

SECTION J

APPENDIX M

U. S. DEPARTMENT OF ENERGY FUNCTIONAL ACTIVITY DEFINITIONS

Support Cost by Functional Activity (SCFA) Report Introduction

Prior to fiscal year 1997, Department-wide support cost data showing the nature of, amount of, and trends in these costs were not available. Recognizing the importance of managing these costs, and receiving requests from Congress and the GAO, the Department's Chief Financial Officer implemented the SCFA System. In implementing the SCFA to track support-related costs, the Chief Financial Officer developed consistent functions for 22 specific cost categories—such as facility management, safeguards and security, and site maintenance—that contractors use in reporting their support-related costs. These 22 specific categories fall into three broad categories: general support, mission support, and site specific support. The remaining cost incurred by the Department represents direct mission activity, as well as capital equipment and construction costs.

The SCFA Report began as a way to identify the cost of the Department's support programs and the trends in those costs. The data reflected in the reports is obtained each year by analyzing information contained in the Contractors' financial management systems and apportioning costs to the functional categories on a prime cost basis (i.e., prior to any cost distribution) and, by definition may include both direct and indirect costs in any of the categories. The definitions are provided below.

General Terms

1. *Capital/construction - Prime capital and construction cost related to Line Items, Capital Equipment and General Plant Projects (GPP). This includes the cost of Institutional General Plant Projects and Capital Equipment that are paid for with indirect funds (IGPP/IGPE). All identifiable support cost should be included in the appropriate general support, mission support or site specific categories.
2. *Functional Support Cost: The Department's major sites are funded from multiple appropriations and programs. These appropriations and programs represent the Department's missions as defined by Congress. There are many activities necessary that provide support to carry out these core missions. The cost of these activities is assigned to programs either directly or indirectly. Once charged or assigned they are usually absorbed into the cost of the mission activity and are not uniquely identified in the financial systems. Functional Support cost is intended to capture these costs at their point of origin, prior to any distributions, and provide visibility for management.

For reported Functional Support Cost purposes the Department has defined the following categories and subcategories:

- General Support: Executive Direction, Human Resources, CFO, Procurement, Legal, Central Administrative Services, Program/Project Planning & Control, Information Outreach, Information Services and Other.
- Mission Support: Environmental, Safety and Health; Facilities Management; Maintenance; Utilities; Safeguards and Security; Logistic Support; Quality Assurance; and Laboratory/Technical Support
- Site-Specific: Management/Award Fee/Incentive Fee, Taxes and LDRD/PDRD/SDRD.

Functional support cost attributes:

- Determined in accordance with these definitions.
 - Determined without regard to funding source.
 - Determined without regard to Cost Accounting Standards (CAS) classification of indirect or direct. May be defined as indirect or direct in CAS Disclosure Statement.
 - Determined prior to overhead distributions so costs are prime (direct labor, direct material and other direct costs).
 - Costs are usually assigned to more than one program.
 - Represent activities necessary to complete mission, but are not mission activities.
 - Crosscuts costs by programmatic budget reporting classification as recorded in DOE financial systems. Functional Support cost and Mission Direct cost together at each site should equal the Contractor's total cost. However, there are some sites that combine two Contractors' costs into one report (such as the inclusion of a security Contract), or sites where DOE pays the security costs but has the prime Contractor included it in their functional cost report. In these cases the reported costs will be higher. All Functional Support and Mission Direct costs together should equal the total DOE Contractor cost with those exceptions.
 - Includes the cost of work performed for and charged to other DOE sites. In other words, the performing site includes the cost of doing the work for other DOE sites in their functional cost report. The site having the work done does not include the cost.
3. General Support: Represents cost categories which would exist regardless of the specific mission.

4. *Mission Direct: For purposes of reporting, Mission Direct cost is all the costs that do not meet any of the “support” definitions provided in this guidance. These are generally prime costs (direct labor, direct material and other direct costs) incurred to directly accomplish the Department's mission. These represent activities that may be funded directly or indirectly.
5. Mission Support: Represents support cost categories that exist solely due to the unique mission being accomplished.
6. Site Specific: Represents cost categories not defined as general support, mission support or construction.
7. *Support Cost By Functional Activity (SCFA) System: This system is used to collect and report Functional Support Cost.
8. Total Cost: Includes Mission Direct, Construction and Functional Support Costs and is equal to total program costs.

