

Modification No. 0328
Contract No. DE-AC02-09CH11466
Section J – Appendix L

ATTACHMENT J.12

APPENDIX L

**ADMINISTRATIVE SERVICES TO BE PROVIDED TO PPPL
BY PRINCETON UNIVERSITY**

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**ADMINISTRATIVE SERVICES TO BE PROVIDED TO PPPL
BY PRINCETON UNIVERSITY**

The University proposes to provide the Laboratory with a set of administrative services that covers six categories: (1) human resources; (2) accounting; (3) legal services; (4) business computing; (5) contract administration; and (6) PPPL library (Furth). The University seeks reimbursement from the DOE (per the schedule shown at the end of this Appendix) to cover the costs that the University will incur by providing these services to the Laboratory. These costs have been updated from the original Appendix L based on a January 2014 cost study.

Human Resources (\$126,600)

The staff of the Office of Human Resources (HR) on the main campus provides administrative services and maintains critical systems that are shared with and/or provided to the staff of the Laboratory. For example, the University purchased and maintains PeopleSoft, a human resources information system that includes modules for payroll, benefits administration and training. In addition, the University purchased PeopleAdmin, the staff module; Helpdesk, a case management system; and eBenefits, the PeopleSoft on-line benefits enrollment system. These systems are maintained, upgraded, modified and customized by members of the University's information technology professional staff within HR and the University's Office of Information Technology (OIT). These HR staff members provide documentation, reports, reporting tools and training to the PPPL Human Resources staff at the Laboratory and work with OIT on the security and nightly back-up of these systems. On an ongoing basis, these information technology professionals within HR also function as a liaison to the Laboratory and the OIT professionals on the main campus.

All interfaces (eligibility files, premium wires, participant files, and the like) to vendors are produced, maintained and executed by the HR and OIT professionals. Interfaces to the health insurance vendors are sent at least twice a month. Interfaces and the wiring of contributions to the retirement plan vendors are sent after each payroll. Error reports from the vendors are also reviewed and corrected by members of the main campus HR benefits team.

The Laboratory also receives the benefits services negotiated by members of the University's HR staff. Such services include: health, prescription drug, dental and vision benefits, life insurance, short term and long term disability benefits, employee assistance programs, work/life resource and referral services including monthly seminars, and other work/life programs including the backup care options program. The University ensures that these programs meet all the necessary regulations and compliance rules. For example, HR staff members on the main campus produce Form 5500s for all required ERISA plans, prepare and distribute summary plan documents and summary annual reports to all University faculty and staff members, including those who work at the Laboratory, and update all plan documents as required. HR also coordinates annual audits of various benefits plans.

As of January 2014, the University has a total of 6,332 benefits eligible employees and 2,138 retirees. 471 of these benefits eligible employees currently work at the Laboratory, while 397 of these retirees worked at the Laboratory. Therefore, the benefits eligible and retiree population for

the Laboratory is ~10.2 percent of the University's total benefits eligible and retiree population. Within the total HR staff of ~61 full-time employees, ~28 provide programmatic and administrative support for the tasks described above.

Based on the proportion of Laboratory to total University employees, we estimate that \$119,100 of the HR staff salaries and benefits are directly attributable to the support the Laboratory. We have also assigned a proportional share of basic office costs. (\$7,500). Recognizing that the Laboratory pays directly for its own employee recruitment, relocation, advertising and similar costs, we did not include these costs.

Accounting (\$198,500)

The Office of Finance and Treasury provides direct support to the Laboratory in the following areas: payroll processing, accounts payable (via the procurement services team), research accounting, labor accounting, banking, employee benefits financial management, employee benefits accounting, financial accounting, and financial systems support and maintenance.

The University processes all payroll-related transactions for active employees at the Laboratory, for whom the University generates ~8,700 payroll checks and direct deposits each year. Related transactions within payroll include: payments of federal and state taxes, retirement plan contributions and other benefits-related deductions from paychecks, printing of checks as required, pay advances, customer service, preparation of forms W-2 and 1099, and testing of PeopleSoft upgrades and interfaces.

