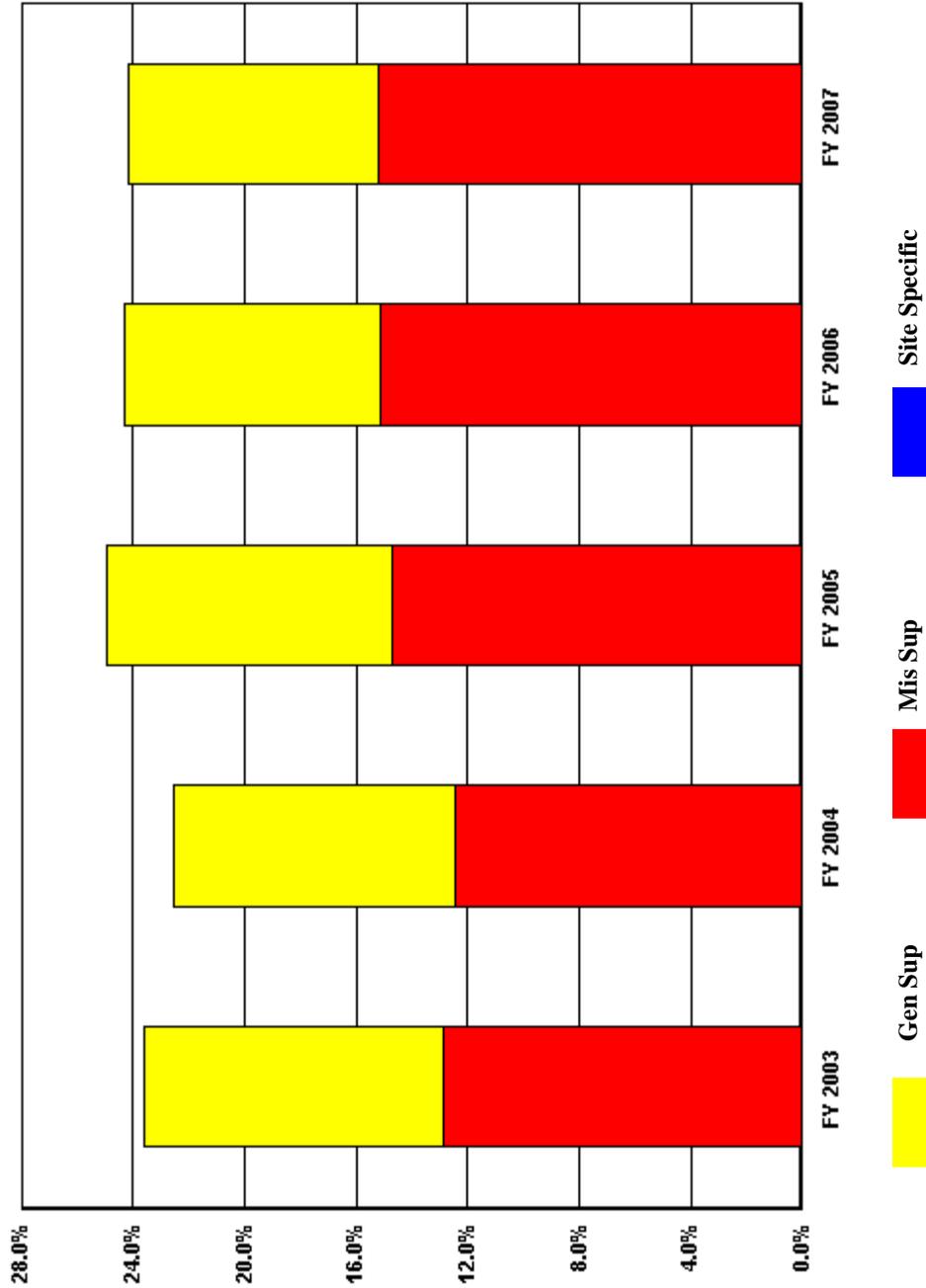
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Stanford Linear Accelerator Center/Stanford Univ.**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>23.6%</b>	<b>22.5%</b>	<b>24.9%</b>	<b>24.3%</b>	<b>24.2%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Stanford Linear Accelerator Center/Stanford Univ.**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Gen Sup</b>	<b>12.9%</b>	<b>12.4%</b>	<b>14.7%</b>	<b>15.1%</b>	<b>15.2%</b>
<b>Mis Sup</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Site Specific</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.9%</b>

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**SITE PROFILE**  
**Stanford Linear Accelerator Center/Stanford Univ.**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Stanford Linear Accelerator Center (SLAC) was founded in 1962 as a national user facility for high energy physics using electron beams in a two-mile linear accelerator, and has gained international recognition for research and operation of major facilities in the areas of photon science, particle physics, and particle astrophysics. It is operated by Stanford University for the Department of Energy's Office of Science. SLAC's primary mission focus is designing, constructing, and operating state-of-the-art electron accelerators and experimental facilities for use in photon science and high-energy physics research.

Major user facilities at SLAC include:

- Synchrotron light source (SPEAR3 or SSRL), providing a resource for probing the electronic and atomic structure of matter.
- PEP-II B-factory, a high energy electron-positron collider. The B-factory uses the two-mile long linear accelerator, or Linac, as its injector for the production and research of B mesons.
- Linac Coherent Light Source (LCLS), currently under construction at SLAC. LCLS will be the world's first x-ray free-electron laser and positions SLAC to become the world leader in the exciting new scientific field of ultrafast science.
- Major accelerator physics R&D facilities testing subsystems and features for future accelerators.

With the PEP-II B Factory experimental operations completing in 2008 and LCLS becoming the primary experiment served by the Linac in 2009, the stewardship of the Laboratory will shift from Office of High Energy Physics to Office of Basic Energy Sciences.

Approximately 3,000 students, postdoctoral researchers, and scientists from the U.S. and around the world make use of SLAC's facilities for their research in photon science, particle physics and particle astrophysics. Six scientists have been awarded the Nobel Prize for work carried out at SLAC. SLAC is located on the San Francisco Peninsula in Menlo Park, California, west of the main Stanford campus. The SLAC site occupies 426 acres leased by DOE from Stanford University at no fee. There are about 150 buildings and structures on site. FY2007 staffing level at SLAC was about 1,700 FTEs.

Mission:

- Photon Science Discoveries  
To make discoveries in photon science at the frontiers of the ultrasmall and ultrafast in a wide spectrum of physical and life sciences
- Particle Physics and Astrophysics Discoveries  
To make discoveries in particle and astroparticle physics to redefine humanity's understanding of what the universe is made of and the forces that control it
- Operate Safely; Train the Best

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**SITE PROFILE**  
**Stanford Linear Accelerator Center/Stanford Univ.**

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To operate a safe laboratory that employs and trains the best and brightest, helping to ensure the future economic strength and security of the nation

**Trends**

After rising through FY2005, the ratio of Functional Support Cost to Total Site Cost declined to 24.2% in FY2007. The primary cause of the FY2005 increase was due to a significant increase in electrical power costs. The decreases since FY2005 resulted from the increase in the direct construction costs of the Linac Coherent Light Source (LCLS) Project, from \$22M in FY2005, to \$62M in FY2006, and \$96M in FY2007. LCLS construction costs are expected to peak in FY2007. As LCLS construction progresses towards its completion in FY2010, the capital/construction costs will decrease significantly, and will lead to a sharp increase of the ratio of Functional Support Cost to Total Site Cost.

Functional Support Costs increased 51 % between FY 2003 and FY 2007 and 10 % between FY 2006 and FY 2007. Over the five year period, this increase in support costs was primarily due to a 75% increase in the cost of electrical power from \$9.8M in FY03 to \$17.1M in FY07.

Although power rates have steadily increased over the years, the expiration of favorable long term electrical power contracts at the end of calendar year 2004 caused the FY2006 and FY2007 power rates to more than double those of FY2004. DOE procures power for the 3-Lab consortium (SLAC, LBNL, LLNL) in the San Francisco Bay Area through competitive bids. More than 90% of the electrical power consumption at SLAC is “process” power for the operation of the experimental facilities for scientific research. Annual electrical power consumption is heavily dependent on the experimental facilities that operate and the duration of experimental runs during the fiscal year. As a result of the SPEAR3 upgrade with operation at higher current and the PEP-II B-Factory luminosity upgrade, electrical power consumption will continue to increase through FY 2008. Based on the current experimental program plans, the FY2008 power costs are estimated to be \$26M, 51% higher than FY2007. Therefore, the “Utilities” Functional Cost will continue to increase significantly and it will have an adverse impact on the ratio of Functional Support Cost to Total Site Cost.

Two other functional cost areas with increasing trends at SLAC are Facility Management and Maintenance. The Linear Accelerator and most of the Laboratory infrastructure have been in operations for more than 40 years. Replacement of various original equipment such as electrical switchgears/substations and HVAC systems will be necessary in the coming years. SLAC is also making a concerted effort to reduce the real property deferred maintenance backlog. In addition, SLAC is trying to better utilize its space to support the space needs of its research programs. As a result, SLAC expenditures in Maintenance and Facility Management are likely to continue to increase.

**Analysis of Significant Changes in Functional Support Costs from Prior Year**

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**SITE PROFILE**  
**Stanford Linear Accelerator Center/Stanford Univ.**

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Category 20, Management/Award Fee/Incentive Fee:

Stanford University receives no fees for the management of SLAC.

Direct Costs: The primary increase is related to the Linac Coherent Light Source (LCLS) line-item-construction project, with an increase in direct costs of \$34M from \$62M in FY06 to \$96M in FY07. Completion of the project is expected in FY2010. Beginning in FY2007, as agreed to in the Peer Review, costs of work performed by other DOE Laboratories have been excluded from the Direct Costs. (Such costs totaled \$1.4M in Category 23 Mission direct — Science and \$17.6M in Category 24 Capital/Construction — Science.)

### **III. Cost Savings Initiatives**

Under the M&O contract between Stanford University and DOE, SLAC follows Stanford Human Resources policies and practices, including the benefit and compensation plans. Stanford University has undertaken major cost reduction measures in the past few years to control the increasing costs for staff benefits, particularly those for medical. In 2006, the retiree medical plan was modified. This change coupled with other factors help to lower the staff benefit rate from 30.5% in FY2006 to 29.7% in FY2007 and 27.9% in FY2008.

SLAC, in recent years, has taken numerous actions to streamline administrative functions, procedures, and practices, resulting in cost avoidance and small cost reductions. It is primarily through such actions that SLAC is able to incorporate various new requirements mandated by the DOE, while still keeping administrative and support costs low. The Laboratory has and will continue to aggressively manage its support costs. Future cost savings are expected through continual process improvements and increased use of electronic transaction/

## **DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

### **FACILITIES MANAGEMENT**

The FY 2007 Increase of \$1,242,000 was primarily attributable cost increases associated with various facility modification projects and increased staffing for construction safety oversight for facility projects.

### **MAINTENANCE**

The FY 2007 Increase of \$2,587,000 was primarily attributable to projects to replace electrical equipment, underground utilities, HVAC equipment, lighting and roads. This upward costing trend is expected to continue in the next few years as more replacement of the site infrastructure is expected to be undertaken.

### **QUALITY ASSURANCE**

The FY 2007 Increase of \$103,000 was due to the the hiring of a permanent director and an administrator for the newly created Office of Assurance.

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**SITE PROFILE**

**Stanford Linear Accelerator Center/Stanford Univ.**

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**COST SAVINGS INITIATIVES**

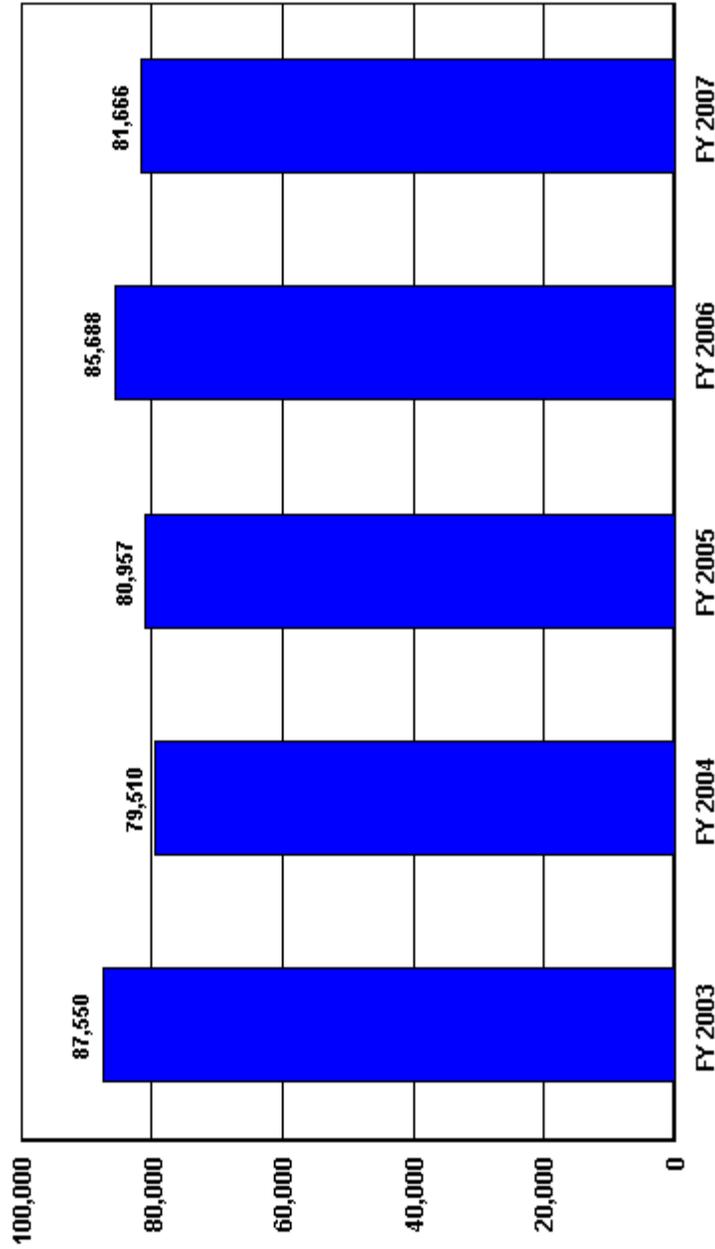
(\$ in 000's)