All 22 Support Cost Categories

General Support

1. Executive Direction - Includes costs normally associated with the executive level of management. Examples of activities in this account may be the Laboratory Director, President and other top level management and immediate staff (Secretary, Special Assistants, etc.), Science Advisors and Deputy Directors, Vice Presidents, etc. This category also includes Total Quality Management (TQM) type activities, such as the development and administration of Total Quality Improvement Plans, cost savings and reengineering programs administration, etc.; and institutional/strategic planning, including development and control, and any site specific development. All other management/supervisor activities, including related incidental costs, should be reported in the appropriate support/mission category.
2. Human Resources - Includes costs associated with recruiting, wage and salary administration, equal employment opportunity and diversity activities, benefits administration, employee concerns programs, central training development services (job specific training development curriculum should be included in the specific category to which it applies), industrial relations, personnel records, employee claims, adjudications, grievances, arbitration, educational programs providing for undergraduate and graduate course work and other personnel services.
3. Chief Financial Officer - Includes costs associated with activities of a financial nature, such as general accounting, payroll, travel accounting, funds control, cost accounting, financial systems management and non-project/program specific budget coordination and control, such as indirects and internal audit.
4. Procurement - Includes costs associated with activities related to make/buy decisions, contracting, purchasing, contract administration (including prime) and acquisition of resources to conduct activities, as well as to conduct audit and cost/price analysis activities.
5. Legal - Includes costs associated with legal counsel support and litigation support. Includes outside legal support and ethics functions.
6. *Central Administrative Services – Includes costs associated with travel reservation support, food service, printing, and graphic support services including cost-per-copy contracts (convenience copiers), records management, and all library-related activities. Also includes clerical support pool costs, but does not include the cost of secretarial and clerical positions that are permanent in nature and directly support another category or mission direct. These should be included in the respective category (or mission direct) they support, even if they are considered in a secretarial or clerical pool.

7. *Program/Project Planning & Control - Includes cost associated with support and execution of program/project budgeting, funding requests, baseline control and preparation (including planning, scheduling, coordination, change control, cost estimating, and program specific reporting and analysis). Also includes master scheduling, project management system administration, and baseline pricing and validation efforts. This category does not include actual program/project management functions. This type of cost should be reported in the specific mission or support categories it is related to.
8. *Information/Outreach Activities - Cost associated with media communication, public relations, technology transfer, business development, technical information management, educational programs, employee outreach program, stakeholder-related outreach, activities contributing to the development of the local/regional economy, and other information or outreach activities such as HBCU (Historically Black Colleges and Universities) and other University-related activities, including stakeholder agencies and Washington, D.C., liaison activities. This category includes:

Information Outreach Activities:

Public Relations/Information – includes all cost associated with activities which provide non-technical information about the M&O Contractor and its activities to the general public, news media, etc.

Technology Transfer/Business Development – Includes all cost associated with activities that encourage the further development of promising technologies; disseminate information to appropriate researchers, organizations, industry, Governmental bodies and other institutions; and other activities that assist in affecting the introduction of technologies into the marketplace.

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

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

Other Information Outreach Activities – Includes all cost associated with other outreach activities that are not defined above.

Stakeholder-Related Outreach – Community relations and education programs to promote enhanced understanding of the site by local and State stakeholders.

9. Information Services - Costs associated with Automated Data Processing (ADP) services (central computer facilities and service organizations including business and scientific), communications (mail, both electronic and hard copy including postage, subcontracted delivery services, etc.), networking (groups of computers that communicate with each other,

share peripherals and access remote hosts or other networks) and telecommunications services (communication by electronic submission of impulses over telephone/optic lines including cell phones). Includes pagers and related systems, but not the maintenance of these systems. Also includes computer leases. Does not include computer bill-out rates in any other functional category. This category includes systems analysts/programmers; however, specific systems management and administrative costs for various business and scientific systems should be included in their respective functional categories. (Note: Dedicated scientific activities, experiments, analysis, etc., should be included in the appropriate category. Also computer hardware maintenance activities are to be reported within the maintenance category.)

