

The Regents of the University of California

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

November 17, 2005

The Committee on Oversight of the Department of Energy Laboratories met at the Clark Kerr Campus, Berkeley campus.

Members present: Regents Blum, Dynes, Juline, Marcus, Parsky, Preuss, Rominger, and Ruiz; Advisory member Brunk

In attendance: Regents Gould, Hopkinson, Island, Johnson, Kozberg, Lozano, Rosenthal, and Schilling, Regents-designate Ledesma and Schreiner, Faculty Representative Oakley, Secretary Trivette, General Counsel Holst, Acting Provost Hume, Senior Vice Presidents Darling and Mullinix, Vice Presidents Foley, Gurtner, and Hershman, Chancellors Birgeneau, Bishop, Córdova, Drake, Fox, and Vanderhoef, Executive Vice Chancellor Ashley representing Chancellor Tomlinson-Keasey, Laboratory Director Anastasio, and Recording Secretary Bryan

The meeting convened at 12:05 p.m. with Committee Vice Chair Preuss presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of September 21, 2005 were approved.

2. **STATUS OF COMPETITION AND OTHER MATTERS AT THE DEPARTMENT OF ENERGY LABORATORIES**

Vice President Foley recalled that the University had submitted a proposal in July 2005 for the future management contract of the Los Alamos National Laboratory and expects a decision after December 1. He reported that the work of the Los Alamos National Security LLC has gotten underway with three meetings. The LLC chairman is Regent Parsky; other University representatives on the board are Senior Vice President Mullinix and Chancellor Fox; industrial partners are represented by Mr. Tom Hash and Mr. Craig Weaver for Bechtel and Mr. John Fees for BWXT. There are five additional members who represent outside entities. Chairman Parsky commented that the University had strong representation on the board. He believed that if the Department of Energy's evaluation emphasizes science and research, the University has an excellent opportunity to win the bid. He noted that one of the University's highest priorities is to assemble a compensation and benefits program that will closely match the existing employee program at the laboratory.

Vice President Foley turned to the contract for Lawrence Livermore National Laboratory, which he recalled was extended to September 30, 2007. The University is working with local National Nuclear Security Administration officials to create a website for the management contract competition. No formal actions are expected to commence until after the Los Alamos award has been made.

Regent Juline noted that the Committee on Audit had reviewed reports from PricewaterhouseCoopers on each of the laboratories. He recommended that members of this committee read those reports. He asked about the status of negotiations with regard to receiving the full management fee for the Los Alamos laboratory for the previous year. Mr. Foley responded that the fee is in the budget in its entirety, with adjustments to be made the following year. Negotiations with the Department of Energy are ongoing. It is likely that an advantageous settlement will be reached.

[For speakers' remarks, refer to the minutes of the November 16 and 17, 2005 meetings of the Committee of the Whole.]

3. **AUTHORIZATION TO APPROVE AND EXECUTE MODIFICATION TO THE DEPARTMENT OF ENERGY CONTRACT FOR THE LAWRENCE BERKELEY NATIONAL LABORATORY TO AMEND CLAUSES AS A RESULT OF CHANGES TO THE FEDERAL ACQUISITION REGULATIONS**

The President recommended that he be authorized to execute a modification to the provisions of Lawrence Berkeley National Laboratory contract DE-AC02-05CH11231 in order to incorporate revisions to three clauses.

It was recalled that from time to time changes are necessary to reflect the ongoing agreement between the University and the Department of Energy. As a result of July 2005 updates to the Federal Acquisition Regulations (FAR), the Department of Energy has requested updating of the following standard clauses in Section I of the LBNL prime contract:

I.16 FAR 52.219-9 Small Business Subcontracting Plan (Jan 2002)

Date of clause changed to July 2005, and requirement added that contractor confirm HUBZone representations.

I.21 FAR 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation (Sept 2000)

Date of clause changed to July 2005. Flowdown of clause changed to apply when subcontract may require or involve the employment of laborers and mechanics rather than when the subcontract was expected to exceed \$100,000.

I.22 FAR 52.222-11 Subcontracts (Labor Standards) (Feb 1988) (Deviation)
Date of clause changed to July 2005. Definition of construction expanded for the term "site of work" to include secondary sites where significant portions of the work might be constructed and then transported to the primary site of work.

The table of contents for the Lawrence Berkeley National Laboratory contract will be revised to reflect the changes.

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

The meeting adjourned at 12:15 p.m.

Attest:

Secretary