

ATTACHMENT J.6

APPENDIX F

Contractor Resources, Commitments and Agreements

Contract No. DE-AC02-09CH11466



8.0 RESOURCES, SERVICES, SUPPORT, AND/OR COMMITMENTS PROVIDED TO PPPL AT NO COST TO THE GOVERNMENT

Princeton University is making a commitment to provide a substantial list of very attractive resources and services over the term of the new prime contract to support and enhance the Laboratory's operations at no cost to the Department of Energy. Furthermore, Princeton University's extraordinarily strong balance sheet permits the University to provide absolute assurance that the resources being committed will be delivered during the term of the new contract.

Princeton University is proposing ten separate resource commitments during the five-year term of the new prime contract. The table below shows the value of these commitments to be approximately \$10.38 million.

Description of Commitment	Estimated Value of Five-Year Commitment (\$000)
Director's Non-Contract Funds	\$1,500
Lease Discount	\$1,385
Key Personnel Salary Support	\$400
Employee Children's Tuition Support*	\$3,800
Employee Mortgage Support Program*	\$825
Equity Participation Program for Senior Managers*	\$335
Salary Support for Three Tenured Faculty*	\$1,633
External Consultant Support	\$180
CONNECT-ED Emergency Notification System	\$25
Financial Support for the PPPL Advisory Board	\$300
Total Financial Commitment	\$10,383

* These estimated amounts are based on forecasted participation of the qualified Laboratory employees.

The tables below describe each resource contribution according to the information requirements in Section L.8 of the RFP. Princeton University is the only source of resource commitments; there are no external parent or affiliated companies, universities, or other institutions needed to authorize these commitments.



Resource Name: DIRECTOR'S NON-CONTRACT FUNDS	
Description: Princeton University proposes to provide the Laboratory Director with an annual allotment of \$300,000 to pursue initiatives and cover expenses that are, pursuant to the terms of its prime contract, not chargeable to the DOE.	
Location: PPPL	Estimated Contract Value: \$1,500,000
<p>Benefits to DOE: The main purpose of the Director's fund is for: community education and outreach, support external reviews, create a positive work environment and enhance morale, and pay for unallowable expenses. These funds will be instrumental in supporting the Laboratory's many outreach initiatives to its local community such as:</p> <ul style="list-style-type: none"> • "Science on Saturdays" – series of talks geared toward high school students but open to all; the program draws more than 300 students, teachers, parents, and community members each Saturday • Science Bowl competitions for high schools and middle schools • Periodic luncheons to reward the Laboratory's tour guides • Supporting Special events, such as the Young Women's Conference <p>These funds will also be utilized to support the various external reviews of the Laboratory's operations that the Laboratory Director from time to time will request, such as:</p> <ul style="list-style-type: none"> • Safety Forum • Various external program reviews, such as the recently conducted NCSX Workshop <p>In addition, this resource will provide the Laboratory Director with the ability to support employee morale enhancing activities such as:</p> <ul style="list-style-type: none"> • Annual Laboratory picnic • Annual State-of-the-Laboratory reception • Annual holiday party • Annual Patent Awareness Dinner <p>Lastly, these resources will allow the Laboratory to pay for certain expenses that are required to support the Laboratory's operations, but which, according to the Federal Acquisition Regulation (FAR) cost guidelines or the terms of our prime contract, are made unallowable, such as:</p> <ul style="list-style-type: none"> • Business cards for members of the Procurement staff and other Laboratory staff requiring them • Professional memberships that benefit the Laboratory and its professional staff • Legal costs that are not allowable pursuant to the terms of the prime contract • Cost overruns on sponsored research agreements • Other unallowable costs incurred in operating the Laboratory 	
Date Resource will be Provided: On or about 1 July for each contract year	Liability to PPPL: None Anticipated

Resource Name: LEASE DISCOUNT	
Description: The lease agreement negotiated between Princeton University and the Department of Energy for the land on which the Laboratory is situated provides a 10% discount from the fair annual rental value of the leased property to the Department of Energy as long as Princeton University remains the contractor for the Laboratory. The annual value of this discount is \$277,000.	
Location: PPPL	Estimated Contract Value: \$1,385,000
<p>Benefits to DOE: The availability of this discount will benefit the Laboratory, principally by reducing the cost of the lease, so more funding can directly support the Laboratory's research programs. A secondary benefit is that this discount reduces the Laboratory's G&A rate, thus making the Laboratory's pricing rates more attractive to non-DOE sponsors, encouraging them to fund research at the Laboratory.</p>	
Date Resource will be Provided: This discount will be applied on 1 October of each fiscal year during the new contract term.	Liability to PPPL: None Anticipated