10. Other - Cost which is not identified in another functional cost category. This includes legal settlements (excluding attorney fees), workforce restructuring activities (severance, benefits and outplacement services), general company liability insurance expenditures, contractor transition cost and legacy workers' compensation cost. Specifically identify significant cost activities and provide footnotes.

Mission Support

11. *Environmental - (Note: only the "Permitting" section of this definition changed.) Includes costs associated with the development, implementation and maintenance of effluent controls, environmental monitoring and surveillance, permitting, auditing and evaluation to assure environmental compliance and pollution prevention. These activities, performed on a routine basis, are necessary to maintain compliance with Federal, State and local regulations, as well as applicable DOE Orders and directives. This category does not include actual waste storage or cleanup activities. The category includes:
- Effluent and Environmental Monitoring and Surveillance - Monitoring activities include data base monitoring as required by DOE directive or compliance monitoring as required by the environmental regulatory authorities, such as air and water monitoring. (Note: Actual sample analysis should be included in Laboratory Support or Other Technical Support Activities.)
 - Permitting - Includes activities involved in the preparation, certification and maintenance of environmental permits and permit applications. Also includes those activities involved in reporting the results of environmental monitoring, analysis and evaluation. These activities are necessary to obtain permits from regulatory agencies regarding plant releases, discharges and/or material storage. (Note: Environmental Impact Statement costs and related activities are to be included in the appropriate category they support.)

- Auditing and Evaluation - These audits are done as a routine mechanism to ensure environmental compliance with internal and external directives, including the National Environmental Policy Act (NEPA). Encompasses costs associated with implementation of the Environmental, Safety and Health Compliance Assessment activities (such as related "Tiger Team" activities). Also includes the development of performance objectives and environmental auditing procedures.
 - Non-Environmental Management Waste Management - The Non-EM Waste Management functional area includes those activities addressing the treatment, storage and disposal of wastes. Activities include characterization and certification of waste to ensure its proper treatment or disposal; waste handling and temporary storage activities, such as operation of 90-day satellite accumulation areas for the storage of hazardous waste; operation and management of all waste treatment and disposal systems; and final disposal of all wastes.
12. *Safety & Health - Costs associated with safety and health programs, such as emergency preparedness, fire protection, industrial hygiene, industrial safety, occupational medical services, nuclear safety, work smart programs, radiation protection, transportation safety (does not include traffic management functions – include this item in logistics) and management oversight. This category excludes remediation which is included in mission direct. Further definitions are as follows:
- Emergency Preparedness – Emergency Preparedness includes all those activities that are intended to provide personnel with a special capability to respond to incidents and accidents, excluding fire protection activities described in the next section. Activities in this area include maintenance inspection of emergency facilities and equipment; emergency response team; personnel training; developing and implementing drills and exercises; purchase of self help supplies; maintaining and updating emergency management and self-help plans based on site specific safety analyses; coordination with State and local authorities and Federal Agencies. This area excludes plant and equipment that are part of safety systems relied upon to prevent or mitigate accidents (HVAC process monitors, facility egress signs and equipment, etc.), as they are addressed in Industrial Safety or Nuclear Safety.
 - Fire Protection – Fire Protection includes all those activities that are intended to prevent, detect, alert and suppress fires. Activities in this area include inspection and testing of fire prevention, detection (e.g., alarm systems) and suppression systems; fire fighting and emergency response, loss prevention; operation of ambulances and fire fighting equipment; testing and inspection of fire protection equipment and alarm systems; flammable and explosive material control; Federal, state and local certification and training, such as the National Fire Protection Association certification; review of

construction and design plans for fire hazards; dispatch centers and mutual aid agreements with local authorities. This area excludes those fire protection activities and/or systems that are solely for the benefit or protection of nuclear systems, storage areas and/or processes (e.g., glove box inerting systems). These excluded activities are to be included in Nuclear Safety.