<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Strategic Petroleum Reserve/DynMcDermott Petroleum (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	138,423	114,956	105,331	114,064	107,143	-31,280	-22.6%
<b>Capital Construction</b>	0	0	0	0	0	0	0.0%
<b>Total Costs Less Construction</b>	138,423	114,956	105,331	114,064	107,143	-31,280	-22.6%
<b>Total Support Costs</b>	<b>87,550</b>	<b>79,510</b>	<b>80,957</b>	<b>85,688</b>	<b>81,666</b>	<b>-5,884</b>	<b>-6.7%</b>
<b>Mission Direct Operation</b>	50,873	35,446	24,374	28,376	25,477	-25,396	-49.9%
<b>Mission Direct Operation as % of Total Cost</b>	<b>36.8%</b>	<b>30.8%</b>	<b>23.1%</b>	<b>24.9%</b>	<b>23.8%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>63.2%</b>	<b>69.2%</b>	<b>76.9%</b>	<b>75.1%</b>	<b>76.2%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>63.2%</b>	<b>69.2%</b>	<b>76.9%</b>	<b>75.1%</b>	<b>76.2%</b>		
<b>TOTAL SUPPORT COST</b>	<b>87,550</b>	<b>79,510</b>	<b>80,957</b>	<b>85,688</b>	<b>81,666</b>	<b>-5,884</b>	<b>-6.7%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>16.9%</b>	<b>19.6%</b>	<b>18.8%</b>	<b>18.0%</b>	<b>18.8%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>23,372</b>	<b>22,496</b>	<b>19,803</b>	<b>20,579</b>	<b>20,093</b>	<b>-3,279</b>	<b>-14.0%</b>
EXECUTIVE DIRECTION	434	357	325	383	330	-104	-24.0%
HUMAN RESOURCES	1,196	1,159	1,657	1,512	1,902	706	59.0%
CFO	1,922	1,737	1,811	1,719	1,743	-179	-9.3%
PROCUREMENT	1,945	1,495	1,503	1,478	1,460	-485	-24.9%
LEGAL	611	657	418	612	974	363	59.4%
CENTRAL ADMIN SERVICES	760	610	572	617	553	-207	-27.2%
PROGRAM/PROJECT CONTROL	5,072	4,516	4,040	3,604	3,866	-1,206	-23.8%
INFORMATION OUTREACH	2,467	1,927	842	825	812	-1,655	-67.1%
INFORMATION SERVICES	8,965	10,038	8,599	9,750	8,453	-512	-5.7%
OTHER	0	0	36	79	0	0	0.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>40.5%</b>	<b>43.1%</b>	<b>51.9%</b>	<b>50.1%</b>	<b>50.1%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>55,998</b>	<b>49,516</b>	<b>54,654</b>	<b>57,167</b>	<b>53,683</b>	<b>-2,315</b>	<b>-4.1%</b>
ENVIRONMENTAL	2,410	2,203	2,386	2,335	2,288	-122	-5.1%
SAFETY AND HEALTH	2,694	2,499	2,915	3,158	2,665	-29	-1.1%
FACILITIES MANAGEMENT	1,437	1,158	728	849	1,139	-298	-20.7%
MAINTENANCE	25,106	20,473	22,012	22,241	22,447	-2,659	-10.6%
UTILITIES	2,159	2,975	5,416	6,149	3,471	1,312	60.8%
SAFEGUARDS AND SECURITY	18,288	16,904	17,928	19,266	18,878	590	3.2%
LOGISTICS SUPPORT	2,294	2,197	2,171	2,113	1,816	-478	-20.8%
QUALITY ASSURANCE	1,610	1,107	1,098	1,056	979	-631	-39.2%
LABORATORY/TECHNICAL SUPPORT	0	0	0	0	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>5.9%</b>	<b>6.5%</b>	<b>6.2%</b>	<b>7.0%</b>	<b>7.4%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>8,180</b>	<b>7,498</b>	<b>6,500</b>	<b>7,942</b>	<b>7,890</b>	<b>-290</b>	<b>-3.5%</b>
MANAGEMENT/INCENTIVE FEE	7,970	7,295	6,203	7,693	7,524	-446	-5.6%
TAXES	210	203	297	249	366	156	74.3%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

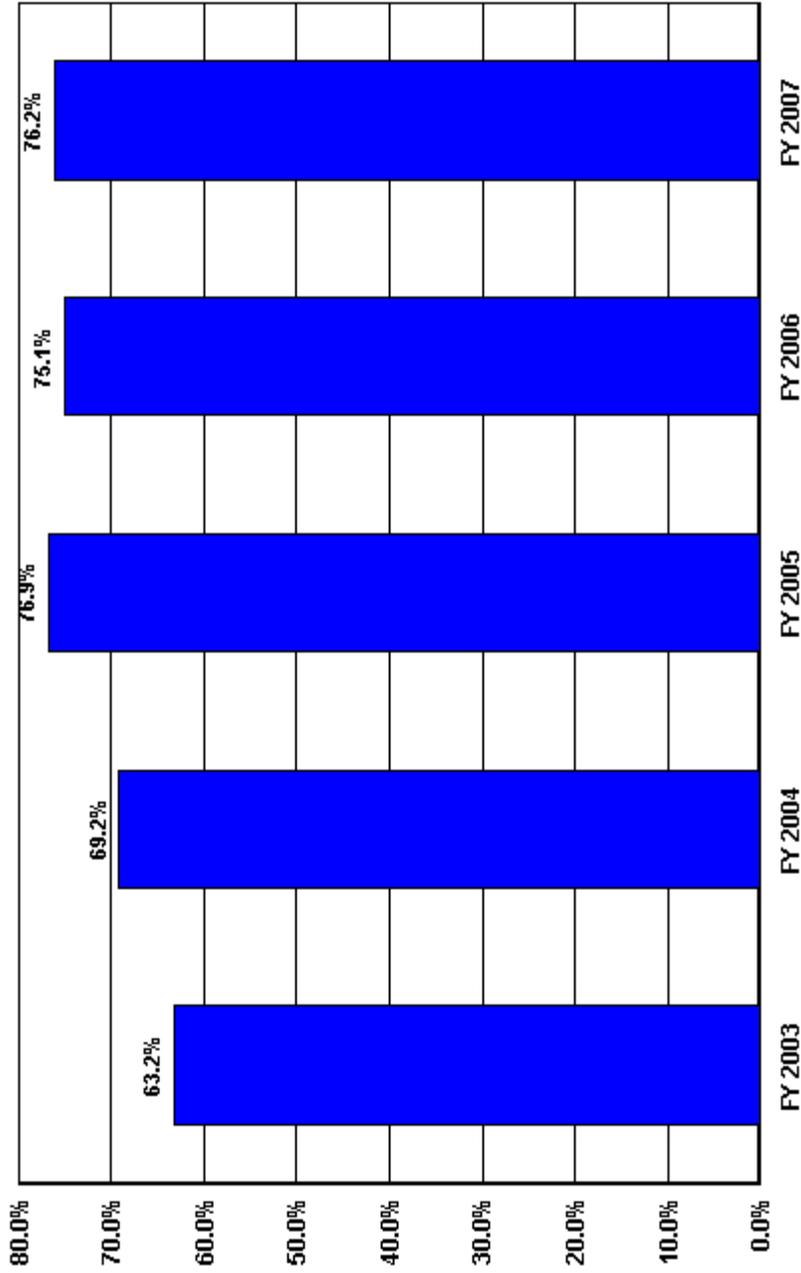
**US Department of Energy  
Total Functional Support  
Strategic Petroleum Reserve/DynMcDermott Petroleum**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>87,550</b>	<b>79,510</b>	<b>80,957</b>	<b>85,688</b>	<b>81,666</b>

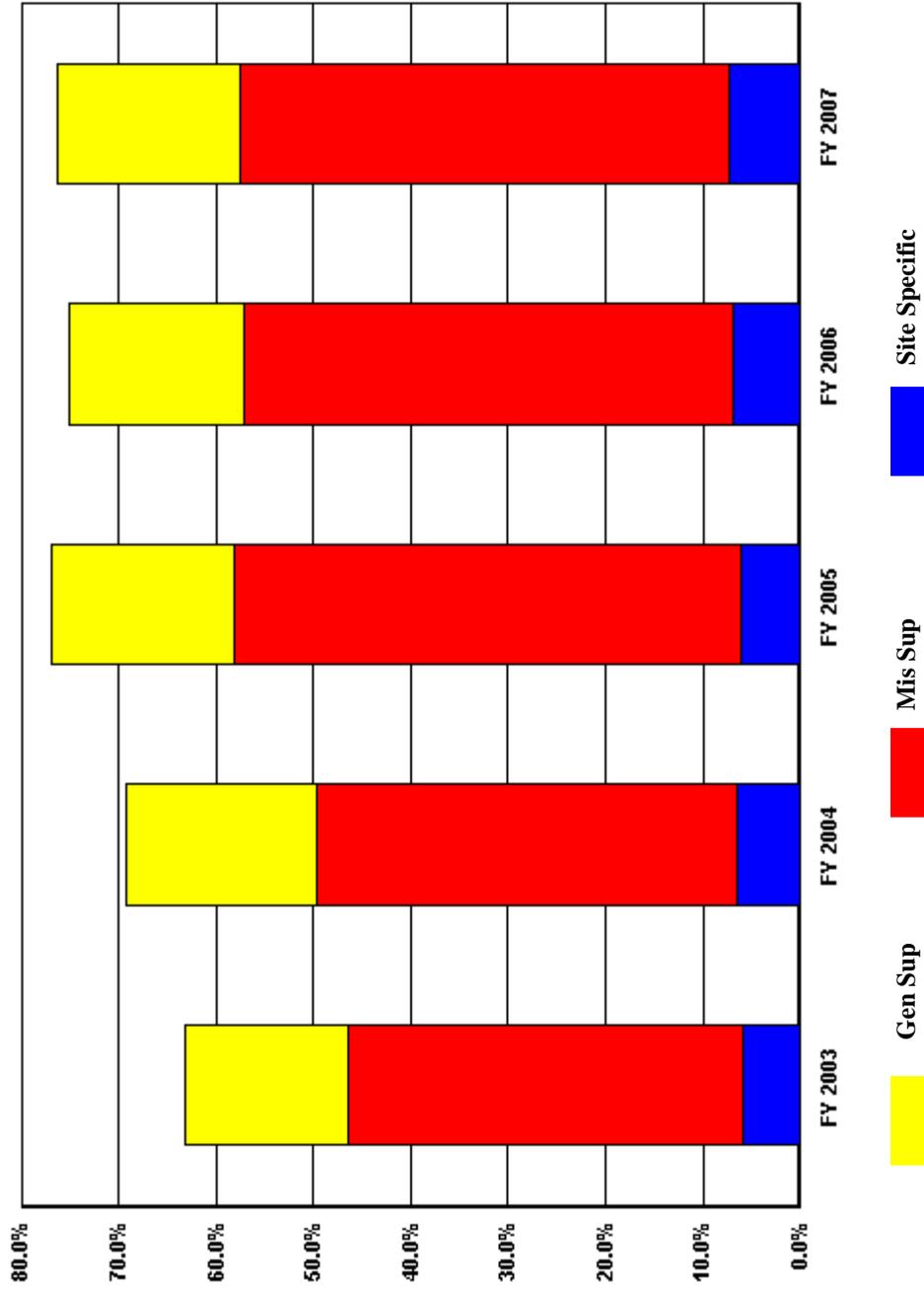
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Strategic Petroleum Reserve/DynMcDermott Petroleum**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>63.2%</b>	<b>69.2%</b>	<b>76.9%</b>	<b>75.1%</b>	<b>76.2%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Strategic Petroleum Reserve/DynMcDermott Petroleum**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	16.9%	19.6%	18.8%	18.0%	18.8%
Mis Sup	40.5%	43.1%	51.9%	50.1%	50.1%
Site Specific	5.9%	6.5%	7.0%	7.0%	7.4%

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**SITE PROFILE**  
**Strategic Petroleum Reserve/DynMcDermott Petroleum**

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**SITE OVERVIEW AND CHARACTERISTIC**

The Strategic Petroleum Reserve (SPR) was established in 1975 in response to the 1973 Arab oil embargo. It is authorized by the Energy Policy and Conservation Act (EPCA) (Public Law 94-463), and by the comprehensive energy plans of all Administrations since 1975, in recognition of the long-term dependence of the United States on imported crude oil and petroleum products.

The United States (U.S.) is a member of the International Energy Agency (IEA), which requires member nations to maintain stocks of crude oil in the public and private sectors. The U.S. relies on a combination of oil in the SPR and private stocks to meet its oil storage obligations to the IEA.

Our mission is to maintain a state of readiness to respond to a Presidential order to drawdown the SPR emergency crude oil stockpile. The SPR maintains a goal of being drawdown ready within 13 days of notification. The SPR has stockpiled 692.8 million barrels of oil in as of FY2007. Major accomplishments in FY2007 were the completion of the Katrina Exchange following the delivery of 1,668,259 barrels of Girassol Sweet crude from Exxon Mobile into the Bayou Choctaw storage facility during April and May and the issuance of the RIK Phase IVa solicitation during April 2007. Following a competitive bid process a contract was awarded to Shell Trading Co. for 8,855,736 barrels of Royalty Oil and 8,557,840 barrels of exchange oil for delivery into the Bryan Mound and West Hackberry storage sites that commenced during August 2007 and is scheduled to complete during January 2008. As of September 30, 2007 1,895,017 barrels of sour crude oil had been delivered to Bryan Mound and 639,022 barrels of sweet crude oil had been delivered to West Hackberry.

The SPR's Operating and Maintenance contractor has one project management office and four operation and maintenance sites. The operation and maintenance sites are listed below.

Bryan Mound located in east Texas near the city of Freeport. 254 million barrels of crude oil can be stored in the site's 20 caverns. 80 people are employed at the site as of September 2007. The site contains 233 million barrels of oil in storage as of September 30, 2007. The site consists of 51 buildings.

Big Hill is located in east Texas near the city of Beaumont. 170 million barrels of crude oil can be stored in the site's 14 caverns. 73 people are employed at the site as of September 2007. The site contains 168.8 million barrels of oil in storage as of September 30, 2007. The site consists of 36 buildings.

Bayou Choctaw is located in central Louisiana near the city of Baton Rouge. 73 million barrels of crude oil can be stored in the site's 6 caverns. 48 people are employed at the site as of September

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## SITE PROFILE

### Strategic Petroleum Reserve/DynMcDermott Petroleum

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2007. The site contains 73.4 million barrels of oil in storage as of September 30, 2007. The site consists of 29 buildings.

West Hackberry is in Southwest Louisiana near the city of Lake Charles. 230 million barrels of crude oil can be stored in the site's 22 caverns. 79 people are employed at the site as of September 2006 including a traveling workover crew. The site contains 217.6 million barrels of oil in storage as of September 30, 2007. The site consists of 30 buildings.

### DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS

#### HUMAN RESOURCES

Degas operators were relocated in FY2006. Human Resources was understaffed in FY 2006. Training was postponed due to Rita & Katrina

#### LEGAL

Additional expenses were incurred in Outside Legal Counsel during FY 2007. This was attributed to the increase in lawsuits filed.

#### OTHER

Previous years accruals were reversed in FY 2007

#### FACILITIES MANAGEMENT

Several job vacancies were filled in FY 2007.

#### UTILITIES

Big Hill vapor pressure plant was dismantled in FY 2006. Also drawdown was occurring in FY 2006.

#### TAXES

Tax expenses increased due to the cost reduction incentive earnings.

