3. Total Allowable Adjustment without Concurrence from the Selection Official per the Selection Statement: 10%
Actual Total Adjustment based on Budget Table Above: 0%
Total Project Costs have not changed from Selection Statement – these are BP1 costs only.
Is the original budget the same as the negotiated budget: ☐ Yes ☒ No
If No, please check all boxes that apply:
☐ Change in the Project Scope
☒ Changes due to Time Delays
☐ Math Errors in Budget
☒ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
☒ Indirect/Fringe Rates incorrectly applied
☐ Other (explain) _____

4. Briefly describe and explain any substantial change(s) to the original Statement of Project Objectives submitted by the recipient:

Project Officer commentary: No changes have been made to the Statement of Project Objectives that was approved in the 001 modification to the award, which lifted all conditions on BP1 except for the work to be completed by the sub-recipient, Dow Chemical. In the original action, the Dow Chemical sub-recipient included costs in BP1 that were not allowed and had to be moved to BP2. In this action, those costs have been moved to BP2. Thus, the scope of work did not change; the associated costs were simply moved to the next phase of the project.

SECTION III – TECHNICAL EVALUATION SUMMARY

A. For each cost category, the Project Officer and the Specialist will complete his/her Technical Evaluation of the Negotiated Costs to confirm that they are all reasonable, allowable, and allocable. Additional comments should be added as necessary and as indicated below.

1. Personnel:

Total Negotiated Personnel Costs: $Exemption 4 Not Applicable, the recipient did not propose personnel costs: ☐

Project Officer:
Original Budget: Exemption 4
Revised budget: $
The labor hours proposed in the negotiated budget are reasonable for the scope of work: ☒

The labor mix proposed in the negotiated budget is reasonable: ☒

The revised budget has changed from the originally approved budget of $Exemption 4 . The changes include a reduction in the number of hours and associated costs with various tasks. More specifically, the changes include the Exemption 4

Based on comparable positions, experience levels, and rates for technology positions in the industry, the rates are reasonable. While some may seem high, such as the VPs, PI, Mgrs, etc., these positions are for highly experienced personnel and top management within the company; their rates are comparable to higher end rates for these types of positions.

Specialist:
Please fill out the following table with the negotiated costs:

Task	Task Title	Budget Period 1	
		Hours	Budget
Exemption 4			

Negotiated labor rates are reasonable: ☒
These rates were previously deemed reasonable, due to the nature of the activities, the stature of many of the positions within the company, and also the locality. The specialist feels it is reasonable that the recipient felt the number of hours could be reduced in order to meet the objectives of the SOPO for Budget Period 1. For a more detailed personnel cost breakdown, please reference the PMC 123.1 for this modification.

2. Fringe Benefits:

Total Negotiated Fringe Benefit Costs: $Exemption 4 Not Applicable, the recipient did not propose fringe benefit costs: ☐

Original Budget: Exemption 4
Revised Budget: $
Specialist:
Does the Recipient have an approved rate agreement: ☐ Yes ☒ No

If No, select one of the following:
☒ Rate proposal was reviewed by the Cost/Price Analyst and found to be reasonable, allowable, and allocable (attach Cost/Price Analyst Determination)
☐ Rate Proposal was reviewed by the Cost/Price Analyst for a previous award (attach Cost/Price Analyst Determination)
List Date of review_____
☐ Specialist determined that rate was reasonable
☐ Other:

Please fill out the following table with the negotiated costs:

Personnel	Total Cost	Fringe Rate	Cost
Total Personnel	Exemption 4		

The fringe benefit costs in the negotiated budget were appropriately applied and are reasonable: ☒

3. Travel:

Total Negotiated Travel Costs: $Exemption 4 Not Applicable, the recipient did not propose travel costs: ☐

Project Officer:
The travel budget did not change from the originally approved budget.
☒ Specialist concurs.

4. Equipment:

Total Negotiated Equipment Costs: $Exemption 4 Not Applicable, the recipient did not propose equipment costs: ☐

Project Officer:
Original Budget: Exemption 4
Revised Budget: $
The type(s) of equipment proposed in the negotiated budget is/are reasonable for the scope of work: ☒

The cost of equipment proposed in the original budget are reasonable: ☒

Two additional pieces of equipment were budgeted to be purchased during BP1 that were not originally included in the budget for BP1. These include a Exemption 4 ,
Exemption 4 Quotes have been received from the recipient. These pieces of equipment were not included in the original budget but are included in the revised budget because they did not have an engineering department at the time the budget was submitted. When the Director of Engineering was hired, he assessed his department's needs to achieve the project objectives, and identified the need to have Exemption 4
selected has the added advantage of being compatible with their sub-recipient's systems (The Dow Chemical Company).
Exemption 4 which was not contemplated in the original budget.

Is there any proposed equipment with a total cost exceeding $50,000: ☒ Yes ☐ No
☒ Specialist concurs.

5. Supplies:

Total Negotiated Supplies Costs: $0 Not Applicable, the recipient did not propose supplies costs: ☒

Project Officer:
No supply costs were proposed for Budget Period 1.
☒ Specialist concurs.

6. Contractual:

Total Negotiated Contractual Costs: $Exemption 4 Not Applicable, the recipient did not propose contractual costs: ☐

Original Budget: Exemption 4
Revised Budget: $
Project Officer:
The subrecipients proposed in the negotiated budget are appropriate for the scope of work: ☒

The contractual costs proposed in the negotiated budget are reasonable: ☒ Yes

Did the Recipient propose any subrecipients with total costs above $100,000? ☒ Yes ☐ No (If Yes, a separate Technical Evaluation/Negotiation Memorandum is required for each subrecipient/vendor – see below)

The revised budget contains less contractual costs because Dow Chemical moved a portion of their costs from BP1 to Exemption 4

revised budget. Please see the 123.1 for reference

☒ Specialist concurs.