- **Industrial Hygiene (IH)** – Industrial Hygiene includes all those activities that are intended to provide protection to workers from physical and chemical hazards. IH is concerned with recognizing, evaluating and controlling hazards for solvents, carcinogens, non-ionizing radiation, asbestos, beryllium, heat stress, noise and ventilation systems. Activities in this area include interpreting regulations and policy, developing engineering and administrative controls, performing inspections and assessments, sharing best practices and lessons learned, reengineering tasks, identifying hazardous materials (but not removal of), and written and verbal communication of real and perceived hazards. Include radiological and nonradiological laundry services. Exclude medical surveillance and employee medical records, which are covered in Occupational Medical Services. Exclude exposure of workers to radioactivity which is covered in Radiation Protection (note that non-ionizing radiation is included).
- **Industrial Safety (IS)** – Industrial Safety includes all those activities that are intended for the protection of workers from physical trauma in the areas of electrical safety; laser protection; ergonomics; machinery and machine guarding; personnel protection from slips, trips and falls; compressed gas and pressure system safety; hoisting, rigging and material handling; lockout/tag-out; confined space controls; platform man-lift and scaffolding usage; safe surfaces for walling and working; cutting, welding and boring safety; hand and portable power tool safety; explosives and hazardous material handling, storage and use; construction safety; firearms safety; and facility egress. Activities in this area include interpreting regulations and policy, developing engineering and administrative controls, performing inspections and assessments, sharing best practices and lessons learned, and conducting accident investigations. Include Personnel Protection Equipment (PPE) such as hard hats, gloves, safety glasses, safety shoes, noise protection and respirators. Include the purchase and installation of physical plant and equipment that are part of industrial safety systems relied upon to prevent or mitigate accidents (e.g., HVAC process monitors, facility egress signs and equipment, etc.)
- **Occupational Medical Services** – Occupational Medical Services includes all those activities that are intended to ensure that workers are physically and psychologically capable of performing their assigned work duties and protected from hazards that may result in adverse health effects. Activities in this area include providing a comprehensive occupational medical program, including employee health examinations for pre-

placement and qualification, periodic, return to work, fitness for duty and termination examinations; eye examinations; diagnosis and treatment of occupational illnesses and injuries; employee health counseling (employee assistance program and wellness); maintenance of medical records; emergency medical treatment and triage; specialized medical equipment; and immunization programs.

- Nuclear Safety – Nuclear Safety includes activities that are intended to maintain criticality safety and nuclear operations safety. Activities in this area include control of systems and parameters within sub critical limits, and use of systems, procedure, equipment, analyses, programs, and personnel to ensure safe nuclear reactor and nuclear non-reactor operations. Include fire protection activities and/or systems that are solely for the benefit or protection of nuclear systems, storage areas and/or processes (e.g., glove box inerting systems).
- Radiation Protection – Radiation Protection includes all those activities that are intended to control exposures of workers and the public to radioactivity. Activities in this area include interpreting regulations and policy; developing engineering and administrative controls and procedures; performing inspections and assessments; sharing best practices and lessons learned; conducting event investigations; personnel dosimetry; bioassay and ALARA (As Low As Reasonably Achievable) programs; creating and maintaining radiation exposure records; and responding to exposure of workers to radioactive contamination. Also includes verifying effectiveness of engineered controls, such as control equipment for radiation sources; interlocks, instrumentation, and shielding for radiation-generating devices; control of paths for inhalation or ingestion of radiation; equipment used to minimize or mitigate external exposure; fixed and portable instrumentation for radiation detection and measurement; and contamination control.
- Transportation Safety – Transportation Safety includes all those activities that are intended to ensure safe packaging and transportation. Activities in this area include packaging certification; coordination of intra-building and on-site movements and transfers; off-site and international shipments; transportation (including marking and labeling) of material; maintenance inspection of transportation equipment; testing and technology of transportation operators; aviation safety; motor vehicle safety; water craft safety; and rail safety.
- Management and Oversight – Management and Oversight includes all those activities that are intended to coordinate, direct, integrate and control Safety and Health (S&H) activities across multiple areas. Activities in this area include S&H documentation and document control activities; configuration management; providing training, S&H performance trending, analyses and lessons learned feedback; corrective action tracking;

S&H self-assessment activities; dedicated internal S&H personnel; coordination and communication with DOE, State and local authorities; internal audits and surveillance; external S&H program reviews; operational readiness reviews; and performance and documentation of comprehensive safety analyses. Nuclear safety analyses are included in Nuclear Safety. Program elements such as quality assurance, management systems, oversight and physical infrastructure are inherent to all areas and are intended to be accounted for in the specific areas.

