



May 20, 2009

Ms. Peggy Davis  
Chief Financial Officer  
Savannah River Nuclear Solutions, LLC  
Savannah River Site  
Building 730-1B  
Aiken, SC 29808

Dear Ms Davis:

**FY 2008 Support Cost By Functional Activity Report (SCFAR) Peer Review - Savannah River Nuclear Solutions**

We have reviewed the FY 2008 Support Cost by Functional Activity Report (SCFAR) of Savannah River Nuclear Solutions (SRNS). The purpose of the review was to confirm that the data reported by SRNS complied with the guidelines and definitions issued by the United States Department of Energy (DOE) and to fulfill a DOE-HQ requirement to have all of the reporting sites independently reviewed by a SCFAR Peer Review Team on a periodic basis.

SRNS FY 2008 Support Cost By Functional Activity Report Process:

SRNS assures correlation between internal financial data and SCFAR data utilizing its Integrated Budget, Accounting and Reporting System (IBARS). SRNS queries IBARS for organizational cost element detail and removes the distributed cost elements to avoid reporting pool costs. The result of the query is prime organization costs that are then sorted by SRNS business unit. Each organization reviews the data and groups its costs into appropriate functional categories.

Wackenhut Services Incorporated (WSI) data is prepared using their organization codes to map to SCFAR categories. The majority of costs are in the Safeguards and Securities category; but some allocating by FTEs is done to provide a more accurate estimate of costs in the other various support categories.

Implementation of Recommendations from previous SCFAR Peer Review

The recommendations from the last SCFAR Peer Review (June 9, 2005) for FY 2004 have been implemented.

Items identified during the FY 2008 Peer Review:

1. SRNL L4200 in Program/Project Planning & Control contains \$609K of Tech Transfer & Business Integration cost

Team Recommendation: Review the above item and make any appropriate functional cost category changes.

Site Response: SRNS agrees with the team's recommendation

2. GA\_ESS A1221 in Other contains \$167K of Inventory Write-off General Ledger Acct cost.

Team Recommendation: Move to Logistics Support

Site Response: SRNS agrees with the team's recommendation

3. LWO WWA331/WWA331A/WWA331B in Mission Direct contains \$1,050K, \$667K and \$649K of Maint Planning and Integration, Lead E&I Planners, and Lead Mechanical Planners costs, respectively.

Team Recommendation: Move to appropriate support categories

Site Response: SRNS agrees with the team's recommendation

4. The team found Maintenance costs spread across numerous categories \$5,484K. Please see attached Maintenance schedule.

Team Recommendation: Review the schedule items and make any appropriate functional cost category changes.

Site Response: SRNS agrees with the team's recommendation

5. LWO WWJ720 in Mission Direct contains \$1,104K of Nuclear Safety costs

Team Recommendation: Move to Safety and Health

Site Response: SRNS agrees with the team's recommendation

6. The team found various costs in the Mission Direct category that appear to be Support costs. Please see attached Mission Direct schedule.

Team Recommendation: Review the schedule items and make any appropriate functional cost category changes.

Site Response: SRNS agrees with the team's recommendation

7. M&O XC42120A in Mission Direct had \$319K in SW-Maintenance FM cost.

Team Recommendation: Move to Maintenance.

Site Response: SRNS agrees with the team's recommendation

8. Wackenhut categorized \$21,991K into non-Safeguards & Security functional cost categories.

Team Recommendation: Move entire Wackenhut costs to Safeguards & Security.

Site Response: SRNS agrees with the team's recommendation

Accuracy Assessment

The Peer Review Team has concluded that Savannah River Nuclear Solutions has met the intent of the SCFAR guidelines and definitions and has achieved a level of accuracy at or above 90%.

We would like to thank Tom Houston for his help and support.