Resource Name: KEY PERSONNEL SALARY SUPPORT	
Description: Princeton University will supplement the salary of select key personnel during the full term of the new contract .	
Location: PPPL	Estimated Contract Value: \$400,000
Benefits to DOE: The salary subsidy provided by Princeton University will benefit the Laboratory by making additional resources available to directly support the Laboratory's research programs, while simultaneously reducing the Laboratory's G&A cost pool, thus making the Laboratory's pricing rates more attractive to non-DOE sponsors.	
Date Resource will be Provided: Upon Contract Award – monthly allocation based upon time sheets	Liability to PPPL: None Anticipated

Resource Name: EMPLOYEE CHILDREN'S TUITION SUPPORT	
Description: Princeton University's Employee Children's Tuition Support benefit will be available to all Laboratory employees with five years of benefits eligible service. Specifically, Princeton University will provide an annual benefit for half tuition and mandatory educational fees up to a maximum annual benefit for each eligible child (\$12,500 for the 2008-09 academic year) for undergraduate, full-time study at a two or four-year accredited educational institution. Although we recognize that the cost of this benefit would not be, pursuant to the Federal Acquisition Regulations (FAR 31.205-44(e)), chargeable to the DOE, it will nevertheless benefit the Laboratory and the DOE in attracting and retaining the best and brightest employees to work at the Laboratory.	
The cost to Princeton University of providing this benefit to the Laboratory staff during the next contract term is difficult to estimate, and will largely be determined by the number of qualifying children who take advantage of this benefit, and the annual tuition costs of the schools that they choose to attend. The estimate for the term of the new contract is based on a participation rate for the FY2007-08 school year when 71 children of 63 Laboratory employees received awards. Based on these current utilization rates, the cost of providing this benefit to the Laboratory staff is projected to be approximately \$3,075,000. Insofar as this benefit is not taxable income to the recipient employees, the economic value of this benefit to the Laboratory and its employees is estimated to be approximately \$3,800,000.	
Location: PPPL	Estimated Contract Value: \$3,800,000
Benefits to DOE: This contribution is a very popular and important benefit for the Laboratory's staff, which helps Princeton University recruit outstanding people to work at the Laboratory.	
Date Resource will be Provided: Upon Contract Award – as requested by Laboratory employees	Liability to PPPL: None Anticipated



Resource Name: EMPLOYEE MORTGAGE SUPPORT PROGRAM	
Description: Princeton University will offer subsidized mortgage rates for a select number of senior-level Laboratory employees. The University will provide mortgage financing to qualifying employees at an effective interest rate that is approximately 150 basis points below the prevailing mortgage rates (5% mortgage interest rate assuming the market rate is 6.5%).	
Location: PPPL	Estimated Contract Value: \$825,000
<p>Benefits to DOE: Approximately 50 senior-level Laboratory employees are currently receiving subsidized mortgages through Princeton University. The University expects a similar level of employee participation during the term of the new prime contract. The cost of acquiring real estate in central New Jersey, and particularly in the Princeton area, is expensive relative to other areas in the United States. This fact, coupled with the central New Jersey area having among the highest real estate property tax rates in the country, makes the affordability of housing a potential barrier to attracting qualified people to work at the Laboratory. Therefore, Princeton University's Employee Mortgage Support Program will benefit both the Laboratory and the DOE by helping Princeton University attract and retain the best employees for the key senior level positions at the Laboratory.</p> <p>Princeton University originally designed and offered this program to encourage faculty and staff to reside in close proximity to the campus, an objective that continues and applies to qualified PPPLaboratory employees. This arrangement would serve to stimulate and enrich both teacher and scholar. DOE benefits from this inducement because morale increases for qualified PPPL employees who experience reduced commute time and associated stress, as well as quicker, easier access to University facilities and support personnel.</p>	
Date Resource will be Provided: Upon Contract Award – as requested by Laboratory employees.	Liability to PPPL: None Anticipated

Resource Name: EQUITY PARTICIPATION PROGRAM FOR SENIOR MANAGERS	
Description: Princeton University will offer, to a select number of the Laboratory's senior-level managers, the opportunity to participate in this program during the new prime contract period. The essence of this program is to offer qualifying senior managers the opportunity to have the University acquire up to a one-third equity interest in the employee's primary residence.	
Location: PPPL	Estimated Contract Value: \$335,000¹
<p>Benefits to DOE: Similar to the Employee Mortgage Support Program, this program makes housing more affordable to key Laboratory employees desiring to live in the Princeton area. In order to invest in the local community and to make home purchases more affordable for senior-level managers, Princeton University will take an equity ownership in an employee's primary residence. Upon sale of the home the University receives a proportional share of the proceeds commensurate with its initial equity contribution. Therefore, Princeton University's Equity Participation Program benefits the Laboratory and the DOE through helping Princeton University attract and retain the best employees for the senior-level management positions at the Laboratory.</p> <p>Also similar to the Employee Mortgage Support Program, this program encourages staff to reside close to the campus. Again, DOE benefits from similar commuting and access advantages for qualified PPPL employees.</p>	
Date Resource will be Provided: Upon Contract Award – as requested by Laboratory employees.	Liability to PPPL: None Anticipated
¹ Estimate based on six senior-level managers at the Laboratory participating in this program over the five-year term of the new prime contract.	