13. *Facilities Management - Cost associated with efforts that either create or improve property plant and equipment, and do not meet the capitalization criteria; or support activities that create or improve property, plant and equipment. Facilities management activities add to existing property, plant and equipment or extend the life of existing property, plant and equipment. This is distinct from maintenance activities. Maintenance activities only sustain existing property, plant and equipment in a usable condition and do not result in increasing capabilities of existing property, plant or equipment. Examples of activities in this category are: facilities remodeling, facilities utilization analysis, modification and upgrade analysis, facilities planning and condition determinations, and lease and rental of real property. Rents and leases of other than real property are included in the appropriate category. Facilities Management includes engineering activities such as HVAC systems, electrical mechanical activities, and repair and maintenance analysis if they extend the current useful life or result in improvements beyond existing capabilities.
14. *Maintenance - Includes the cost of actual work incurred to sustain or continue the functionality of property, plant and equipment. It includes all phases of maintenance: preventive maintenance, predictive maintenance and corrective maintenance. This category includes all maintenance activities regardless of source of funds. (Note: All maintenance is included even though it is recognized these costs are incurred in support of other support and mission categories.) Maintenance activities include:
- Preventive Maintenance - includes all those systematically planned and scheduled actions performed for the purpose of preventing equipment, system or facility failure.
 - Predictive Maintenance - includes actions necessary to monitor, find trends and analyze parameters associated with equipment, systems or facilities that are indicative of decreasing performance or impending failure.
 - Corrective Maintenance - The repair of failed or malfunctioning equipment, system or facility to restore the intended function or design condition. This maintenance does not result in significant extension of expected useful life. Includes asbestos removal and

material replacement.

- Facilities Maintenance – Cost to perform activities that sustain or continue existing functionality of real property. These are not activities that increase functionality or extend useful life. Costs that increase functionality or that extends useful life are treated in accordance with the capital assets accounting requirements. Maintenance functions include supervision, planning and scheduling, and storage and staging of materials and supplies. All phases of maintenance are included: preventive, predictive and corrective maintenance. Major functions also included in this category are the cost of janitorial services, pest control and other services to keep these facilities usable.
- General Maintenance – Costs to perform activities that sustain or continue existing functionality of all other property and equipment not included in facilities maintenance. These are not activities that increase functionality or extend useful life. Costs that increase functionality or that extends useful life are treated in accordance with the capital assets accounting requirements. Examples of functions included in this category are: maintenance on production and process equipment/machines; computer hardware and network maintenance; maintenance of roads and grounds; maintenance of utilities; calibration, care, repair and storage of equipment used in monitoring, or the actual performance of, maintenance work; and planning and scheduling, and storage and staging of materials and supplies.

15. Utilities - Costs include utility-related engineering associated with labor, operating plants and equipment, contract services for fuel, water treatment chemicals, or support needed to provide electric power, heat, steam, chilled water, potable water, process gases and sanitary waste disposal to support business and research. This element includes all costs associated with contract services in support of utilities, such as fuel, water treatment chemicals and control systems (also include energy management related activities). Utilities include:

- Central Steam Facility - Includes the fuel handling and storage facilities, all assigned personnel and the main steam distribution system.
- Central Chilled Water Facility - Includes all assigned personnel and the main chilled water distribution system.
- Water Supply System - Includes wells, treatment facilities, storage tanks, the main distribution system and all assigned personnel.
- Sanitary Waste Disposal System - Includes the main collection system, refuse collection (internal as well as contracted services), treatment facilities and all assigned personnel.

- Electrical Power - Distribution system including main substations and high-voltage distribution systems, and all assigned personnel, as well as all electricity purchases.

