

The Regents of the University of California

**COMMITTEE ON OVERSIGHT OF THE
DEPARTMENT OF ENERGY LABORATORIES**

September 18, 2002

The Committee on Oversight of the Department of Energy Laboratories met on the above date at UCSF–Laurel Heights, San Francisco.

Members present: Regents Atkinson, Blum, Davies, Marcus, Montoya, Moores, Pattiz, Preuss, and Terrazas; Advisory Member Bodine

In attendance: Regents Hopkinson, Johnson, Kozberg, Lee, Ligot-Gordon, Parsky, and Sainick, Regents-designate Murray and Seigler, Faculty Representatives Binion and Pitts, Secretary Trivette, General Counsel Holst, Treasurer Russ, Provost King, Senior Vice President Darling, Vice Presidents Broome, Hershman and McTague, Chancellors Berdahl, Bishop, Cicerone, Córdova, Dynes, Greenwood, Tomlinson-Keasey, Vanderhoef, and Yang, Laboratory Director Shank, Vice Chancellor Blackman representing Chancellor Carnesale, and Recording Secretary Bryan

The meeting convened at 9:15 a.m. with Committee Chair Preuss presiding.

1. **APPROVAL OF MINUTES**

Upon motion duly made and seconded, the minutes of the meeting March 13, 2002 were approved.

2. **REPORT ON LAWRENCE BERKELEY NATIONAL LABORATORY**

Director Shank presented his report on the Lawrence Berkeley National Laboratory and described the role that it plays within the University's laboratory system. He recalled that the laboratory, at its 200-acre site adjacent to the Berkeley campus, serves the needs of the nation and has activities that are coupled to every University of California campus. Its growth in recent years has placed a strain on the laboratory's infrastructure that poses challenges for the future. Numerous buildings have needed to be leased off site to house new programs. The laboratory staff numbers 3,900, of whom 700 are scientists and engineers, 260 are faculty with joint appointments, 810 are students, 1,500 provide technical support, and 600 supply administrative support. An enormous range of scientific activities is conducted under the laboratory's purview.

Mr. Shank focused on some of the laboratory's recent activities. He reported that, in response to the laboratory's discovery of Dark Energy, a recent Time Magazine cover had as its headline, "HOW WILL THE UNIVERSE END? Peering Deep into Space and Time, Scientists Have Solved the Biggest Mystery in the Cosmos." The discovery of Dark Energy has created an exciting moment in science. It is the brainchild of Saul Perlmutter, a scientist to whom the Department of Energy has given the prestigious Lawrence Award and who was elected to the National Academy of Sciences this year. His attention is focused on answering questions about the life span of the universe – whether it will expand forever, collapse, or meet some other fate. By looking at very bright exploding stars, Mr. Perlmutter has been able to make a discovery of staggering proportions, one which remains a puzzle for scientists to solve. The universe, which is thought to have begun with an explosion, to have expanded, and then to have shrunk, seems to have resumed expanding, and the rate of that expansion has increased. This acceleration has to be driven by an energy, now named Dark Energy, the understanding of which is fundamental to understanding the universe and what will happen to it. Another big step in solving the puzzle is about to be taken. A space satellite will be launched that will make it possible to examine thousands of the faintest and farthest supernova. On this satellite, which will have an elliptical orbit, will be a billion-pixel camera, one of the largest cameras ever made. A two-meter telescope aboard the satellite will provide an unprecedented look at the sky in an effort to create a deeper understanding of Dark Energy. The laboratory hopes to have this \$350 million satellite in place before the end of the decade.

The laboratory is also involved in solving problems of importance to the nation. Mr. Shank reported that one of those problems is how to dispose of nuclear waste from the country's more than 100 nuclear power plants. Yucca Mountain, Nevada has been designated as an appropriate place to store this waste. The laboratory is examining the hydrology of the site to determine whether buried nuclear waste will have any detrimental effect on water in the area.

Mr. Shank reported that nanoscience is an exciting new field that examines building materials one atom at a time. The fields of chemistry, physics, and mathematics will contribute to creating new materials and new ways of making devices using this science. The Department of Energy has launched a major initiative in this area that is coming to fruition at the Lawrence Berkeley National Laboratory, which will be the site of a molecular foundry to be used in nanoscience research. The facility will be used by university researchers from across the country to gain access to state-of-the-art activities that they can transport to their own campuses. He believed that, while the foundry will be closely tied to activities in nanoscience at the Los Angeles campus, it will benefit the entire UC system.

Mr. Shank concluded by inviting the Regents to join the public in viewing the activities of the laboratory at its open house on October 5.

President Atkinson remarked that Mr. Shank, who has been director of the laboratory for 13 years, has received nearly every honor as a scientist and also has been a remarkable administrator. Mr. Atkinson stated that he has been particularly pleased with Director Shank's efforts to coordinate the activities at the laboratory not only with those of the Berkeley campus but also with those of the entire University of California.