Resource Name: SALARY SUPPORT FOR THREE TENURED FACULTY	
Description: Princeton University currently provides salary support for two tenured faculty members in addition to the Laboratory Director. We propose adding a third tenured faculty member for the term of the new contract. Princeton University will pay 51% of the salary and benefits earned by these three tenured faculty members during the full term of the new contract. These three tenured faculty members, like the Laboratory's other exempt employees, are compensated on a monthly basis; thus, 51% of the cost of each monthly paycheck, including benefits, will be charged to a Princeton University account, and the remaining balance of 49%, including the cost of benefits, will be charged to the Department of Energy's Letter of Credit account. These three faculty members will manage and support the Laboratory's graduate education program in Astrophysical Sciences. They will serve as Principal Investigators for several research programs to be performed at the Laboratory and support other research conducted at the Laboratory.	
Location: PPPL	Estimated Contract Value: \$1,633,000¹
Benefits to DOE: The salary subsidy provided by Princeton University to support these three tenured faculty members will benefit the Laboratory by making additional resources available to directly support the Laboratory's graduate education program and research programs, while simultaneously reducing the Laboratory's G&A cost, thus making the Laboratory's pricing rates more attractive to non-DOE sponsors.	
Date Resource will be Provided: Upon Contract Award – monthly allocation based upon time sheets.	Liability to PPPL: None Anticipated
¹ This amount does not include payment for the time these three faculty members dedicate to their teaching duties at Princeton University.	

Resource Name: EXTERNAL CONSULTANT SUPPORT	
Description: Princeton University is proposing to make available approximately \$180,000 during the term of the new prime contract for the purpose of hiring external consultants and experts to support the Laboratory's project management and administrative support operations. It is projected that these resources will be spent equally over the term of the new prime contract. The types of consultant services that we expect will be acquired include, but are not limited to the following: <ul style="list-style-type: none"> • Experts in project management to support the University's efforts to strengthen the Laboratory's project management capabilities • Experts in cost and scheduling techniques that would be made available on an ad hoc basis to support major construction project cost and schedule estimating efforts • Experts in such disciplines as finance, procurement, ES&H, property management, Human Resources, and facilities management who would be used to participate in peer reviews, self-assessments, and to support the importation of best practices from industry 	
Location: PPPL	Estimated Contract Value: \$180,000
Benefits to DOE: These resources will provide significant benefits to both the Laboratory and the DOE. They will help Laboratory management strengthen its project management skills and make its administrative support activities more effective and efficient, as well as provide extra expertise to address scientific and technological issues.	
Date Resource will be Provided: The decision as to when these resources will be utilized, and the types of consultant services to be procured, will be made by the Laboratory Deputy Director for Operations. Decisions as to when, and the types of consultant services to be procured, will be largely "opportunity driven."	Liability to PPPL: None Anticipated



Resource Name: CONNECT-ED EMERGENCY NOTIFICATION SYSTEM	
Description: The CONNECT-ED Emergency Notification System complements the communication tools that the University already has in place to respond to a range of emergencies that may include weather-related closings, environmental health crises, public safety incidents, and other unique emergency situations. The Laboratory will be able to utilize this system separately from the main campus for specific emergency notifications. The use of this program constitutes a \$25K value for PPPL during the contract.	
Location: Princeton University and PPPL	Estimated Contract Value: \$25,000
Benefits to DOE: This system allows messages to be sent quickly by text, e-mail, or phone to notify employees with a specific message.	
Date Resource will be Provided: Upon Contract Award – system only utilized when needed.	Liability to PPPL: None Anticipated

Resource Name: FINANCIAL SUPPORT FOR PPPL ADVISORY BOARD	
Description: Princeton University will provide travel and subsistence expenses for at least two meetings per year of the PPPL Advisory Board and its two committees (Science Committee and Management Committee)	
Location: PPPL	Estimated Contract Value: \$300,000
Benefits to DOE: Following each of their meetings, the Advisory Board and its committees will deliver a report to the President of the University providing frequent and expert oversight on the major issues affecting the science and management of PPPL. Independently, they will also provide frank advice to the PPPL Director, in response to issues raised by him and concerning any other matters they deem important.	
Date Resource will be Provided: Upon Contract Award – as Advisory Board Meetings are conducted.	Liability to PPPL: None Anticipated