



Department of Energy

Washington, DC 20585

MAY 8 2002

MEMORANDUM FOR HEADS OF DEPARTMENTAL ELEMENTS

FROM: BRUCE M. CARNES
DIRECTOR, OFFICE OF MANAGEMENT, BUDGET
AND EVALUATION/CHIEF FINANCIAL OFFICER

SUBJECT: Blanket Pricing Exception for Work Performed in Support
of Counter Terrorism and Homeland Security

Section 3137 of P.L. 105-261, National Defense Authorization Act for Fiscal Year 1999 (the Act), requires the Department to levy a Federal administrative charge in an amount not to exceed 3 percent of the full cost incurred for all reimbursable work. The Act authorizes the Department to continue certain pricing exceptions, if approved by the Secretary. The Chief Financial Officer's memorandum of September 27, 2000, contains the list of currently approved pricing exceptions, whereby a zero percent Federal administrative charge is imposed on such work.

On April 22, 2002, the Secretary approved imposing a zero percent Federal administrative charge on work the Department performs for other Federal agencies in support of counter terrorism and homeland security activities, including those activities funded by P.L. 107-38, the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States. Specifically, the work supports research, development, testing, evaluation, training, and exercises directly related to counter terrorism and homeland security activities sponsored by other Federal agencies. Your office needs to be careful to ensure that a zero percent Federal administrative charge is imposed only on work clearly being performed in support of the noted activities. If conditions regarding this exception should change, the Department will reconsider continuation of the exception at a future date.

This exception applies to work the Department performs on or after May 1, 2002, for other Federal agencies in support of counter terrorism and homeland security activities, including those activities funded by P.L. 107-38, and is the only authorized addition to the list of approved pricing exceptions. Attached for your information is the updated list of approved blanket pricing exceptions. This list replaces the one attached to the above-referenced September 27, 2000, memorandum. All other pricing guidance contained in the Chief Financial Officer's memorandum of October 29, 1998, remains in effect.

Should your staff have any questions regarding this memorandum, please contact Greg Dulovich on 202-586-0462.

Attachment

cc: Field CFOs