### COST SAVINGS INITIATIVES

(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Guard Force	381	Guard Force under budget Labor and Fringe FY 2007: Reevaluations of open accruals related to the Pinkerton contract under litigation were completed.	Sheron Lee

**SITE PROFILE**

**Strategic Petroleum Reserve/DynMcDermott Petroleum**

VP-412 Degas Plant Design, Installation & Startup	195	DOE has requested that this amount be maintained as carryover for settlement of claim with a contractor. No expense will actually occur as claim will most likely be settled against a legal line item.	Sheron Lee
ISO Lead Auditor Training	166	Previously, DM sent employees to instructor-lead ISO Lead Auditor Training at various locations throughout the US. As part of a cost reduction initiative, DM trained several employees to be instructors and provide the ISO Lead Auditor Training using site training facilities. The tests are graded and monitored by an authorized vendor.	Sheron Lee
Inspect and Test BC PSV's	93	Previously, two DM employee's removed and vendors inspected/tested all Pressure Relief Valves (PSV) annually. this process takes two DM employees one week to complete. The valves are now tested less often and reliability is verified. The intervals between pressures relieving device testing/inspection should not exceed five years unless service experience indicates that a longer interval is accepted. For clean, non-corrosive services or for those devices that have demonstrated satisfactory performance, maximum intervals may be increased to ten years.	Sheron Lee
Certified H2S Training	152	Previously, DM contracted with certified trainers who were brought on-site to train or employees were sent to off-site training. As part of a cost reduction initiative, DM trained five employees who could then train all personnel in need for training for the Degas plant	Sheron Lee
Eliminate Site Mercury Bulbs	228	Previously, lighting at the sites consisted of ballast and bulbs that were not energy efficient. as part of a cost reduction initiative, the SPR Energy Efficiency Retrofit Project was implemented to eliminate the mercury bulb waste stream and reduce energy consumption. The existing lighting was replaced with high efficiency, "green" manufacturer-certified lamps and ballasts that would pass the TCLP test (<.2ppm Hg).	Sheron Lee

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**SITE PROFILE****Strategic Petroleum Reserve/DynMcDermott Petroleum**

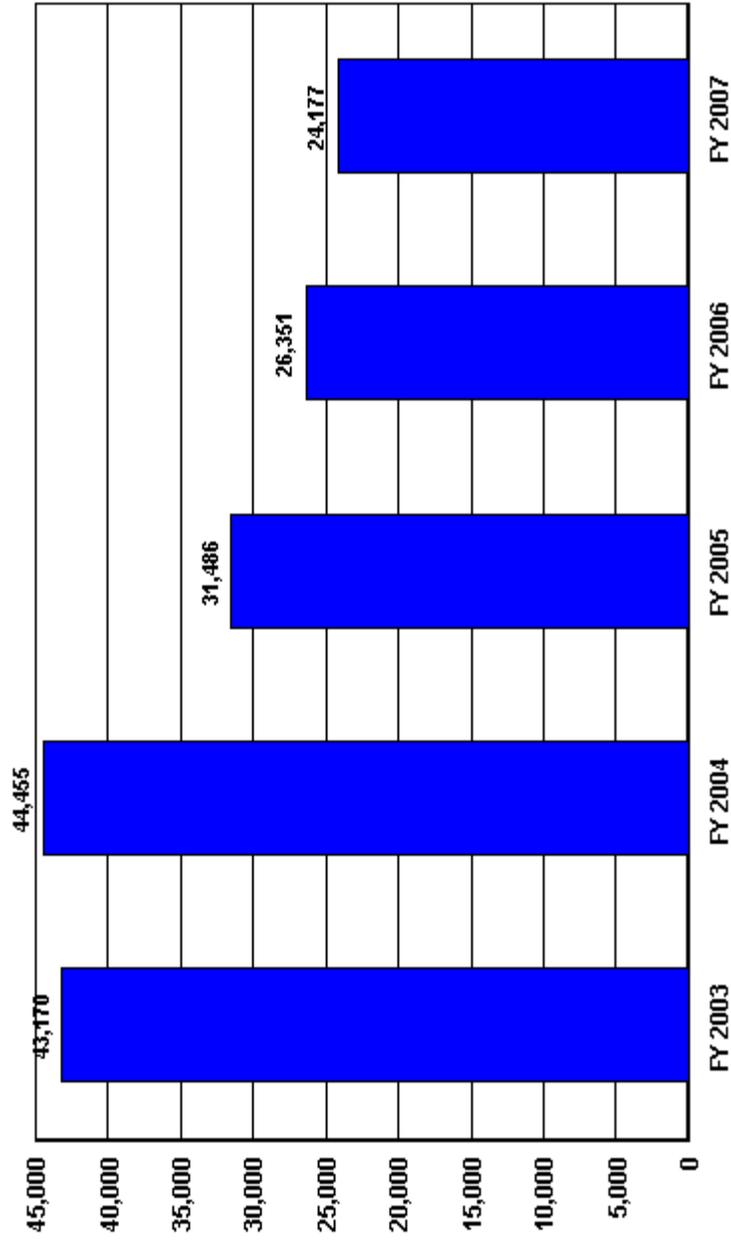
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Re-usable Crude Oil Sample Containers	89	Previously, DM used nine 1-quart plastic coated bottles to catch back-up samples for oil movements. In addition, three 1-quart composite samples are caught from the automatic sampler. The back-up sample bottles may not be needed if the composites test well and are then thrown away. As part of a cost reduction initiative, DM began using reusable 1-gallon containers for back-up samples.	Sheron Lee
Replace Armored Vehicles	750	Replace Armored vehicles at four sites Only one vehicle will be purchased for Bryan Mound versus the original scheduled four. This purchase will not occur until FY 2008.	Sheron Lee
BC Exchange	290	Original budget for exchange oil anticipated included extensive brine disposal maintenance which was not required.	Sheron Lee

**Trends in Total Support Cost by Functional Categories**  
**West Valley/West Valley Nuclear Services (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	103,616	103,586	70,786	69,247	72,376	-31,240	-30.1%
<b>Capital Construction</b>	0	0	0	0	0	0	0.0%
<b>Total Costs Less Construction</b>	103,616	103,586	70,786	69,247	72,376	-31,240	-30.1%
<b>Total Support Costs</b>	<b>43,170</b>	<b>44,455</b>	<b>31,486</b>	<b>26,351</b>	<b>24,177</b>	<b>-18,993</b>	<b>-44.0%</b>
<b>Mission Direct Operation</b>	60,446	59,131	39,300	42,896	48,199	-12,247	-20.3%
<b>Mission Direct Operation as % of Total Cost</b>	<b>58.3%</b>	<b>57.1%</b>	<b>55.5%</b>	<b>61.9%</b>	<b>66.6%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>41.7%</b>	<b>42.9%</b>	<b>44.5%</b>	<b>38.1%</b>	<b>33.4%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>41.7%</b>	<b>42.9%</b>	<b>44.5%</b>	<b>38.1%</b>	<b>33.4%</b>		
<b>TOTAL SUPPORT COST</b>	<b>43,170</b>	<b>44,455</b>	<b>31,486</b>	<b>26,351</b>	<b>24,177</b>	<b>-18,993</b>	<b>-44.0%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>11.4%</b>	<b>9.7%</b>	<b>10.3%</b>	<b>9.3%</b>	<b>7.7%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>11,809</b>	<b>10,060</b>	<b>7,296</b>	<b>6,473</b>	<b>5,586</b>	<b>-6,223</b>	<b>-52.7%</b>
EXECUTIVE DIRECTION	497	468	371	461	387	-110	-22.1%
HUMAN RESOURCES	2,035	1,538	952	646	452	-1,583	-77.8%
CFO	1,436	1,193	934	1,189	1,196	-240	-16.7%
PROCUREMENT	1,009	1,002	834	733	366	-643	-63.7%
LEGAL	299	244	162	164	137	-162	-54.2%
CENTRAL ADMIN SERVICES	624	653	604	528	427	-197	-31.6%
PROGRAM/PROJECT CONTROL	1,678	1,237	766	484	347	-1,331	-79.3%
INFORMATION OUTREACH	1,563	1,453	955	722	714	-849	-54.3%
INFORMATION SERVICES	2,668	2,272	1,718	1,546	1,560	-1,108	-41.5%
OTHER	0	0	0	0	0	0	0.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>22.9%</b>	<b>22.1%</b>	<b>24.5%</b>	<b>22.3%</b>	<b>18.3%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>23,677</b>	<b>22,903</b>	<b>17,331</b>	<b>15,462</b>	<b>13,245</b>	<b>-10,432</b>	<b>-44.1%</b>
ENVIRONMENTAL	1,328	1,485	1,047	1,050	1,053	-275	-20.7%
SAFETY AND HEALTH	7,552	7,621	5,620	4,756	3,818	-3,734	-49.4%
FACILITIES MANAGEMENT	2,260	1,353	1,110	1,261	1,038	-1,222	-54.1%
MAINTENANCE	4,773	4,717	3,703	3,190	2,745	-2,028	-42.5%
UTILITIES	2,340	2,074	2,052	1,919	1,702	-638	-27.3%
SAFEGUARDS AND SECURITY	1,666	1,591	1,104	1,073	1,147	-519	-31.2%
LOGISTICS SUPPORT	952	1,177	730	658	484	-468	-49.2%
QUALITY ASSURANCE	936	895	709	574	549	-387	-41.3%
LABORATORY/TECHNICAL SUPPORT	1,870	1,990	1,256	981	709	-1,161	-62.1%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>7.4%</b>	<b>11.1%</b>	<b>9.7%</b>	<b>6.4%</b>	<b>7.4%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>7,684</b>	<b>11,492</b>	<b>6,859</b>	<b>4,416</b>	<b>5,346</b>	<b>-2,338</b>	<b>-30.4%</b>
MANAGEMENT/INCENTIVE FEE	7,571	11,478	6,859	4,416	5,346	-2,225	-29.4%
TAXES	113	14	0	0	0	-113	-100.0%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

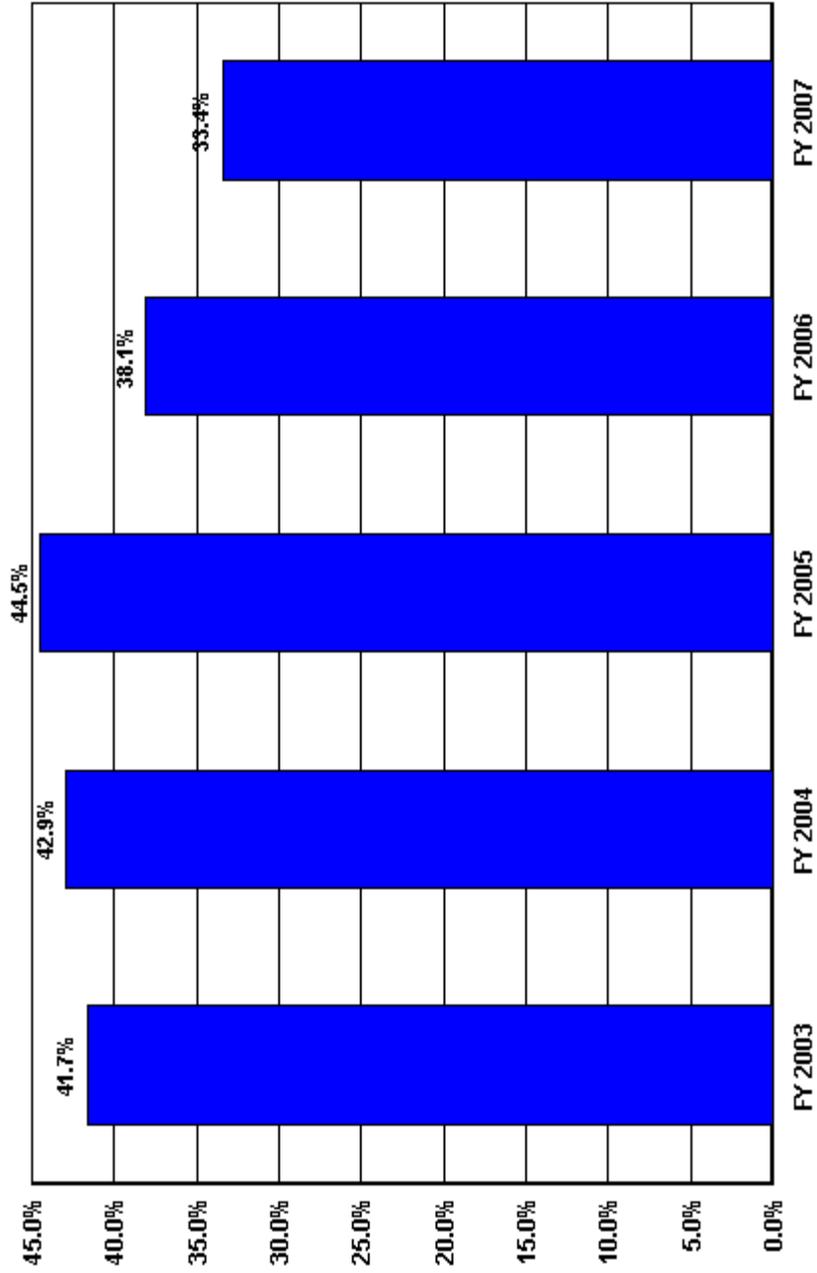
**US Department of Energy  
Total Functional Support  
West Valley/West Valley Nuclear Services**



■ Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>43,170</b>	<b>44,455</b>	<b>31,486</b>	<b>26,351</b>	<b>24,177</b>

