



June 5, 2009

Mr. Steve Zevanove
Lawrence Livermore National Laboratory
7000 East Avenue
L-435
Livermore, CA 94550

Dear Mr. Zevanove:

FY 2008 SUPPORT COST BY FUNCTIONAL ACTIVITY REPORT (SCFAR) PEER REVIEW – LAWRENCE LIVERMORE NATIONAL LABORATORY

We have reviewed the Support Cost by Functional Activity Report (SCFAR) of Lawrence Livermore National Laboratory (LLNL) for FY 2008. The purpose of the review was to confirm that the data reported by LLNL 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.

LLNL FY 2008 Support Cost by Functional Activity Report Process

The methodology used by LLNL in preparing the FY 2008 SCFAR was first to identify all mission support raw cost that has been directly assigned to each category. LLNL then reviews the mission direct categories to identify mission support cost and cost accounts within the mission direct categories that require reclassification for SCFAR reporting purposes. Following this the remaining costs are reported as mission direct.

Recommendations during the last SCFAR Peer Review (04/20/2005) for FY 2004 have been verified as implemented.

Items Identified During the Peer Review:

1. 1.02 MAINTENANCE - \$568K is reported under Mission Direct.

Team Recommendation: Move to Maintenance.

Site Response: LLNL agrees with this recommendation and will make the change in its next submission.

2. Contract Management Office – \$832K is reported under Executive Direction.

Team Recommendation: Move to Procurement.

Site Response: LLNL would like to confirm the intent of the guidance with FMSIC before acting on this recommendation, since the prime contract office is not a part of the procurement or supply chain functions.

3. NEW HIRE RELOCATION - \$2,486K is reported under Mission Direct as well as many of the Mission Support categories.

Team Recommendation: Move to Human Resources.

Site Response: LLNL agrees with this recommendation and will make the change in its next submission.

4. Facilities and Infrastructure - \$1,589K is reported under Mission Direct.

Team Recommendation: Move to Facilities Management.

Site Response: LLNL tentatively agrees with this recommendation and will make the change in its next submission provided further review does not reveal a compelling reason not to.

5. Radiological Assistance Program – \$562K is reported under Mission Direct.

Team Recommendation: Move to Safety and Health.

Site Response: LLNL tentatively agrees with this recommendation and will make the change in its next submission provided further review does not reveal a compelling reason not to.

6. FLEET MGMT COST – \$2,490K is reported under many Mission Support categories.

Team Recommendation: Move to Logistics Support.

Site Response: LLNL agrees with this recommendation and will make the change in its next submission.

7. SALVAGE CREDITS - \$699K are reported under Mission Direct.

Team Recommendation: Exclude this credit.

Site Response: LLNL agrees with this recommendation and will make the change in its next submission.

8. NON REIMBURSABLE OFFSET – \$3,514K (Credit) is reported under Mission Direct.

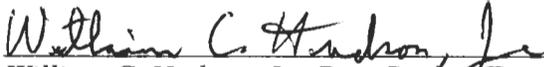
Team Recommendation: Further review to confirm that these credits are categorized appropriately since there was not time to make this assessment within the time allotted for the review.

Site Response: LLNL agrees to take appropriate action based on the results of their review.

Accuracy Assessment

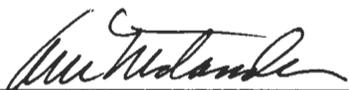
The SCFAR Peer Review Team has concluded that LLNL has met the intent of the SCFAR guidelines and definitions and has achieved a level of accuracy at or above 90%.

We would like to thank Mr. Mike Jensen and Ms. Vicki Bender for their exceptional effort and support in assisting the Peer Review Team with this review.



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

6/5/09
Date



Ann Nestander, Peer Review Team Member
Fermi National Accelerator Laboratory, FNAL

6-5-09
Date



Steve Zevanove, Budget Officer
Lawrence Livermore National Laboratory, LLNL

6-5-09
Date

Cc: O. Barwell, DOE-HQ
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