The Procurement Services team support of PPPL includes issuance of ~14,000 payments to vendors and employees for travel-related reimbursements and represents ~5 percent of all University invoices. The portfolio also includes 1099s, audit support and customer service.

The Controller's Office processes many of the Laboratory's general ledger entries, including journal vouchers and interdepartmental invoices. The Laboratory's entries amount to ~1.3 percent of the University's general ledger line items. This understates the true proportion because it does not include any factor for the Laboratory-related portions of the accounting transactions within the other offices that support the Laboratory.

The research accounting group monitors the Laboratory's letter of credit and bank account. This requires daily review and the preparation of 6-8 monthly wires relating to the Laboratory's payroll and benefits costs. There is a monthly reconciliation of balances and confirmation with the Laboratory and DOE (Chicago).

The Laboratory's employee benefits rate is calculated and administered through the Treasurer's Office. This requires submittals to the Department of Health and Human Services, regular monitoring of Laboratory charges, and periodic support for both internal and external audits of benefits costs.

The financial management and oversight of the University's employee health/life insurance benefits plans and Workers Compensation coverage is lodged within the Treasurer's Office. This

oversight includes claims analysis, monitoring of wires to vendors, negotiating vendor charges, setting employee contributions to the various plans, and providing financial analysis to the University Benefits Committee, which has policy oversight of all employee benefits. There is no duplication of effort with respect to the benefits management costs included in our cost estimate for Human Resources, which is more focused on plan design, customer service, and HR systems support.

There is an information technology group within the Treasurer's Office that provides direct support to the Laboratory for reports, trouble-shooting, batch voucher processing, labor accounting problems, and ad hoc special requests from PPPL. This group acts as the liaison with OIT programmers for all financial reporting issues, and also supports the PeopleSoft financial, datamall/data warehouse, and labor accounting systems.

Based on the foregoing, we estimate that \$192,700 of salaries and benefits are directly attributable to support of the PPPL. We have also included a proportional share of basic office costs within each section of the Treasurer's Office that supports PPPL (\$5,800).

Legal Services and Visa Services (\$139,900)

The University's Office of General Counsel (OGC) consists of seven full-time attorneys who work closely together to address a broad spectrum of legal issues, many of which directly concern the Laboratory. The OGC is organized philosophically and practically as a collaborative undertaking. This approach optimally advances the General Counsel's overarching responsibility to provide legal advice and representation to all corners of the institution, including the Laboratory for all purposes and matters. The Laboratory benefits from each of the OGC's attorneys serving a varied University constituency and maintaining a generalist practice, while having and delivering expertise in specific areas. The office's tradition is one of stability and acquired institutional knowledge and experience, which enhances effectiveness and efficiency.

One OGC attorney with particular expertise in labor and employment law and general litigation, among other areas, spends ~25 percent of his time working on Laboratory matters. He partners with the Laboratory's Procurement Division at various stages and advises on sundry issues involving the procurement process, RFPs, negotiations, contract revisions, and discussion with the DOE of deviations from standard terms. As necessary, he is available to help resolve contract disputes with vendors. This attorney also works with the Laboratory on international research collaborations, which, per DOE policy, can involve DOE counsel reviews, as well as counterintelligence, IP and headquarters reviews. In addition, this attorney, who also supports the University's Office and Technology Licensing, is available to the Laboratory to advise and assist regarding its management and licensing of potentially patentable inventions arising from the Laboratory's research. Less directly, but of high value, this attorney enables the OGC to leverage in the Laboratory's favor the OGC's broader research-related compliance and risk-avoidance advice provided across the University.

