



Department of Energy

Brookhaven Site Office

P.O. Box 5000

Upton, New York 11973

SEP 22 2016

Mr. George Clark
Brookhaven Science Associates, LLC
Brookhaven National Laboratory
Upton, NY 11973

Dear Mr. Clark:

SUBJECT: APPROVAL OF BROOKHAVEN NATIONAL LABORATORY'S (BNL'S)
DISCLOSURE STATEMENT FOR FISCAL YEAR (FY) 2017

Reference: 1. Letter from G. Clark, BSA, to E. Landini, BHSO, Subject: Brookhaven Science Associates (BSA) / Brookhaven National Laboratory's (BNL) Draft FY 2017 Disclosure Statement, dated July 29, 2016

2. Letter from G. Clark, BSA, to E. Landini, BHSO, Subject: Brookhaven Science Associates (BSA) / Brookhaven National Laboratory's (BNL) Proposed FY 2017 Disclosure Statement, dated September 16, 2016

Brookhaven Science Associates (BSA) submitted Reference 1, which summarized proposed changes to the BNL Disclosure Statement prepared with the assistance of a Cost Accounting Standards Consultant. In review of the proposed changes, the Brookhaven Site Office (BHSO) requested BSA to make revisions to the Disclosure Statement and the continuation sheet. BSA concurred and submitted, Reference 2, to augment the initial submission to address DOE's request. A review was performed by BHSO and Department of Energy-Integrated Support Center to determine whether the revised Disclosure Statement is current, accurate, and complete.

The most significant change made to BNL's Disclosure Statement is the change in methodology for assessing General and Administrative (G&A) expense Total Modified Cost (TMC) to Value Added Base (VAB) to be implemented in FY 2019. Additional changes include:

- Redefining the existing Common Support Pool to a Common Institution Pool and changing allocation base from TMC to VAB;
- Realignment of Space Pool Cost Components to Common Institutional Pool;
- Retaining an Offsite Rate for Joint Appointments and off-site Work;
- Retaining an Extraordinary Projects Rate;
- Retaining large procurement policy for application of material burden.

Mr. Clark

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Based on our review, we consider the proposed FY 2017 Disclosure Statement, dated September 16, 2016, to be current, accurate, and complete. As such, the Disclosure Statement revisions noted above have been approved.

If you have any questions please contact me at extension 7812 or Jonathan Loh, of my staff, at extension 5408.

Sincerely,



Evelyn Landini, Director
Business Management Division
Contracting Officer

cc: J. Gotchie, SC-CH
S. Rorie, SC-CH
J. Loh, SC-BHSO
B. J. Carreras, BSA
A. Russo, BSA