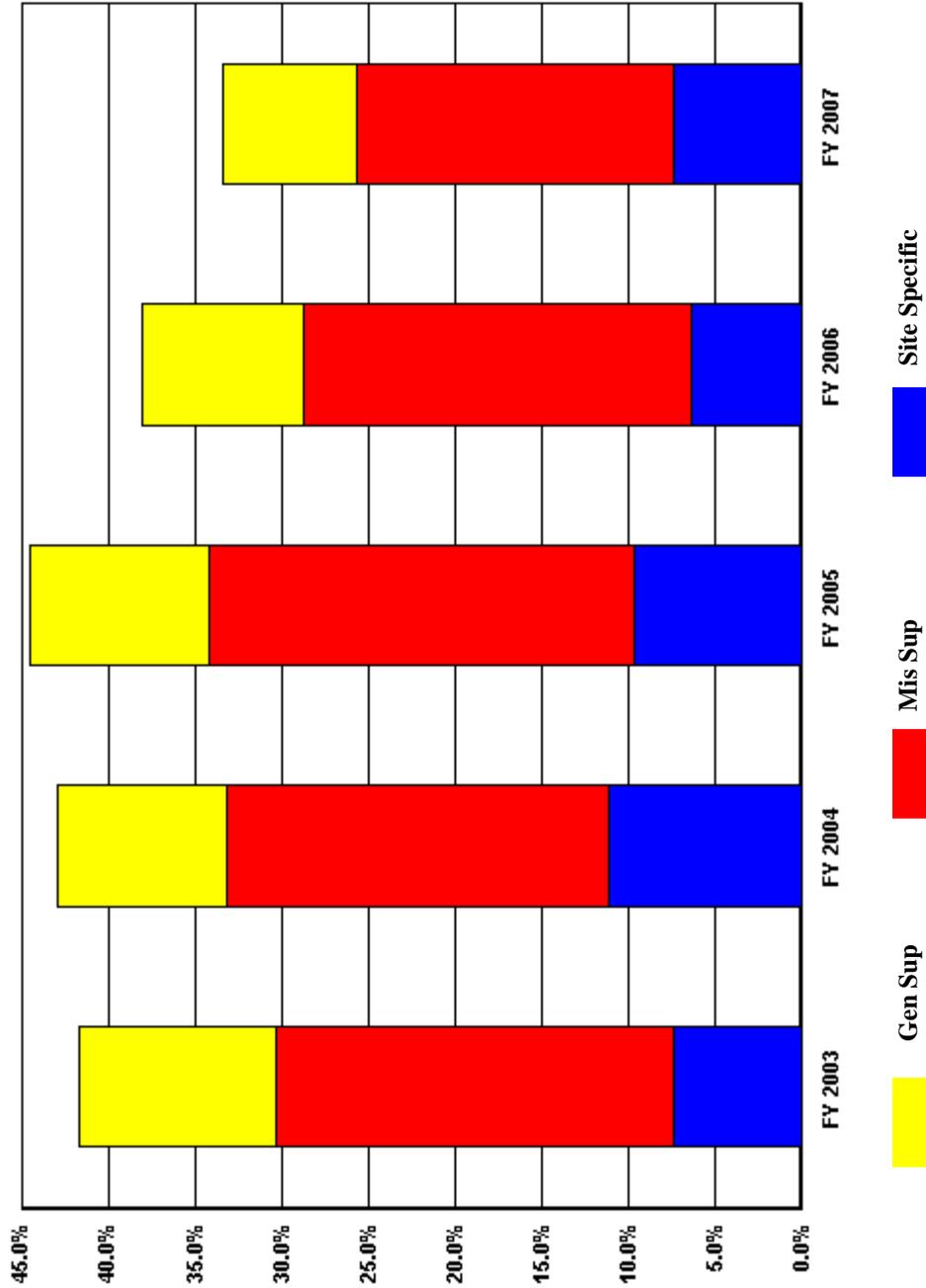
**US Department of Energy  
Total Functional Support as a % of Total Costs  
West Valley/West Valley Nuclear Services**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>41.7%</b>	<b>42.9%</b>	<b>44.5%</b>	<b>38.1%</b>	<b>33.4%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
West Valley/West Valley Nuclear Services**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	11.4%	9.7%	10.3%	9.3%	7.7%
Mis Sup	22.9%	22.1%	24.5%	22.3%	18.3%
Site Specific	7.4%	11.1%	9.7%	6.4%	7.4%

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## SITE PROFILE

### West Valley/West Valley Nuclear Services

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#### SITE OVERVIEW AND CHARACTERISTIC

The West Valley Demonstration Project (WVDP) Act chartered the Department of Energy (DOE) with, among other mandates, the task of solidifying the liquid high level waste (HLW) at the Western New York Nuclear Service Center (WNYNSC). The site is owned by New York State (NYS) and administered through its agency, the New York State Energy Research and Development Authority (NYSERDA). The WNYNSC is a 3,300 acre site located approximately 35 miles south of Buffalo, New York. A commercial spent nuclear fuel reprocessing facility operated at the site from 1966 until 1972. This reprocessing facility occupied about 165 acres of the larger 3,300 acre tract. During its operational years, the facility was used to reprocess uranium and plutonium from spent nuclear fuel (SNF), 60% of which originated from defense facilities. Spent Fuel reprocessing operations resulted in approximately 600,000 gallons of liquid HLW stored in underground tanks, which required treatment; interim solidified waste storage and ultimate disposal.

In 1980, the United States Congress passed the West Valley Demonstration Project Act (Public Law 96368), which authorized DOE to conduct a technology demonstration project to solidify the liquid HLW. A subsequent decision was made by DOE to develop vitrification technology as the process to solidify the liquid HLW. In accordance with WVDP Act requirements, DOE also has responsibility for: 1) developing containers suitable for the permanent disposal of the solidified HLW at an appropriate Federal repository; 2) transporting the HLW containers to the Federal repository; 3) disposing of low level waste (LLW) and transuranic (TRU) waste resulting from HLW solidification; and 4) the decontamination and decommissioning of the tanks, hardware and facilities used for liquid HLW solidification. Under a separate agreement, the DOE also had responsibility for 125 spent nuclear fuel (SNF) assemblies stored at the site. These assemblies have been removed from a “wet” storage facility, placed into certified transportation casks, and transferred to the then Idaho National Environmental and Engineering Laboratory (INEEL) site.

HLW solidification was performed in consultation with the U.S. Nuclear Regulatory Commission (NRC) per a Memorandum of Understanding between the DOE and NRC, and consistent with a Cooperative Agreement between DOE and NYSEERDA. NYSEERDA holds title to the WNYNSC and the NRC license to operate the site. The NRC license was placed in abeyance while DOE conducts the Project. DOE has exclusive use and possession of the WVDP premises (i.e., 230 acres) and is responsible for maintaining these premises, managing environmental risk, ensuring site worker and public safety, and accomplishing the scope of the WVDP Act as mandated by its implementing agreements. Per the WVDP Act, NYSEERDA is responsible for ten percent of WVDP costs.

#### **Mission**

The prime management and operating contractor for the WVDP is the West Valley Nuclear Services Company (WVNSCO), which manages the facility according to a performance based contract.

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**SITE PROFILE**  
**West Valley/West Valley Nuclear Services**

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During the time period encompassed by the Functional Cost Report (FY2003 to FY2007), the Project has evolved from shutdown of the HLW treatment/vitrification processing, system deactivation, to the current decontamination, dismantlement and waste management phase. Significant challenges are managed to assure that the Project has the required disciplines to support this evolutionary risk reduction process.

**Highlights of Trends**

The actual current year dollars spent for functional costs decreased by approximately from \$43,170K in FY2003 to \$24,177K in FY2007. As the work scope has progressed during the functional cost reporting period from post HLW processing decontamination, facility dismantlement and demolition, and waste management scopes, the site has experienced a significant evolution in subcontracted Mission related expenditures. In addition, direct employment levels have decreased from 483 full time equivalents (FTEs) in FY2003 to 254 FTEs by the end of FY2007 as labor resource requirements evolved with the changing mission. Total DOE Project expenditures decreased from \$103,616K in FY2003 to \$72,375K in FY2007. This decrease reflects the evolution to the Project's current facility decontamination, dismantlement, and waste management mission.

During FY2007, the Project continued decontamination / waste management oriented activities as evidenced by on-going waste processing in the Remote Handled Waste Facility, the shipment for offsite disposal 15,474 drums from the former drum cell, the removal of contaminated equipment from cells in the former spent fuel process building, the dismantlement and demolition of former process systems and facilities, and significant accomplishments in the processing, shipping and disposing of legacy low level radioactive waste. The scopes were not typical management and operating (M&O) scopes but were essentially site closure activities that were added to the WVNSCO's extended contract while the DOE continued its evaluation of prime contract proposals for the new site closure contract for West Valley.

In FY2007, a total of \$1,148K of New York State Sales and Use tax was included as a part of the respective functional cost categories, an increase of \$372K from the FY2006 total of \$776.

The FY2007 WVDP total functional cost decreased from \$26,351K in FY2006 to \$24,177K, an 8.2% reduction of \$2,174K.

**III. Analysis of Change in Support Costs from Prior Years**

WVNSCO management has focused on safety during the transition of the Project's mission, maintaining Voluntary Protection Program Star status throughout. From a functional cost reporting perspective, WVNSCO compares favorably to Total DOE EM functional cost data. The DOE EM mission direct expenditure percentage is 48.1% as compared to 66.6% for WVDP Mission direct expenditures. WVDP General and Mission Support Categories percentages are lower than the DOE

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**SITE PROFILE**  
**West Valley/West Valley Nuclear Services**

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EM averages by a combined 14.7%.

Functional Cost categories that experienced increases due to specific events when compared to the FY2006 level:

- Mission Direct (increased \$5,303K) as cost reductions and efficiencies in other areas were directed to the accomplishment of mission activities,
- Information Services (increased net \$14K) as communications network between the off-site office complex and the site failed and needed to be replaced (approx. \$85K).

Commensurate with the evolution of overall site work-scope resource requirements, WVNSCO has proactively been able to significantly reduce costs through re-organization, direct and subcontractor workforce restructuring, and consolidation, while maintaining safe compliance with DOE Orders and operational parameters, in the following categories:

- Executive Direction (decreased \$74K),
- Human Resources (decreased \$194K),
- 

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**HUMAN RESOURCES**

Commensurate with the evolution of overall site work-scope resource requirements, WVNSCO has proactively been able to significantly reduce costs through re-organization, direct and subcontractor workforce restructuring, and consolidation, while maintaining safe compliance with DOE Orders and operational parameters.

**PROCUREMENT**

Significantly reduce costs through re-organization, direct and subcontractor workforce restructuring, and consolidation, while maintaining safe compliance with DOE Orders and operational parameters.

**PROGRAM/PROJECT CONTROL**

Significantly reduce costs through re-organization, direct and subcontractor workforce restructuring, and consolidation, while maintaining safe compliance with DOE Orders and operational parameters.

**LOGISTICS SUPPORT**

Significantly reduce costs through re-organization, direct and subcontractor workforce restructuring, and consolidation, while maintaining safe compliance with DOE Orders and operational parameters.

**LABORATORY/TECHNICAL SUPPORT**

Significantly reduce costs through re-organization, direct and subcontractor workforce restructuring, and consolidation, while maintaining safe compliance with DOE Orders and operational parameters.

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**SITE PROFILE**  
**West Valley/West Valley Nuclear Services**

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**MANAGEMENT/INCENTIVE FEE**

Significantly reduce costs through re-organization, direct and subcontractor workforce restructuring, and consolidation, while maintaining safe compliance with DOE Orders and operational parameters.

**COST SAVINGS INITIATIVES**

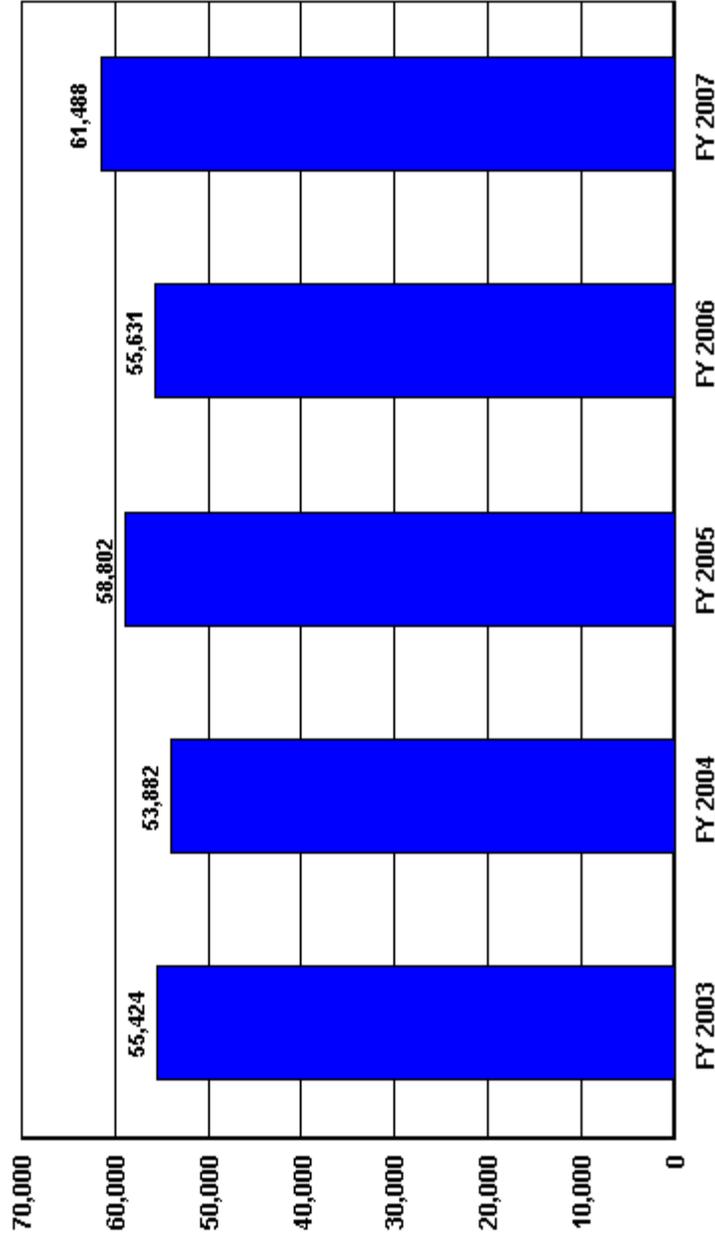
(\$ in 000's)

<b>INITIATIVE TITLE</b>	<b>AMOUNT SAVED PER YEAR</b>  (\$ in 000's)	<b>DESCRIPTION OF EFFORT</b>	<b>POINT OF CONTACT</b>
(None)			