Another OGC attorney, with particular expertise in labor and employment law and general litigation, spends ~5 percent of his time working directly on Laboratory matters. He has acquired knowledge and understanding of the Laboratory through his handling of Laboratory personnel

matters, including those where litigation ensued. He has daily interactions with the University's Human Resources staff, including those attentive to benefits, on issues and policies having broad application for all University faculty and staff, including at the Laboratory. Where necessary, to aid in his delivery of this advice, he seeks and obtains outside counsel guidance and assistance (at no cost to the Laboratory). In this regard, issues, which are of interest and concern to the Laboratory leadership and staff, include: employee relations, performance management, union matters, protected leaves, discrimination, reorganizations, and workplace investigations. While there are no Laboratory-related lawsuits currently pending, when they exist they can be uniquely time-consuming for an OGC attorney because, in addition to communicating with Laboratory employees (and outside counsel), the OGC attorney must communicate with DOE officials on a frequent basis pursuant to the Laboratory's litigation management plan.

A third OGC attorney has employee and student disability accommodations among her varied portfolio. An area of rapidly increased attentiveness for employers, HR staffs and in-house counsel nation-wide, here again the Laboratory benefits from the leveraging of the OGC's significant time spent on University-wide policy development, risk avoidance, compliance, and training in this area. This attorney directly devotes ~1% of her time annually to Laboratory matters.

The University estimates that the OGC's administrative staff (four individuals), which supports these attorneys, devotes a proportionate share of its time to Laboratory matters.

The other four OGC attorneys, including the General Counsel, spend ~1% of their time annually directly advising and supporting the Laboratory on a variety of other matters. Again, however, the Laboratory is the beneficiary of a tremendous variety and depth of legal work and advice by them in support of the University's research and teaching mission. By way of example, the General Counsel closely collaborates with and advises the Dean for Research and the Vice President for PPPL, OGC attorneys conduct or participate in supervisor and employee training, and the office is at the vanguard of University attentiveness to the significantly enhanced regulatory and compliance environment that exists within a modern research university. Estate and trust administration staff salaries are excluded.

Based on the foregoing, we estimate that \$101,400 of the OGC professional and administrative support staff salaries and benefits are directly attributable to the support the Laboratory. In addition, we have assigned a proportional share of basic OGC office costs (\$4,400).

Visa Services

The Davis International Center (Davis IC) provides comprehensive services and programs for the Princeton University international community (including PPPL) on multiple levels: immigration regulatory advising and processing and assistance with cultural adjustment and practical matters related to living in the U.S. (NOTE: The Office of Visa Services (OVS) was integrated into the Davis IC in 2010 and no longer exists as a separate entity at Princeton University. All visa services are integrated into the Davis IC and managed by the Associate Director for International Scholars.)

In 2012, all permanent residency casework was outsourced to a law firm specializing in immigration law. This was necessary to cope with increased volume and complexity, resulting in additional attorney fees for those cases.

The Davis IC staff that administrates PPPL client casework includes 2 FTEs who provide immigration advising services and adjustment programs to ~18-25 international students and scholars at the Laboratory each year. The University estimates that the OVS staff spends 3 percent of its time on Laboratory matters. This service includes preparation and provision of documents to use in applying for visas, instruction on application procedures and arrival in the United States and Princeton, and advising regarding extensions of stay, work permission, dependent issues, and the like. In addition, these staff members serve as liaison advisors to PPPL scholar cases that are outsourced to attorneys for permanent residency processing, one to four cases a year. Staff salary in support of the Laboratory are estimated at \$6,000 in FY2014. Outsourcing the more extensive residency legal cases and filing fees paid averages \$28,100.

Business Computing (\$665,400)

Administrative Information Services (AIS) unit within the University's Office of Information Technology provides programming support for all PeopleSoft system modules and other University data and information processing systems. There are ~37 full-time employees in this office, 35 of whom work on the systems that provide direct support of the Laboratory, or that track Laboratory data within the University. These employees work within the following application support groups: PeopleSoft HR and Financials, Departmental Application Systems, Data Warehousing & Integration, Production Management, and Campus Community.