Keith Barney  
Keith Barney, Peer Review Team Lead  
Idaho National Laboratory, INL

5/20/09  
Date

William C. Hudson, Jr.  
William C. Hudson, Jr., Peer Review Team Member  
Y-12 National Security Complex, B&W Y-12

5/20/09  
Date

Michael Jensen  
Michael Jensen, Peer Review Team Member  
Lawrence Livermore National Laboratory, LLNL

5/20/09  
Date

Harry Herrmann For Peggy Davis  
Peggy Davis, Chief Financial Officer  
Savannah River Nuclear Solutions, LLC

5-20-09  
Date

Cc: O. Barwell, DOE-HQ  
M. Conger, FMSIC Chairman  
B. Morishita, FMSIC Executive Director  
Tommy Houston, SRNS  
Harry Herrmann, SRNS  
Walter Wilson, SRNS  
Doug Hathaway, WSRC  
Keith Barney, Peer Review Team Lead, INL  
W. Hudson, Peer Review Team Member, B&W Y-12;  
M. Jensen, Peer Review Team Member, LLNL

## FY08 SRS Functional Support Cost Peer Review Questions

FC Div/BU	Org	Organization Code Description	FY08 Actual \$000s	FS Categories
<b>Maintenance</b>				
M&O	XA6200	FIN TEAM/233/232 MAINTENANCE	1,520.69	Mission Direct M&O
LWO	WWA331	MAINT PLANNING AND INTEGRATION	1,049.98	Mission Direct LW
FSSB	Y3G450	ENGINEERING & MAINTENANCE SYS	910.92	Information Services
LWO	WWL623	MAINTENANCE/SS/ETP/PROCEDURES	767.75	Mission Direct LW
M&O	XA6900	TEF MAINTENANCE	431.75	Mission Direct M&O
M&O	XA6000	DP MAINTENANCE	322.57	Mission Direct M&O
M&O	XA6100	MAINTENANCE ENGINEERING_ & TECH	314.52	Mission Direct M&O
LWO	WWC133C	FTF SHIFT 30 MAINTENANCE	166.16	Safety & Health
		<b>Total</b>	<b>5,484.34</b>	
 <b>Mission Direct</b>				
M&O	XA2300	SURVEILLANCE OPERATIONS	1,087.07	Why M&O Mission Direct?
M&O	XA9999	PDRD ALLOCATION	393.84	Why M&O Mission Direct?
M&O	XC43200	SAFETY & HEALTH	2.25	Why M&O Mission Direct?
M&O	XC43220	SGCP SAFETY & HEALTH	499.45	Why M&O Mission Direct?
M&O	XC43300	RADCON MANAGER	364.46	Why M&O Mission Direct?
M&O	XC44002	SGCP-FINANCIAL CONTROL & ANAL	180.31	Why M&O Mission Direct?
M&O	XC44200	SWM PROGRAM INTEGRATION	50.65	Why M&O Mission Direct?
M&O	XC44210	SWM-PROGRAM CONTROLS	104.67	Why M&O Mission Direct?
M&O	XC44211	SW - PROGRAM CONTROLS LEAD	244.97	Why M&O Mission Direct?
M&O	XC44212	SW - SCHEDULING LEAD	109.69	Why M&O Mission Direct?
M&O	XC44300	SGCP - PROJECT CONTROL	1,475.38	Why M&O Mission Direct?
M&O	XR2165	PECMC OPERATIONS	486.32	Why M&O Mission Direct?
M&O	XR3132	ELECTRONIC/CALIBRATION SHOPS	352.71	Why M&O Mission Direct?
M&O	XRFUEL	SITE FUEL	1,379.82	Why M&O Mission Direct?
M&O	XT2220	FACILITIES SUPPORT	807.93	Why M&O Mission Direct?
M&O	XT2410	FACILITY SUPPORT	553.17	Why M&O Mission Direct?
M&O	XT2412B	SHIPPING	427.31	Why M&O Mission Direct?
M&O	XT3211A	FACILITY OPS	884.13	Why M&O Mission Direct?
M&O	XVP2210	BUILDING/AUXILLARY SYSTEMS	354.24	Why M&O Mission Direct?
M&O	XA4200	INFORMATION SERVICES	1,416.84	Why M&O Safety & Health?
SRNL	LQ000	QUALITY ASSURANCE	7.71	Why Mission Direct - SRNL?
SRNL	LQ010	STANDARDS LABORATORY - QA	1,043.04	Why Mission Direct - SRNL?
SRNL	LQ010B	STANDARDS LAB - CREW	695.94	Why Mission Direct - SRNL?
SRNL	LQ030	QUALITY ENGINEERING	1,462.46	Why Mission Direct - SRNL?
		<b>Total</b>	<b>14,384.39</b>	