16. Safeguards and Security – Includes all costs associated with the development and implementation of a Safeguards and Security Program to protect nuclear materials, nuclear weapons, classified information and Government property from theft, sabotage, espionage, or other acts that may cause adverse impacts on national security or to the health and safety of the public and employees. Specifically includes the following:

- Program Direction - Includes all persons and operating costs for program management; vulnerability assessment; safeguards and security alarming process; professional development and training; inspections, surveys, assessments, facility approval (including Foreign Ownership, Control or Influence), tests and evaluations; policy oversight and administration and technology development oversight and program management, associated with the Safeguards and Security Program.
- Protective Forces - Includes all personnel and operating costs associated with Protective Forces. This includes such things as salaries, overtime, benefits, travel, materials and supplies, uniforms, equipment, facilities, vehicles, helicopters, training, communications, federal and contractor management and oversight of protective forces.
- Physical Security Protection Systems - Includes all personnel and operating costs associated with designing, installing, performance testing, contraband detection, alarm communications and control, intrusion detection and assessment, barriers and access denial, entry and egress control, and vital components tampering and monitoring.
- Transportation - All security-related transportation costs for transport of special nuclear materials, weapons and other classified material. Includes such costs as personnel, equipment, facilities security upgrades to vehicles and communications. Transportation costs associated with off-site shipment of wastes should be included in the Mission Category.
- Information Security - Includes all personnel and operating costs associated with classified documents and material, classification, unclassified controlled nuclear information, security infractions, computer security, technical surveillance countermeasures and operations security.
- Material Control and Accountability (MC&A) - Includes all personnel and operating costs associated with control and accountability of special nuclear materials (SNM), nuclear weapons, test devices and weapons components. Includes MC&A access areas, surveillance, containment, detection, assessment, testing, transfers, verifications and

measurements, inventories, reconciliation and statistical analyses.

- Research & Development - Includes all personnel and operating costs associated with research and development of physical security, information security, personnel security, material control and accountability, integrated systems, vulnerability assessment methods, technology application and tests and technology transfer to users or potential vendors.
- Personnel Security - Includes initial investigations, reinvestigations, adjudication, security education, personnel security assurance program, visitor control, national agency checks and administrative review activities.
- Cyber Security - Includes management of unclassified and classified data, information technology security assets, cyber information systems, including information technical utilities which include grid research, threat assessments, wireless networks, performance measures, risk management, configuration management, certification/accreditation, training, network monitoring and intrusion detection systems.

17. Logistics Support - Costs associated with shipping, receiving, transportation (excluding maintenance which is included in the Maintenance category), warehousing, motor pools, office equipment pools, property management and excessing activities; routine inventory write-offs and other logistic support activities. (Note: Final disposal costs for radiological/hazardous waste shipments are a Mission Direct cost.)
18. Quality Assurance - Costs associated with all quality assurance, reliability and regulatory activities. Included in this category are costs for quality engineering and inspection services, quality assurance audits, occurrence reporting (such as the Occurrence Reporting and Processing System), development of quality program plans, operational readiness review coordination and other activities related to ensuring the quality assurance of site operations and facilities. This does not include costs incurred for weapons stockpile certification.
19. Laboratory/Tech Support - Measurement and testing conducted within the context of sampling, field investigations, analytical chemistry and other similar studies. Includes the cost of other technical support services/activities, such as non-destructive assay, electronics services, machine shops, etc.

Site Specific

20. Management/Award Fee/Incentive Fee - The management allowance is an amount paid to not-for-profit educational institutions for the equivalent of home or corporate office general and accounting expenses. The award and incentive fee is a fee that is paid to a contractor

based on performance and includes shared savings incentive payments (such as cost savings incentives)

21. Taxes - Includes State and municipal taxes, as well as "payments in lieu of taxes." Does not include taxes that are payroll related.
22. Laboratory Directed Research and Development (LDRD); Plant Directed Research, Development and Demonstration Program (PDRD); and Site Directed Research, Development and Demonstration Program (SDRD) – LDRD portion reflects costs incurred in accordance with DOE Order 413.2A for the purpose of pursuing new and innovative scientific concepts of benefit to the DOE. Excludes allocations of overhead. The PDRD and SDRD portions reflect costs incurred in accordance with the legislative authority for these activities.