Significant non-staff expenses are incurred as well. There is a \$1.6 million software licensing budget, \$604,000 of which supports the Laboratory-related systems noted above; and there is a \$133,400 equipment budget for servers and other hardware, of which \$49,700 supports the Laboratory-related systems.

The yearly amortization of the University's investment in the PeopleSoft system allocable to PPPL averaged \$1.3 million per year over the period FY2009-2013. In FY 2009, we estimated that 7 percent of this cost (or \$89,000) was attributable to the Laboratory. Because PeopleSoft upgrades for Financial and HR systems are being implemented over the next several years an updated amortization figure is not available. PPPL is currently assessing whether to replace its current separately maintained financial system by adopting the University's PeopleSoft Financials platform. If and when that happens, we will reassess the cost of accounting and business computing services to PPPL, including an appropriate share of the amortization of the University's financial upgrade. In the interim, \$89,000 amortization is included attributable to the Laboratory.

The University estimates that supporting the Laboratory's business information systems costs \$386,800 in salaries and benefits costs, and \$278,600 of other operating costs. None of these business computing costs are duplicative of the estimated costs for other the other categories of services described in this response.

Contract Administration (\$81,700)

This category includes a variety of services that are provided by the University's Office of Research and Project Administration (ORPA) and Office of Technology Licensing (OTL).

Of the 17 full-time positions in ORPA, four directly support the Laboratory: Director; Assistant Director Grants and Contracts; one Sponsored Research Specialist; and Office Coordinator. Together, they perform the following services for the Laboratory: reviewing proposal documents for adherence to sponsor guidelines; submitting final proposals to sponsors; uploading proposals and budgets into Coeus proposal development database; reviewing and signing contract agreements (work for others, research agreements, non-disclosure agreements, etc.); entering initial award information into Coeus award management database (dates, award dollars, terms and conditions, sponsor information, etc.); maintaining award information (modifications, extensions, etc.); and working as a liaison with the University's Sponsored Research Accounting department to ensure appropriate and timely closeout of research accounts. The University estimates that the employees in the four ORPA positions devote ~5 percent of their time to carrying out and/or supervising these administrative services for PPPL, representing ~\$27,700 in University-paid salary and benefits.

The Director of OTL and three members of his staff also support the Laboratory with respect to the management and licensing of potentially patentable inventions arising from the Laboratory's research. Most notably, the senior Technology Licensing Associate spends ~20-25 percent of his time each year handling Laboratory matters (in FY2013, he evaluated 19 invention disclosures from the Laboratory for possible patenting and commercialization). The Technology Licensing Associate also negotiates and administers all licenses for Laboratory patents. The Administrative Assistant in OTL, who supports this work for the Laboratory, spends ~15 percent of her time on such matters. The Business Manager in OTL also spends ~2 percent of his time processing payments of attorneys fees for PPPL patent prosecution and other bills, while the Director spends ~3 percent of his time supervising OTL work for the Laboratory and reviewing and preparing reports and other audits for the Laboratory. The University estimates that it costs ~\$54,000 in salary and benefits for the OTL staff to perform these services for the Laboratory.

Library Services (\$364,500)

The University provides financial support for library services in support of the Laboratory. Specifically, the University pays the salaries and benefits of the library staff (1.5 FTE) who provide such support. The cost of the staff salaries is ~\$125,900. The University also provides an annual budget of \$233,400 for the purpose of purchasing subscriptions to various publications and other literary and research materials. Lastly, the University provides the resources to procure such necessary equipment as personal computers, multimedia equipment, printers, and scanners (\$5,200).

Summary

The annual estimated costs are shown below. Note that these costs do not provide full recovery for the University.

Service	April 2019 – March 2022
Human Resources	\$126,600
Accounting	\$198,500
Legal and Visa	\$139,900
Business Computing	\$665,400
Contract Administration	\$81,700
Furth Library	\$364,500
Total	\$1,576,600
Agreed Yearly Cost	\$1,600,000