3. **APPROVAL FOR NEGOTIATIONS WITH THE DEPARTMENT OF ENERGY FOR THE OPERATION OF LAWRENCE BERKELEY NATIONAL LABORATORY**

The President recommended that:

- A. He be authorized to enter into negotiations with the Department of Energy to extend the current contract with DOE for the continued operations of the Lawrence Berkeley National Laboratory through September 30, 2007. Upon completion of negotiations, a revised contract will be presented to the Committee for approval, either at a subsequent regularly scheduled meeting or at a special meeting called for this purpose.
- B. He be authorized to execute any short-term bilateral extension(s) of the current contract for such period(s) as may be necessary to complete negotiations and under the same general terms and conditions.

The current contract for the management and operation of Lawrence Berkeley National Laboratory was executed on September 18, 1997. It covers the period from October 1, 1997 through September 30, 2002.

The Committee was informed that on July 30, 2002, DOE Secretary Abraham issued his decision to authorize a non-competitive five-year extension of the contract. In implementing this decision, DOE intends to propose a number of changes arising from the adoption by DOE of certain contract principles for the various research laboratories under the cognizance of the DOE Office of Science. Those principles were set forth in a memorandum issued by Under Secretary Card on April 30, 2002. The contract principles are directed to a reduction of overhead costs, improvements in operating efficiency, improved contractor accountability, and enhanced support for performance-based contracting through the use of national standards for measurement of performance.

DOE is still in the process of finalizing its pre-negotiation package. Consequently, there is not yet a firm date for negotiations to commence. Because of the imminent expiration of the current contract, one or more short-term extensions of the existing contract may be required to continue University operations at LBNL during negotiations and pending Committee and Regents' approval of a new contract. Any short-term extension(s) would be executed by the President or his designee for such

period as may be necessary, most likely 90 to 180 days. Upon completion of negotiations, the proposed contract will be presented to the Committee for recommendation to and approval by The Regents at the next regularly scheduled meeting or at a special meeting called for that purpose.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

4. **AUTHORIZATION TO APPROVE AND EXECUTE MODIFICATIONS TO THE DEPARTMENT OF ENERGY CONTRACTS FOR LOS ALAMOS NATIONAL LABORATORY AND LAWRENCE LIVERMORE NATIONAL LABORATORY TO AMEND CLAUSES AS A RESULT OF CHANGES TO FEDERAL ACQUISITION REGULATIONS AND DOE ACQUISITION REGULATIONS**

The President recommended that he be authorized to approve and the Secretary of The Regents be authorized to execute a modification to the provisions of contracts W-7405-ENG-36 and W-7405-ENG-48 in order to incorporate revisions to the clauses indicated below:

F.001 FAR 52.242-15 STOP-WORK ORDER (AUG 1989) ALTERNATE I (APR 1984)

Correction to deviation language previously agreed to in January 2001.

G.001 ADDITIONAL CONTRACT ADMINISTRATION INFORMATION
Typo correction in paragraph (f).

H.001 ADDITIONAL DEFINITIONS
Typo correction in paragraph (a).

I.012 FAR 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (OCT 2000)

Update JAN 2002 to provide for service-disabled, veteran-owned small business.

I.019 FAR 52.222-26 EQUAL OPPORTUNITY (FEB 1999)

Update APR 2002. Expands definition of United States to include the 50 states and Puerto Rico, American Samoa, and Guam.

I.020 FAR 52.222-35 AFFIRMATIVE ACTION FOR DISABLED
VETERANS AND VETERANS OF THE VIETNAM ERA (APR 1998)

Changes title and content to Equal Opportunity to include 'other eligible veterans' and special disabled veterans.

I.022 FAR 52.222-37 EMPLOYMENT REPORTS ON DISABLED
VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1999)

Changes title and content to include 'other eligible veterans' and special disabled veterans.

I.027 FAR 52.225-1 BUY AMERICAN ACT - BALANCE OF
PAYMENTS PROGRAM - SUPPLIES (FEB 2000)

Deletes reference to Balance of Payments program in title and content.

I.028 FAR 52.225-9 BUY AMERICAN ACT - BALANCE OF
PAYMENTS PROGRAM - CONSTRUCTION MATERIALS (FEB 2000)

Deletes reference to Balance of Payments program in title and content.

I.039 FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS
AND COMMERCIAL COMPONENTS (OCT 1998)

Updated as a result of changes to other clauses referenced.

I.048 DEAR 952.202-1 DEFINITIONS (OCT 1995) (DEVIATION)

Updated language for commercial item and administrative update of language.

I.080 DEAR 970.5227-2 RIGHTS IN DATA-TECHNOLOGY TRANSFER
(DEC 2000)

Administrative correction needed to lettering of paragraphs.

It was recalled that the Department of Energy contracts for the Los Alamos and Livermore laboratories were amended on January 18, 2001, extending the term of the contracts to September 30, 2005. Since that time, University and DOE review has indicated the need to make minor corrections and clarifications to the contract clauses as a result of updates to the Federal Acquisition Regulations and the Department of Energy Acquisition Regulations. The changes do not involve any substantive difference to the underlying agreement between the University and DOE and are more administrative in nature. The clause changes identified reflect the most accurate and up-to-date language agreed to between the parties.

The University's Laboratory Affairs Office has confirmed with the DOE laboratories that they concur with the DOE-proposed changes to the referenced clauses.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

OVERSIGHT OF THE DEPARTMENT
OF ENERGY LABORATORIES

-6-

September 18, 2002

The meeting adjourned at 9:30 a.m.

Attest:

Secretary