**Trends in Total Support Cost by Functional Categories**  
**WIPP/Westinghouse (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	130,941	148,344	153,927	170,356	181,582	50,641	38.7%
<b>Capital Construction</b>	918	419	2,293	2,175	2,247	1,329	144.8%
<b>Total Costs Less Construction</b>	130,023	147,925	151,634	168,181	179,335	49,312	37.9%
<b>Total Support Costs</b>	<b>55,424</b>	<b>53,882</b>	<b>58,802</b>	<b>55,631</b>	<b>61,488</b>	<b>6,064</b>	<b>10.9%</b>
<b>Mission Direct Operation</b>	74,599	94,043	92,832	112,550	117,847	43,248	58.0%
<b>Mission Direct Operation as % of Total Cost</b>	<b>57.0%</b>	<b>63.4%</b>	<b>60.3%</b>	<b>66.1%</b>	<b>64.9%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>0.7%</b>	<b>0.3%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>1.2%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>42.3%</b>	<b>36.3%</b>	<b>38.2%</b>	<b>32.7%</b>	<b>33.9%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>42.3%</b>	<b>36.3%</b>	<b>38.2%</b>	<b>32.7%</b>	<b>33.9%</b>		
<b>TOTAL SUPPORT COST</b>	<b>55,424</b>	<b>53,882</b>	<b>58,802</b>	<b>55,631</b>	<b>61,488</b>	<b>6,064</b>	<b>10.9%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>16.7%</b>	<b>11.5%</b>	<b>9.3%</b>	<b>8.0%</b>	<b>8.7%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>21,871</b>	<b>17,102</b>	<b>14,354</b>	<b>13,632</b>	<b>15,880</b>	<b>-5,991</b>	<b>-27.4%</b>
EXECUTIVE DIRECTION	531	679	476	2,032	2,085	1,554	292.7%
HUMAN RESOURCES	3,666	2,940	2,668	2,408	2,745	-921	-25.1%
CFO	1,886	1,970	1,456	1,359	1,650	-236	-12.5%
PROCUREMENT	1,376	1,005	1,079	957	1,070	-306	-22.2%
LEGAL	1,002	909	915	802	717	-285	-28.4%
CENTRAL ADMIN SERVICES	3,113	2,561	1,772	1,581	1,965	-1,148	-36.9%
PROGRAM/PROJECT CONTROL	1,828	2,149	1,661	1,125	1,334	-494	-27.0%
INFORMATION OUTREACH	2,036	1,271	1,133	900	987	-1,049	-51.5%
INFORMATION SERVICES	6,433	3,398	3,194	2,468	3,327	-3,106	-48.3%
OTHER	0	220	0	0	0	0	0.0%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>17.8%</b>	<b>15.1%</b>	<b>16.1%</b>	<b>16.2%</b>	<b>16.3%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>23,334</b>	<b>22,357</b>	<b>24,801</b>	<b>27,663</b>	<b>29,563</b>	<b>6,229</b>	<b>26.7%</b>
ENVIRONMENTAL	1,883	1,645	1,686	2,338	3,128	1,245	66.1%
SAFETY AND HEALTH	5,177	5,363	5,308	4,950	6,179	1,002	19.4%
FACILITIES MANAGEMENT	1,792	1,245	1,315	1,255	2,070	278	15.5%
MAINTENANCE	7,543	6,612	8,054	10,193	8,426	883	11.7%
UTILITIES	-21	730	1,207	1,424	1,249	1,270	6,047.6%
SAFEGUARDS AND SECURITY	3,150	3,007	3,532	3,986	4,479	1,329	42.2%
LOGISTICS SUPPORT	1,312	1,046	1,198	1,107	1,197	-115	-8.8%
QUALITY ASSURANCE	2,498	2,709	2,501	2,410	2,835	337	13.5%
LABORATORY/TECHNICAL SUPPORT	0	0	0	0	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>7.8%</b>	<b>9.7%</b>	<b>12.8%</b>	<b>8.4%</b>	<b>8.8%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>10,219</b>	<b>14,423</b>	<b>19,647</b>	<b>14,336</b>	<b>16,045</b>	<b>5,826</b>	<b>57.0%</b>
MANAGEMENT/INCENTIVE FEE	6,215	8,871	14,315	7,179	9,689	3,474	55.9%
TAXES	4,004	5,552	5,332	7,157	6,356	2,352	58.7%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

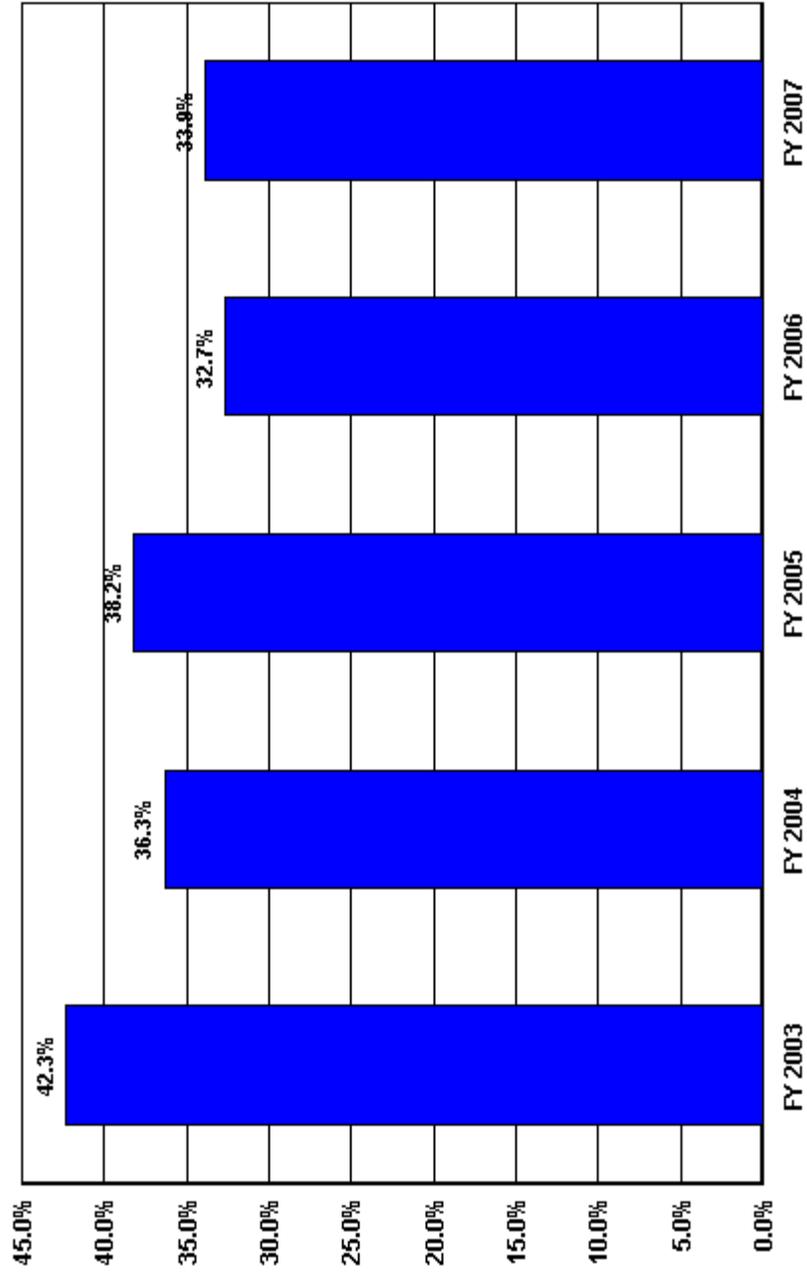
US Department of Energy  
 Total Functional Support  
 WIPP/Westinghouse



Total Functional Support (\$ in 000's)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>55,424</b>	<b>53,882</b>	<b>58,802</b>	<b>55,631</b>	<b>61,488</b>

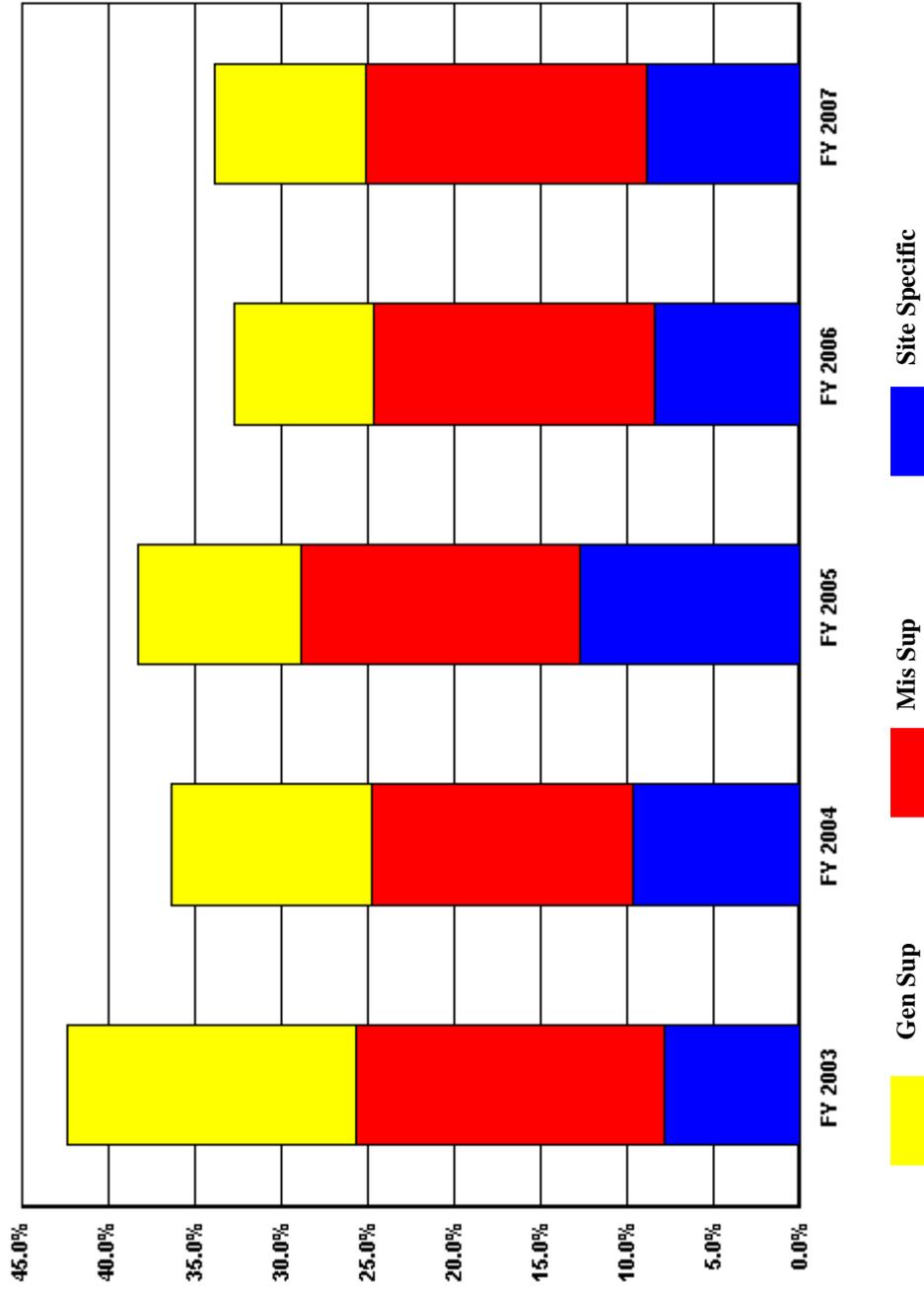
**US Department of Energy  
Total Functional Support as a % of Total Costs  
WIPP/Westinghouse**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>42.3%</b>	<b>36.3%</b>	<b>38.2%</b>	<b>32.7%</b>	<b>33.9%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
WIPP/Westinghouse**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	16.7%	11.5%	9.3%	8.0%	8.7%
Mis Sup	17.8%	15.1%	16.1%	16.2%	16.3%
Site Specific	7.8%	9.7%	12.8%	8.4%	8.8%

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## SITE PROFILE WIPP/Westinghouse

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### SITE OVERVIEW AND CHARACTERISTIC

The Waste Isolation Pilot Plant, or WIPP, is the world's first underground repository licensed to safely and permanently dispose of transuranic radioactive waste left from the research and production of nuclear weapons. After more than 20 years of scientific study, public input, and regulatory struggles, WIPP began operations on March 26, 1999.

Located in the remote Chihuahuan Desert of Southeastern New Mexico, project facilities include disposal rooms mined 2,150 feet underground in a 2,000-foot thick salt formation that has been stable for more than 200 million years. Transuranic waste is currently stored at sites nationwide. From these sites waste is transported in NRC approved containers to the WIPP sites where it is unloaded, processed and disposed of in the mine.

Washington TRU Solutions, as the M&O contractor, is responsible for operations at the Waste Isolation Pilot Plant (WIPP) and for integration, characterization, and disposal of legacy defense transuranic (TRU) waste for the National TRU Waste Program. WTS participates in a coordinated approach to waste retrieval, characterization, transportation, and disposal activities at the associated generator sites throughout the Department of Energy (DOE) complex. WTS employs the Central Characterization Project (CCP) throughout the complex to assist in the efficient characterization, certification, and transportation of legacy TRU to WIPP.

At the end of Fiscal Year 2007, WIPP has been in operation for 8 ½ years since March 1999. Over 6300 shipments have been received with 52,364 m<sup>3</sup> or over 96,400 containers of TRU waste emplaced in the facility. Over 7.2 million miles have been traveled safely transporting waste throughout the United States. Twelve DOE small quantity sites and Rocky Flats, a large quantity site, have been cleaned up of legacy TRU waste. In FY07, WIPP experienced an increase in permitting activities, which led to the receipt of Remote-Handled (RH) Waste. Operations for RH waste began with the first shipment safely stored in the repository in January 2007.

WTS recognizes that there are objectives associated with the DOE vision that will be considered in the management, integration, and operation of WIPP and in conducting legacy defense TRU waste activities. These objectives are:

- Safety and Environmental Management Excellence — Protection of the employees, the public and the environment;
- Operational Efficiencies — Pursue efficiencies in waste retrieval, characterization, transportation and disposal;

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**SITE PROFILE**  
**WIPP/Westinghouse**

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- Support to Small Quantity Sites (SQS) — Support the removal and disposal of TRU waste from each SQS;
- Standardization Efficiencies — Develop a standardized and certified characterization approach;

Through these objectives, the WTS contract goal is to ship and dispose of 70% or 54,300 m3 of the legacy TRU waste in the DOE complex by 2010.

Trends:

WTS total costs for FY07 in support of the above mission were \$181.6M. WTS spent 65.9% or \$119.6M in mission-direct activities. Mission-support activities represented 16.28% or \$29,563, a slight increase due to increased permitting activities for RH waste and cyber-security costs for implementing 205.1A and the Certification and Accreditation process. The WTS General Support costs represented 8.75% or \$15.9M, an increase due to adjustments made to support categories in response to a FY06 Peer Review. Site Specific Support represented the remaining 9.1% or \$16.6M. Therefore, total support costs were 34.1% of the project costs.

**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**CFO**

Increase due to Peer Review Recommendations implemented in FY07; Excluded Overhead/Adjustment Allocation and Fee Recovery credits received from other sites.

**CENTRAL ADMIN SERVICES**

Increase due to Peer Review Recommendations implemented in FY07; Excluded Overhead/Adjustment Allocation and Fee Recovery credits received from other sites.

**INFORMATION SERVICES**

Increase due to Peer Review Recommendations implemented in FY07; Excluded Overhead/Adjustment Allocation and Fee Recovery credits received from other sites.

**ENVIRONMENTAL**

Increase due to changes in cost categories due to Peer Review Recommendations implemented in FY07. Moved W1240301, Manage HWPF Fee for 1.348K and W1240304, Public Hearing Process for Permit for 144K from Mission Direct to Environmental.

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**SITE PROFILE**  
**WIPP/Westinghouse**

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**SAFETY AND HEALTH**

Increase due to changes in cost categories due to Peer Review Recommendations implemented in FY07. Moved W1260409, RH Safety Analysis for 209K and W1260602, RAP for 130K from Mission Direct to Safety and Health.

**FACILITIES MANAGEMENT**

New Account in FY07 for Plant and Design Engineering, W1260311, for 640K.

**MANAGEMENT/INCENTIVE FEE**

Increases in Fee earned in FY07 due to renegotiation of PBIs for FY07 and payment for progress made toward 1st RH Waste Receipt.

