

The Regents of the University of California

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

May 14, 1998

The Committee on Oversight of the Department of Energy Laboratories met on the above date at Covell Commons, Los Angeles campus.

Members present: Regents Atkinson, Chandler, Davies, Johnson, Khachigian, Sayles, and Soderquist; Advisory member Miura

In attendance: Regents Leach, Levin, McClymond, Nakashima, and Ochoa, Regent-designate Willmon, Faculty Representatives Dorr and Weiss, Secretary Trivette, Treasurer Small, Provost King, Senior Vice President Kennedy, Vice Presidents Broome, Darling, Hershman, and Hopper, Chancellors Carnesale, Orbach, Vanderhoef, and Wilkening, Vice Chancellor Bainton representing Chancellor Debas, Laboratory Director Tarter, and Recording Secretary Bryan

The meeting convened at 3:35 p.m. with Committee Vice Chair Soderquist presiding.

***Authorization to Approve and Execute Modifications to the Department of Energy Contracts for Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory to Amend Clauses and Add a New Clause Concerning Performance Assessment and Classification***

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, DE-ACO3-76SF00098, and W-7405-ENG-48 in order to incorporate revisions to the following clauses:

- Clauses 1.1, 3.13, 5.2, 8.5, 8.20, 9.13, and 13.2 - LANL, LBNL and LLNL
- Clause 5.14 Special Assessments - LANL only
- Clause 10.2 Unclassified Sensitive and Proprietary Information - LANL and LLNL only
- Clause 10.4 Classification - LANL and LLNL only
- new Clause 10.6 Counterintelligence - LANL and LLNL only

As a result of these changes, the contracts' table of contents will be revised accordingly.

It was recalled that the Department of Energy contracts for LANL, LBNL, and LLNL were executed on September 18, 1997. Since that time, UC and DOE review has indicated the need to make minor corrections and clarifications to the contract documents which do not involve any substantive change to the underlying agreement between the University and DOE. DOE concurs with the changes to clauses 1.1, 3.13, 5.2, 8.5, 8.20, 9.13, and 13.2 for all three contracts.

The Department of Energy contract for LANL includes Clause 5.14 - Special Assessments. This clause sets forth a process of reviewing University performance at the Laboratory during the initial two years of the extended contract term. As a result of further discussion with DOE since the execution of the contract, both parties have identified wording that more accurately describes the original intent of the parties; the changes do not revise the expectations of the parties as presented to The Regents on September 18, 1997. The proposed changes are necessary to avoid any misunderstanding as to the commitment which the University has made in this regard, and which is the basis for DOE to assess the performance of the University at the Laboratory.

The Federal Register published a final rule dated October 3, 1997 which amended security clauses in the Department of Energy Acquisition Regulations to add more specific language regarding classification/declassification requirements for management and operating contractors and to provide further information regarding counterintelligence not specifically covered by DOE Order 5670.3, Counterintelligence Program.

Because the contracts were executed just prior to the final rule publication, DOE has requested that UC now incorporate the revised and new clauses in the LANL and LLNL contracts only. The revised language has been reviewed by UC and the laboratories and is acceptable. Clauses 10.2 and 10.4 will be modified and Clause 10.6 will be added to the LANL and LLNL contracts. These changes are not applicable to LBNL.

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 3:40 p.m.

Attest:

Secretary