**COST SAVINGS INITIATIVES**

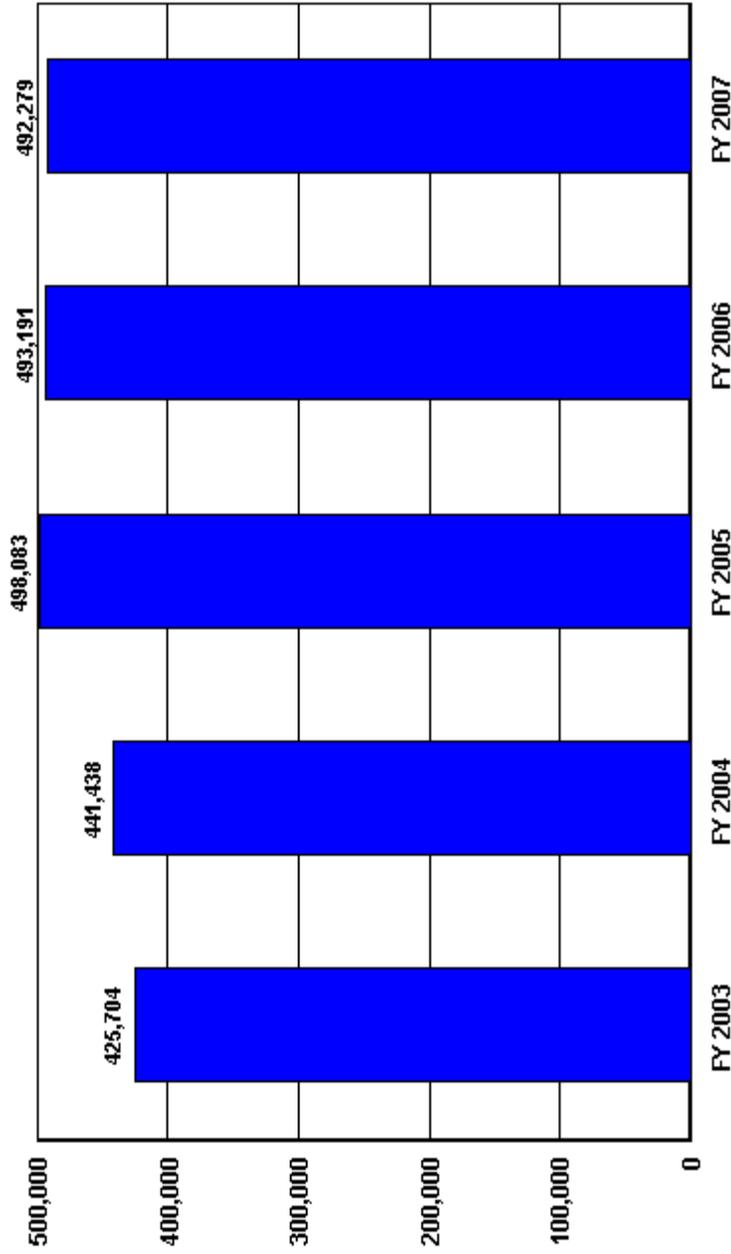
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
(None)			

**Trends in Total Support Cost by Functional Categories**  
**Y-12/BWXT (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	725,690	739,880	823,985	830,873	883,300	157,610	21.7%
<b>Capital Construction</b>	83,199	75,863	97,529	96,821	138,091	54,892	66.0%
<b>Total Costs Less Construction</b>	642,491	664,017	726,456	734,052	745,209	102,718	16.0%
<b>Total Support Costs</b>	<b>425,704</b>	<b>441,438</b>	<b>498,083</b>	<b>493,191</b>	<b>492,279</b>	<b>66,575</b>	<b>15.6%</b>
<b>Mission Direct Operation</b>	216,787	222,579	228,373	240,861	252,930	36,143	16.7%
<b>Mission Direct Operation as % of Total Cost</b>	<b>29.9%</b>	<b>30.1%</b>	<b>27.7%</b>	<b>29.0%</b>	<b>28.6%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>11.5%</b>	<b>10.3%</b>	<b>11.8%</b>	<b>11.7%</b>	<b>15.6%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>58.7%</b>	<b>59.7%</b>	<b>60.4%</b>	<b>59.4%</b>	<b>55.7%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>58.7%</b>	<b>59.7%</b>	<b>60.4%</b>	<b>59.4%</b>	<b>55.7%</b>		
<b>TOTAL SUPPORT COST</b>	<b>425,704</b>	<b>441,438</b>	<b>498,083</b>	<b>493,191</b>	<b>492,279</b>	<b>66,575</b>	<b>15.6%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>12.4%</b>	<b>13.1%</b>	<b>15.2%</b>	<b>14.0%</b>	<b>13.8%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>89,909</b>	<b>96,766</b>	<b>125,423</b>	<b>116,359</b>	<b>121,478</b>	<b>31,569</b>	<b>35.1%</b>
EXECUTIVE DIRECTION	2,424	2,437	6,493	9,114	9,131	6,707	276.7%
HUMAN RESOURCES	13,503	16,787	23,907	16,300	14,554	1,051	7.8%
CFO	9,704	9,543	9,331	8,655	8,873	-831	-8.6%
PROCUREMENT	4,550	5,613	7,428	5,210	5,021	471	10.4%
LEGAL	3,393	2,901	3,801	4,495	4,709	1,316	38.8%
CENTRAL ADMIN SERVICES	12,661	12,977	11,581	11,825	11,671	-990	-7.8%
PROGRAM/PROJECT CONTROL	16,538	19,657	21,265	21,217	14,534	-2,004	-12.1%
INFORMATION OUTREACH	2,223	2,463	3,447	4,559	8,435	6,212	279.4%
INFORMATION SERVICES	23,727	24,752	37,005	24,267	31,533	7,806	32.9%
OTHER	1,186	-364	1,165	10,717	13,017	11,831	997.6%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>42.3%</b>	<b>43.2%</b>	<b>40.8%</b>	<b>40.9%</b>	<b>37.5%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>307,095</b>	<b>319,970</b>	<b>335,843</b>	<b>340,196</b>	<b>331,370</b>	<b>24,275</b>	<b>7.9%</b>
ENVIRONMENTAL	8,381	7,191	9,743	9,359	9,821	1,440	17.2%
SAFETY AND HEALTH	49,487	52,232	44,860	46,048	47,170	-2,317	-4.7%
FACILITIES MANAGEMENT	14,367	16,963	20,970	21,977	18,226	3,859	26.9%
MAINTENANCE	85,061	83,915	82,168	78,585	73,328	-11,733	-13.8%
UTILITIES	40,321	41,918	41,981	42,283	38,521	-1,800	-4.5%
SAFEGUARDS AND SECURITY	75,049	85,050	98,509	107,251	110,068	35,019	46.7%
LOGISTICS SUPPORT	7,340	5,562	7,266	5,757	7,691	351	4.8%
QUALITY ASSURANCE	12,334	12,227	11,195	11,329	10,096	-2,238	-18.1%
LABORATORY/TECHNICAL SUPPORT	14,755	14,912	19,151	17,607	16,449	1,694	11.5%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>4.0%</b>	<b>3.3%</b>	<b>4.5%</b>	<b>4.4%</b>	<b>4.5%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>28,700</b>	<b>24,702</b>	<b>36,817</b>	<b>36,636</b>	<b>39,431</b>	<b>10,731</b>	<b>37.4%</b>
MANAGEMENT/INCENTIVE FEE	24,000	20,691	29,450	31,300	32,000	8,000	33.3%
TAXES	2,069	10	2,263	1,465	3,891	1,822	88.1%
LDRD / PDRD / SDRD	2,631	4,001	5,104	3,871	3,540	909	34.5%

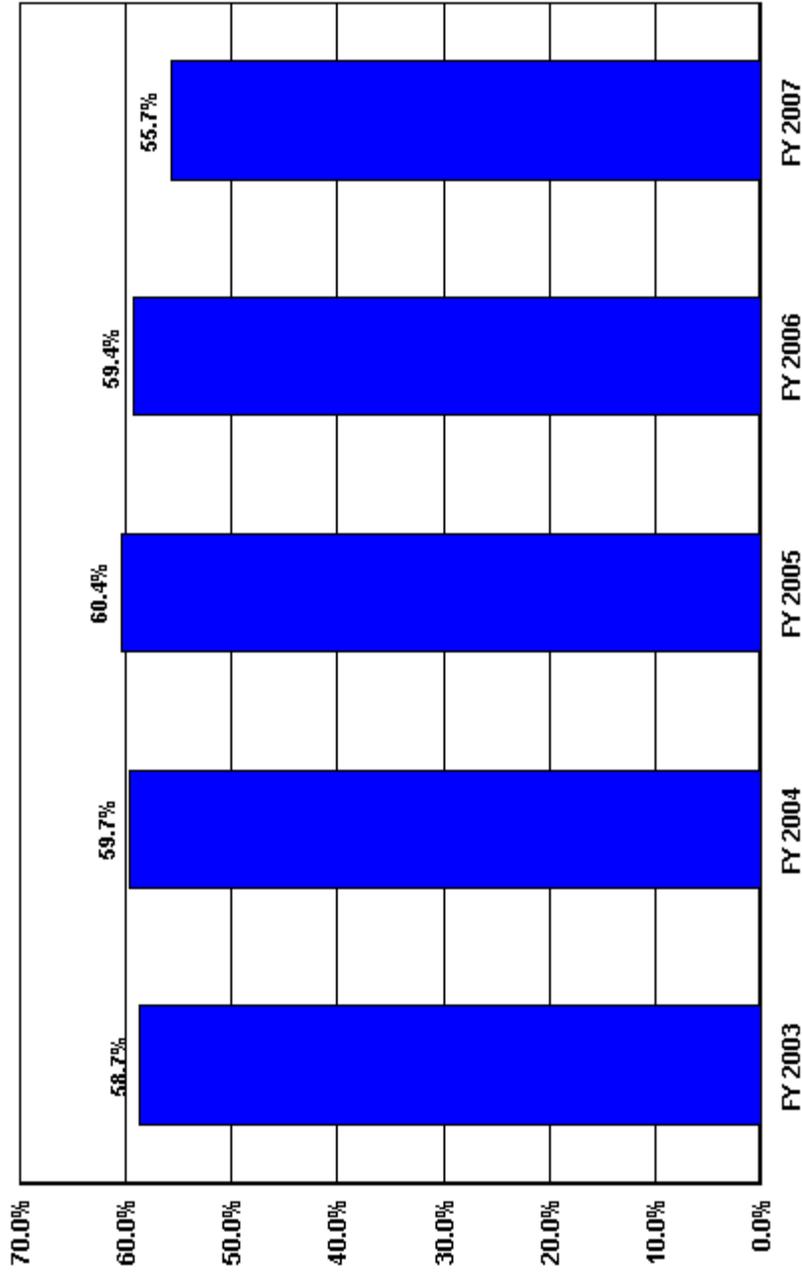
**US Department of Energy  
Total Functional Support  
Y-12/BWXT**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>425,704</b>	<b>441,438</b>	<b>498,083</b>	<b>493,191</b>	<b>492,279</b>

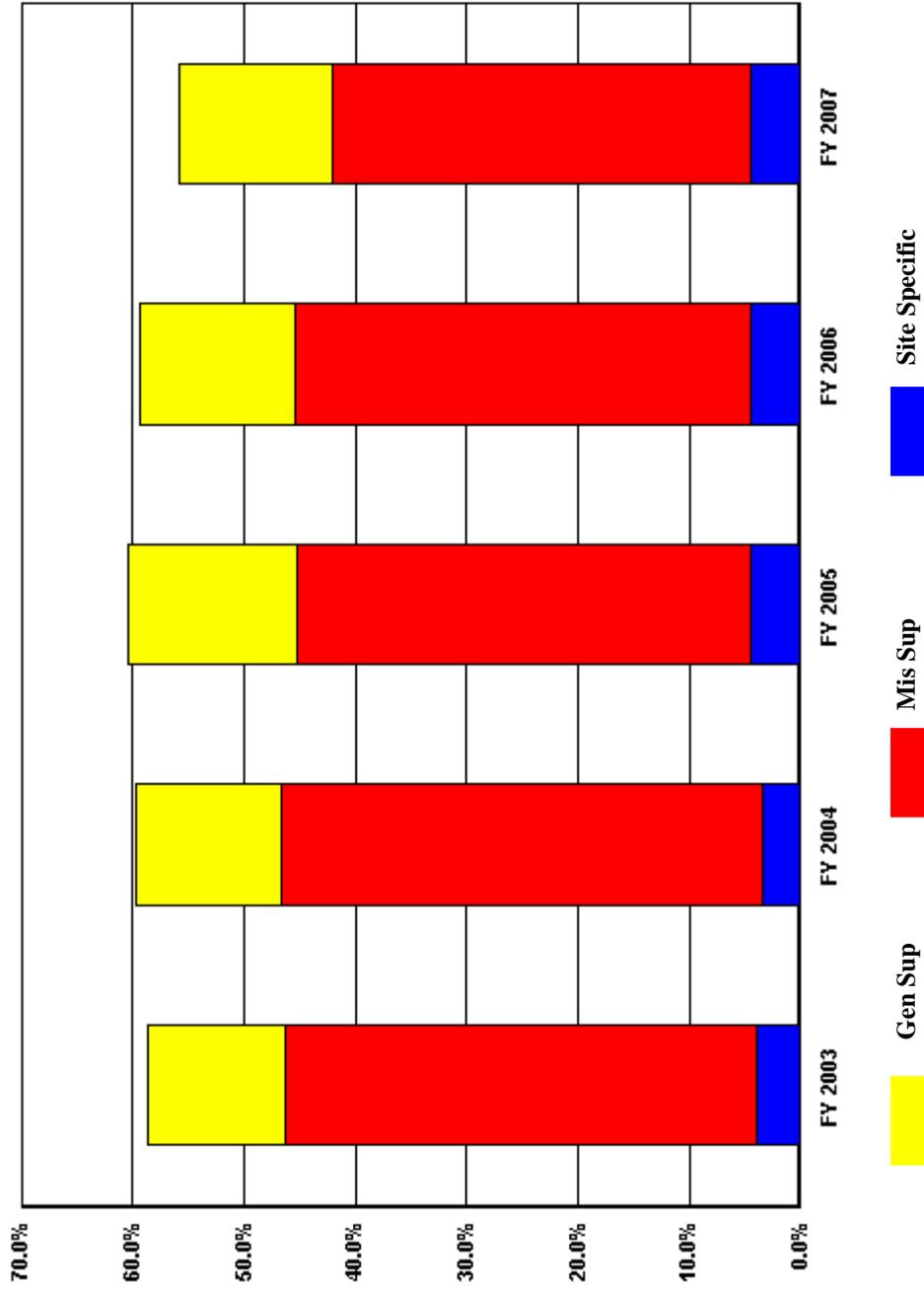
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Y-12/BWXT**



 Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>58.7%</b>	<b>59.7%</b>	<b>60.4%</b>	<b>59.4%</b>	<b>55.7%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Y-12/BWXT**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Gen Sup</b>	12.4%	13.1%	15.2%	14.0%	13.8%
<b>Mis Sup</b>	42.3%	43.2%	40.8%	40.9%	37.5%
<b>Site Specific</b>	4.0%	3.3%	4.5%	4.4%	4.5%

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## SITE PROFILE Y-12/BWXT

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### SITE OVERVIEW AND CHARACTERISTIC

The Y-12 National Security Complex performs missions that are vital to the U. S. Department of Energy (DOE) National Nuclear Security Administration (NNSA). These missions are:

- Manufacturing and assessing nuclear weapons secondaries, cases, and other weapons components;
- Safeguarding special nuclear materials; and
- Preventing the proliferation of weapons of mass destruction.

The Y-12 Complex covers approximately 811 acres, nearly 600 acres of which are enclosed by perimeter security fences. Security and emergency management buffer areas exist outside the main site but within the Oak Ridge Reservation. Real property includes approximately 447 buildings and other structures with floor area of approximately 7.8 million square feet.

A BWXT Y-12 workforce of approximately 4,500 people support NNSA-related activities and rely upon a diverse infrastructure to perform assigned tasks in support of Y-12 missions. Buildings and facility types include large production, light and heavy laboratory, sophisticated and standard warehousing, and a mix of new and World War II-vintage technical and administrative office structures. The majority of the floor space at Y-12 was constructed prior to 1950 as part of the Manhattan Project.

### TRENDS

The trend from FY 2006 to FY 2007 shows a decrease in the value of functional costs as percent of total costs from 59.4% to 55.7%. The following is an analysis of change in support costs from the prior year.

In looking at raw data, the functional cost at the Y-12 plant has increased by approximately \$66.6 million since 2002. The cost increases are primarily driven by external events, evolving requirements and ongoing efforts to provide a modern, recapitalized and efficient operation at Y-12. The more significant of these changes are:

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## SITE PROFILE Y-12/BWXT

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- Fiscal Years 2002 through 2007 have seen significant changes in the area of Safeguards and Security. The unfortunate events of September 11, 2001, and the country's response to these events continue to drive Safeguards and Security costs higher than in previous years. Safeguards and Security requirements have taken on a new dimension, increased focus and are consuming greater resources. The Safeguards and Security costs have increased by approximately \$35 million from FY 2002 to FY 2007 or approximately 52% of the total increase.
- The \$11.9 million increase, or approximately 17.9% of the total increases, in the Other category is primarily associated with the cost incurred to support the disposition of category legacy workers compensation claims as well as the actual claim payments.
- In order to provide for efficient management of the Y-12 site operations and an investment in Information Services is required. Significant efforts have been taken over these last several years to expand our SAP computing equipment. Numerous systems have been brought into SAP; such as, our controlled business expenses, Integrated Work Management Systems, etc. These efforts account for the \$7.8 million increase or 11.7% increase.
- The \$13 million increase in fee is in direct proportion to the increase in total cost and accounts for approximately 7% of the total increase.

The remaining increase in total functional support is related to escalation on the remaining functions not specifically identified in the above narrative.

Taxes — Total Sales and Use taxes paid for FY 2007 were \$7.5 M. These costs are incurred as a part of material costs and are spread across the functional categories as a part of material cost.

### **DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

#### **HUMAN RESOURCES**

The pension plan for the entire Oak Ridge Reservation (retirees, Y-12, ORNL and OREMEF) is managed by BWXT Y-12. In the past the entire cost of this operation has been reported in the Human Resources category. Cost associated with managing the plan for the other sites and the

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**SITE PROFILE**  
**Y-12/BWXT**

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retirees has been moved to the Mission Direct category. This change meets the definition of the category provided by DOE Headquarters in the SCFAR guidance and aligns the cost in the most proper category.

**SAFETY & HEALTH**

There was an increase in Continuous Safety Performance Improvement processes.

**FACILITIES MANAGEMENT**

The decrease is due to moving project and design engineers to Mission Direct. This change meets the definition of the category provided by DOE Headquarters in the SCFAR guidance and aligns the cost in the most proper category.

**MAINTENANCE**

The decrease is due to moving maintenance personnel to manufacturing operations.

**UTILITIES**

There was a decrease in the cost of purchased electricity.

**SAFEGUARDS & SECURITY**

The increase is due to more guard support that is provided by Wackenhut Security.

**QUALITY ASSURANCE**

The decrease is due to losing personnel through attrition.

**LABORATORY/TECH SUPPORT**

There was a decrease because the Legacy Chemical Disposition operation is no longer being performed.

**MANAGEMENT FEE**

The increase in fee is directly proportionate to the increase in total cost.

**PDRD**

The decrease is due to a one time subcontract cost that was incurred in FY 2006.

**MISSION DIRECT**

The increase is due to the relocation of personnel from the support categories to mission direct activities.

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**SITE PROFILE**  
**Y-12/BWXT**

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**DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

**PROGRAM/PROJECT CONTROL**

The cost of the Production Facility Planning and Project Control operations was moved to Mission Direct. This change meets the definition of the category provided by DOE Headquarters in the SCFAR guidance and aligns the cost in the most proper category

**INFORMATION OUTREACH**

There was an increase in personnel in the National Security Program Office

**INFORMATION SERVICES**

There was an increase in telephone cost, the purchase of new personal computers and procuring a new computer system.

**OTHER**

Costs increased in this category due to termination costs and liability insurance

**LOGISTICS SUPPORT**

The increase is due to an inventory difference adjustment

**TAXES**

The increase in the cost of telephone services led to more taxes paid on those services.

**CAPITAL CONSTRUCTION**

Construction cost increased due to more work being performed on the HEUMF project

**COST SAVINGS INITIATIVES**

(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR  (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Vendor Data Electronic Review	20	A Yellow belt project cost saving	William Hudson
Unoccupied Lockers--Clothing Recovery	8	A Yellow belt cost saving	William Hudson
Pension Project System Calculation	1	Management Initiative	William Hudson

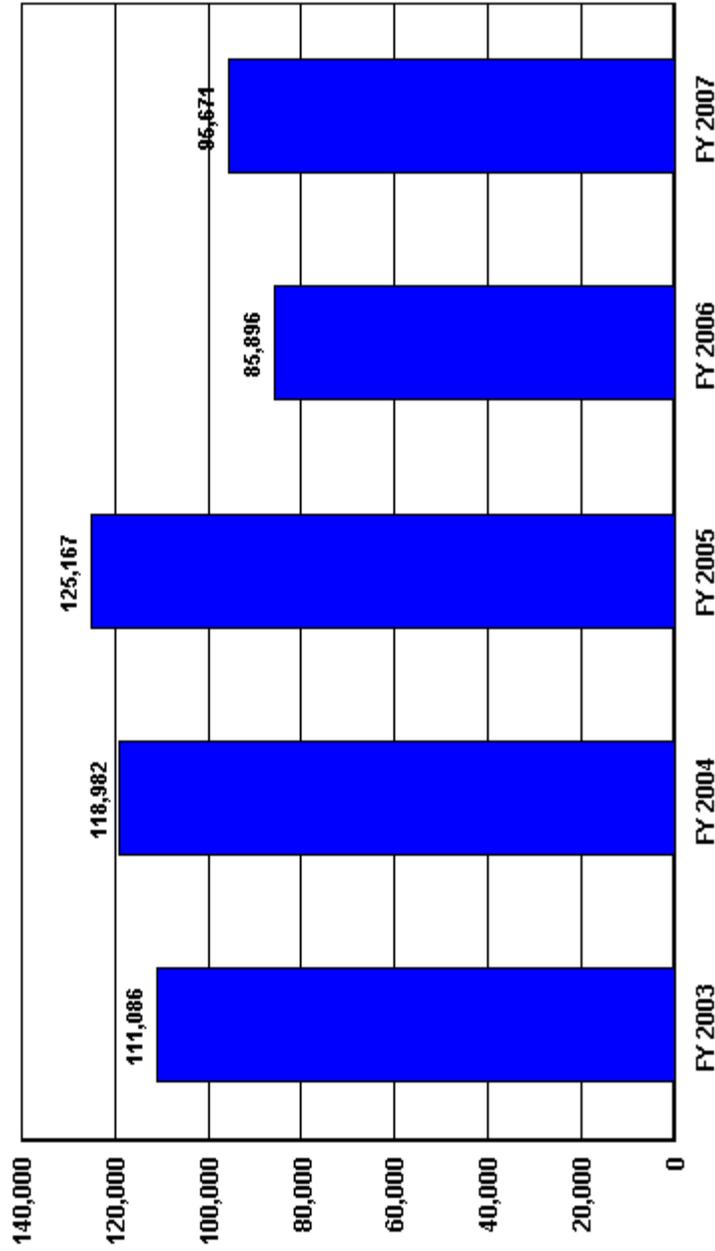
**SITE PROFILE**  
**Y-12/BWXT**

Assume Title III Support to construction for HEUMF	1,440	A Design for Six Sigma Black Belt Project was executed to decrease the cycle time for processing of design changes by 58%. The subcontracted A/E support was eliminated and the process changed to permit on-site engineering personnel to perform those functions.	William Hudson
Packaging Legacy Information Storage	6	Management initiative--knowledge capture	William Hudson
	0		

**Trends in Total Support Cost by Functional Categories**  
**Yucca Mountain/Bechtel-SAIC (\$000)**  
**FY 2007**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ Change 2003 To FY 2007	% Change 2003 To FY 2007
<b>Total Costs</b>	238,599	283,928	266,446	255,572	238,612	13	0.0%
<b>Capital Construction</b>	2,015	2,022	162	2,365	1,025	-990	-49.1%
<b>Total Costs Less Construction</b>	236,584	281,906	266,284	253,207	237,587	1,003	0.4%
<b>Total Support Costs</b>	<b>111,086</b>	<b>118,982</b>	<b>125,167</b>	<b>85,896</b>	<b>95,671</b>	<b>-15,415</b>	<b>-13.9%</b>
<b>Mission Direct Operation</b>	125,498	162,924	141,117	167,311	141,916	16,418	13.1%
<b>Mission Direct Operation as % of Total Cost</b>	<b>52.6%</b>	<b>57.4%</b>	<b>53.0%</b>	<b>65.5%</b>	<b>59.5%</b>		
<b>Capital Construction as % of Total Cost</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.9%</b>	<b>0.4%</b>		
<b>Total Support Cost as % of Total Cost</b>	<b>46.6%</b>	<b>41.9%</b>	<b>47.0%</b>	<b>33.6%</b>	<b>40.1%</b>		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		
<b>TOTAL SUPPORT COST as % of TOTAL COST</b>	<b>46.6%</b>	<b>41.9%</b>	<b>47.0%</b>	<b>33.6%</b>	<b>40.1%</b>		
<b>TOTAL SUPPORT COST</b>	<b>111,086</b>	<b>118,982</b>	<b>125,167</b>	<b>85,896</b>	<b>95,671</b>	<b>-15,415</b>	<b>-13.9%</b>
<b>TOTAL GENERAL SUPPORT as % of TOTAL</b>	<b>25.3%</b>	<b>22.3%</b>	<b>22.7%</b>	<b>21.7%</b>	<b>19.3%</b>		
<b>TOTAL GENERAL SUPPORT</b>	<b>60,271</b>	<b>63,290</b>	<b>60,550</b>	<b>55,547</b>	<b>46,088</b>	<b>-14,183</b>	<b>-23.5%</b>
EXECUTIVE DIRECTION	5,241	7,069	7,000	5,174	6,783	1,542	29.4%
HUMAN RESOURCES	6,549	5,784	5,374	4,691	6,780	231	3.5%
CFO	3,102	3,138	2,895	2,689	2,482	-620	-20.0%
PROCUREMENT	2,715	2,789	2,698	2,856	2,715	0	0.0%
LEGAL	361	1,592	6,411	5,875	1,885	1,524	422.2%
CENTRAL ADMIN SERVICES	10,859	12,445	9,926	8,272	6,986	-3,873	-35.7%
PROGRAM/PROJECT CONTROL	5,741	5,284	3,986	3,406	3,043	-2,698	-47.0%
INFORMATION OUTREACH	2,442	3,586	3,178	2,403	2,391	-51	-2.1%
INFORMATION SERVICES	21,146	20,651	16,738	18,056	12,107	-9,039	-42.7%
OTHER	2,115	952	2,344	2,125	916	-1,199	-56.7%
<b>TOTAL MISSION SUPPORT as % of TOTAL</b>	<b>14.6%</b>	<b>13.5%</b>	<b>14.7%</b>	<b>12.8%</b>	<b>12.1%</b>		
<b>TOTAL MISSION SUPPORT</b>	<b>34,894</b>	<b>38,444</b>	<b>39,267</b>	<b>32,587</b>	<b>28,891</b>	<b>-6,003</b>	<b>-17.2%</b>
ENVIRONMENTAL	3,697	3,900	3,312	3,472	2,700	-997	-27.0%
SAFETY AND HEALTH	4,387	4,903	5,310	6,536	4,025	-362	-8.3%
FACILITIES MANAGEMENT	9,822	11,456	9,333	8,291	9,970	148	1.5%
MAINTENANCE	5,393	5,281	6,729	7	1,272	-4,121	-76.4%
UTILITIES	399	690	697	1,476	1,551	1,152	288.7%
SAFEGUARDS AND SECURITY	1,375	694	2,172	2,099	2,274	899	65.4%
LOGISTICS SUPPORT	1,991	2,210	2,803	3,128	1,622	-369	-18.5%
QUALITY ASSURANCE	7,830	9,310	8,911	7,562	5,477	-2,353	-30.1%
LABORATORY/TECHNICAL SUPPORT	0	0	0	16	0	0	0.0%
<b>TOTAL SITE SPECIFIC as % of TOTAL</b>	<b>6.7%</b>	<b>6.1%</b>	<b>9.5%</b>	<b>-0.9%</b>	<b>8.7%</b>		
<b>TOTAL SITE SPECIFIC</b>	<b>15,921</b>	<b>17,248</b>	<b>25,350</b>	<b>-2,238</b>	<b>20,692</b>	<b>4,771</b>	<b>30.0%</b>
MANAGEMENT/INCENTIVE FEE	15,681	17,102	25,248	-2,327	20,650	4,969	31.7%
TAXES	240	146	102	89	42	-198	-82.5%
LDRD / PDRD / SDRD	0	0	0	0	0	0	0.0%

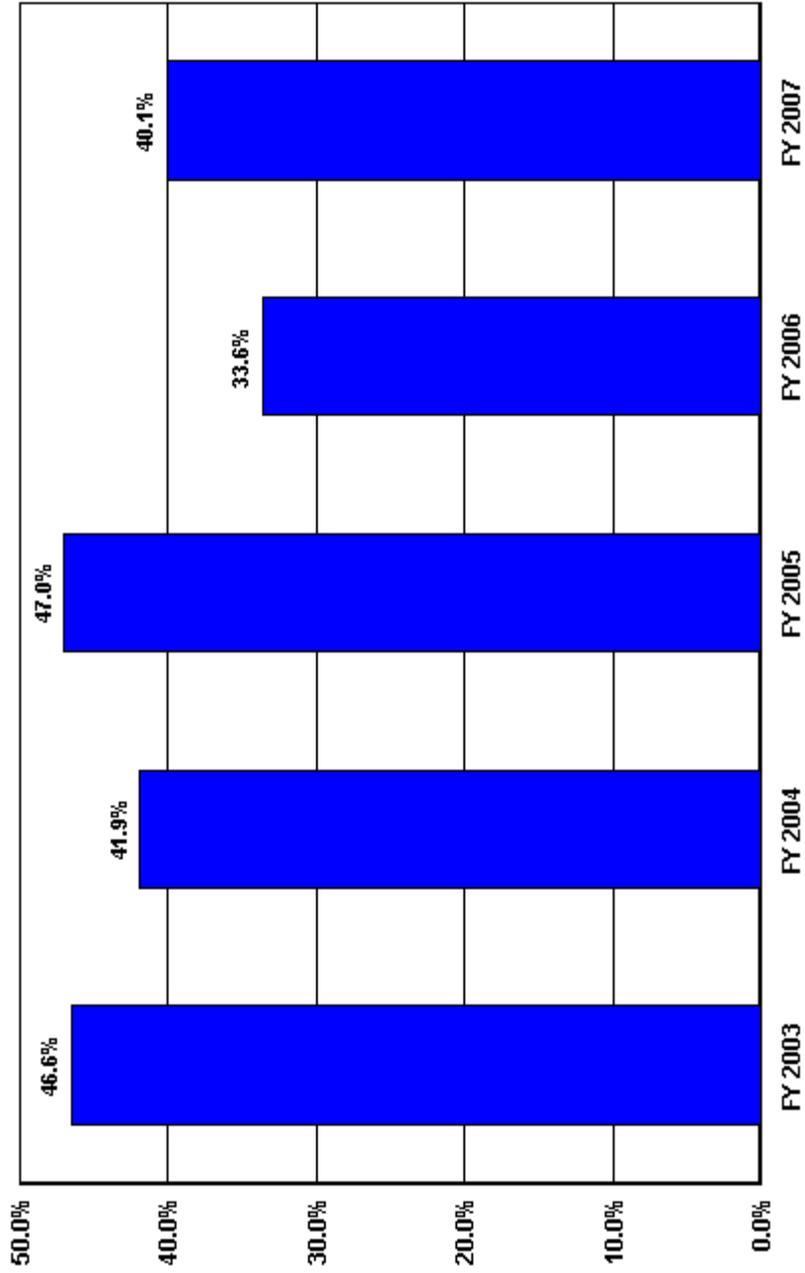
**US Department of Energy  
Total Functional Support  
Yucca Mountain/Bechtel-SAIC**



**Total Functional Support (\$ in 000's)**

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>111,086</b>	<b>118,982</b>	<b>125,167</b>	<b>85,896</b>	<b>95,671</b>

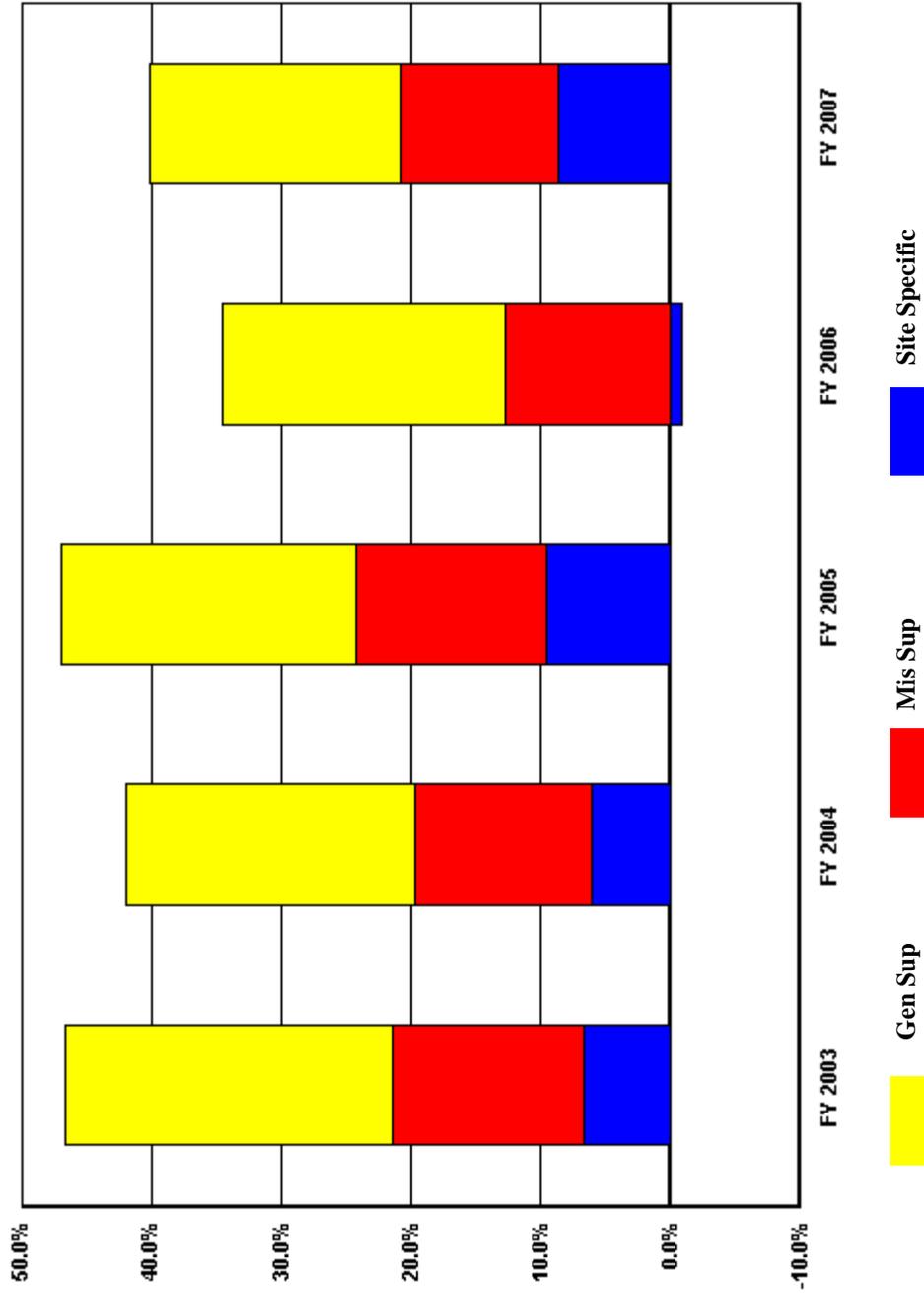
**US Department of Energy  
Total Functional Support as a % of Total Costs  
Yucca Mountain/Bechtel-SAIC**



■ Total Functional Support

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Total Functional Support</b>	<b>46.6%</b>	<b>41.9%</b>	<b>47.0%</b>	<b>33.6%</b>	<b>40.1%</b>

**US Department of Energy  
Percent of Support Category to Total Costs  
Yucca Mountain/Bechtel-SAIC**



	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gen Sup	25.3%	22.3%	22.7%	21.7%	19.3%
Mis Sup	14.6%	13.5%	14.7%	12.8%	12.1%
Site Specific	6.7%	6.1%	9.5%	-0.9%	8.7%

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**SITE PROFILE**  
**Yucca Mountain/Bechtel-SAIC**

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**SITE OVERVIEW AND CHARACTERISTIC**

**I. Site and Current Status**

Yucca Mountain, Nevada, is the congressionally-approved site of the nation's first repository for spent nuclear fuel and high-level radioactive waste.

The agency within DOE that has the responsibility to design, license, construct, and operate the repository is the Office of Civilian Radioactive Waste Management (OCRWM).

For more than 25 years, OCRWM dedicated its resources to gathering and analyzing information about Yucca Mountain for Congressional consideration as the nation's first repository. In 2002, Congress approved that Yucca Mountain be further developed as an underground repository.

Today, while scientific activity continues, the program is moving into its next major phase: designing, engineering and licensing the repository. Before the DOE can build the repository and begin waste emplacement, the Department must be licensed to do so by the Nuclear Regulatory Commission. OCRWM is currently preparing a license application for submittal to the commission.

DOE's Office of Civilian Radioactive Waste Management operates facilities in Washington, D.C., Las Vegas, Nevada, and at the Yucca Mountain site (about 100 miles northwest of Las Vegas). In addition to office buildings in Las Vegas, the Yucca Mountain site facilities include six and one-half miles of exploratory tunnels underneath the mountain as well as buildings that house technical staff and equipment.

Approximately 2,500 employees worked on the repository program in fiscal year 2007. These include personnel from the Department of Energy, United States Geological Survey, Sandia and Lawrence Livermore National Laboratories, and contractor companies.

This is the first time the federal government has attempted to license a facility for high-level nuclear waste storage. Yucca Mountain's activities are therefore unique within the Department's complex. Annual funding for the Yucca Mountain Project has historically been unpredictable, which has impacted schedules and milestones. OCRWM frequently has had to change focus and shift gears to respond to the limitations imposed by ongoing funding constraints. Programmatic and fiscal dexterity have therefore become prerequisites for all organizations within OCRWM.

**II. Major Cost Drivers that May Cause Our Costs to Appear Out of Line with Similar Sites**

In 1987, Congress amended the Nuclear Waste Policy Act and directed DOE to study only Yucca

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**SITE PROFILE**  
**Yucca Mountain/Bechtel-SAIC**

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Mountain. As a result, Yucca Mountain's activities are unique within the Department's complex. Moreover, annual funding for the Yucca Mountain Project has historically been unpredictable, which has impacted schedules and milestones. The OCRWM and ORD managers frequently have had to change focus and shift gears to respond to the limitations imposed by ongoing funding constraints. For example, as a result of funding reductions, we have implemented RIF's in FY 2005, FY 2006 and FY 2007, which have greatly reduced the work force.

### **III. BSC Cost Savings Initiatives**

The following are 2007 Six Sigma project improvement projects (PIPs) that resulted in reduced support costs for fiscal year 2007. The savings are estimated and will be validated in FY2008, when the impact of process changes can be fully ascertained.

#### **BNI-ENG-06-000009, Subsurface Waste Package Prototyping Optimization - Estimated 2007 Savings \$1,638,000**

Recent changes in the project's design have resulted in the number of waste package configurations being reduced from 10 to 6. This presents a 40 % reduction in waste package configuration. In order to determine the minimum number of prototypes that could be made, as well as drip shields and pallets, a one-on analysis was performed. The limiting requirement was that of demonstrating repeatability and reproducibility, which required at least two prototypes and two vendors. The result is that there needed to be six prototypes to adequately meet all requirements.

#### **YB-RPM-07-001, Subsurface Mechanical Handling Transport Locomotive - Estimated 2007 Savings \$641,085**

The transport locomotive is used to move the waste package transporter and any other rail-based support equipment utilized by the emplacement and retrieval system. The design enhancement activities include: investigation into alternative equipment, investigation into alternative technologies, investigation of enhancements to the conceptual design, and investigation into the operational functions. New design and improved implementation has resulted in the savings of \$641,085 in FY 2007.

## **DISCUSSION OF MAJOR TRENDS AND CHANGES FROM PRIOR YEAR TRENDS**

### **EXECUTIVE DIRECTION**

DOE Support Activities have been added to this code

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**SITE PROFILE**  
**Yucca Mountain/Bechtel-SAIC**

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**HUMAN RESOURCES**

Site training has been added to this code

**LEGAL**

Legacy litigation from prior years was paid in FY06

**INFORMATION SERVICES**

Reduction in Budget of 23%

**OTHER**

FY06 RIF was much larger than FY07

**ENVIRONMENTAL**

Reduction in Budget of 23%

**SAFETY AND HEALTH**

Reduction in Budget of 23%

**MAINTENANCE**

Management to Maintenance - change in handling of maintenance calls

**UTILITIES**

Increase in rates and usage

**LOGISTICS SUPPORT**

Work pushed into FY08

**QUALITY ASSURANCE**

Reduction in Budget of 23%

**LABORATORY/TECHNICAL SUPPORT**

This work is now being performed by Sandia National Lab

**MANAGEMENT/INCENTIVE FEE**

In FY06 30% of provisional fee was paid back from April 2001 - September 2003

**TAXES**

Overpayment made in FY06 reduced cost in FY07

**CAPITAL CONSTRUCTION**

They are not in a stage where they are purchasing capital equipment this year

**SITE PROFILE**  
**Yucca Mountain/Bechtel-SAIC**

**COST SAVINGS INITIATIVES**  
(\$ in 000's)

INITIATIVE TITLE	AMOUNT SAVED PER YEAR (\$ in 000's)	DESCRIPTION OF EFFORT	POINT OF CONTACT
Subsurface Waste Package Prototyping Optimization	1,638	<p>The following are 2007 Six Sigma project improvement projects (PIPs) that resulted in reduced support costs for fiscal year 2007. The savings are estimated and will be validated in FY2008, when the impact of process changes can be fully ascertained.</p> <p>BNI-ENG-06-000009, Subsurface Waste Package Prototyping Optimization - Estimated 2007 Savings \$1,638,000</p> <p>Recent changes in the project's design have resulted in the number of waste package configurations being reduced from 10 to 6. This presents a 40 % reduction in waste package configuration. In order to determine the minimum number of prototypes that could be made, as well as drip shields and pallets, a one-on analysis was performed. The limiting requirement was that of demonstrating repeatability and reproducibility, which required at least two prototypes and two vendors. The result is that there needed to be six prototypes to adequately meet all requirements.</p>	Rebecca Youngbar

**SITE PROFILE**  
**Yucca Mountain/Bechtel-SAIC**

<p>Subsurface  Mechanical  Handling Transport  Locomotiv</p>	<p>641</p>	<p>The following are 2007 Six Sigma project improvement projects (PIPs) that resulted in reduced support costs for fiscal year 2007. The savings are estimated and will be validated in FY2008, when the impact of process changes can be fully ascertained.</p> <p>YB-RPM-07-001, Subsurface Mechanical Handling Transport Locomotive - Estimated 2007 Savings \$641,085</p> <p>The transport locomotive is used to move the waste package transporter and any other rail-based support equipment utilized by the emplacement and retrieval system. The design enhancement activities include: investigation into alternative equipment, investigation into alternative technologies, investigation of enhancements to the conceptual design, and investigation into the operational functions. New design and improved implementation has resulted in the savings of \$641,085 in FY 2007.</p>	<p>Rebecca  Youngbar</p>
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# U.S. DEPARTMENT OF ENERGY

## APPENDIX A - ALL 29 SUBMITTING SITES & CONTRACTORS

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

*\* These sites are not reflected in the EM/NNSA/SC cost roll-up summaries.*

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