7. Construction:

Total Negotiated Construction Costs: $0 Not Applicable, the recipient did not propose construction costs: ☒

Project Officer:
No construction costs were proposed for Budget Period 1.

☒ Specialist concurs.

8. Other Direct Costs:

Total Negotiated Other Direct Costs: $0 Not Applicable, the recipient did not propose other direct costs: ☒

Project Officer:
No other direct costs were proposed for Budget Period 1.

☒ Specialist concurs.

9. Indirect Charges:

Total Negotiated Indirect Costs: $Exemption 4 Not Applicable, the recipient did not propose indirect costs: ☐

Original Budget: Exemption 4
Revised Budget: $
Specialist:
Does the Recipient have an approved rate agreement: ☐ Yes ☒ No

If No, select one of the following:
☒ Rate proposal was reviewed by the Cost/Price Analyst and found to be reasonable, allowable, and allocable (attach Cost/Price Analyst Determination)
☐ Rate Proposal was reviewed by the Cost/Price Analyst for a previous award (attach Cost/Price Analyst Determination)
List Date of review_____
☐ Specialist determined that rate was reasonable
☐ Other:

Please fill out the following tables with the negotiated costs:

Base Item	Base Cost	Rate	Indirect Cost
Personnel	Exemption 4		
Fringe Benefits			
Travel			
Equipment			
Supplies			
Contractual (Vendor)			
Construction			
Other Direct Costs			
Total:			

The indirect costs proposed in the original budget are reasonable: ☒
Exemption 4

10. Cost Share:

Project Officer:
Project is a: ☒ Research ☒ Development ☐ Demonstration ☐ Other: Pilot Project, BP1 (Explain)

The minimum recipient's cost share required for this award is: Exemption 4
The recipient proposed cost share for this award is: Exemption 4

Does the proposed cost share meet the minimum requirement: ☒ Yes ☐ No

Specialist:
Is the proposed cost share: ☒ Cash ☐ In-kind (detail the amount and category below for in-kind cost share, if applicable)

All proposed cost share is proposed as Exemption 4
from Membrane Technology and Research, Inc.

Organization	Type of Cost Share (Cash or in-kind)	Cost Share Amount	Basis of Value (how the recipient calculated value)
Algenol	Exemption 4		
DOW Chemical Company			
Membrane Technology and Research, Inc.			

Third Party cost share commitment letters have been obtained: ☒ (Please include letters in permanent STRIPES file)
Exemption 4

B. The following Project Officer and Specialist evaluation and negotiation commentary and recommendations address their agreement on all additional considerations for this award.

1. Please list any other special provisions agreed upon for inclusion in this award and describe the rationale for their inclusion below.

The following changes will be made to the Special Terms and Conditions from Modification 001: 1) Delete and replace Provision 6, "Cost Sharing"; 2) Delete and replace Provision 20, "Funding of Budget Periods"; 3) Delete Provision 27, "Subcontract Approvals"; and 4) Delete Provision 35, "Reopener Term – Pending Indirect Rates – Financial Assistance".

2. If a negotiation strategy, or strategies, is/are specified in the selection statement, provide a discussion below of how this was addressed and resolved.

Exemption 4 Total Project Costs must be kept aside from the project budget as contingency for the project. This contingency is applicable to total project costs (BP2 forward) and will be verified by the Project Officer as requested and discussed in the Contingency Appendix that will be attached to the award. Contingency will be reported and tracked as well to address Exemption 4 requirement per the Selection Statement.

3. Any other comments or concerns of the Project Officer and/or Specialist for this award, and the recommended approach to mitigating them, will be explained and addressed below.

All comments and concerns have been previously noted.

4. Is this a Recovery Act award? ☒ Yes ☐ No
   - If Yes, does the Buy American Act apply (see applicability below)? ☐ Yes ☒ No
   - If Yes, does Davis Bacon Act apply (see applicability below)? ☒ Yes ☐ No

   If the answer to either the Buy American Act or Davis Bacon Act questions is Yes, provide a short discussion below on: 1) the type of entity; 2) what applies; Davis Bacon, Buy American, or both; 3) whether it applies to the prime, subrecipient, or both; and 4) work to be performed that requires applicability of Buy American and/or Davis Bacon.

Algenol Biofuels Inc. is subject to the Davis Bacon Act and it will apply to both the Recipient and their subrecipients, throughout the entirety of the project (Budget Periods 1 & 2). This project will include construction activities, and these are subject to the Davis Bacon Act.

Subrecipient: The Dow Chemical Company

SECTION II – NEGOTIATION SUMMARY

1. Please record any significant application or budget submissions that resulted in a revised budget in the Negotiation History Table below (including SF424A, budget justifications, e-mails, etc.):

Application/Budget Submission	Reference Document(s)	Date of Submission	Summary of Change
Original		Jun-09	
Revision #1	123.1.; SF424A	1/10/2010	Updated budget to remove some BP2 activities and contigency
Revision #2	123.1: SF424A	3/11/2010	Provided 123.1
Revision #3	123.1: SF424A	4/21/2010	Revised 123.1
Final		5/28/2010	Additional justification for personnel and use of cost share was provided

2. Complete Budget Table below (only include the original budget and final negotiated costs – the Percent of Total Negotiated Budget will calculate automatically)
Note: List proposed amounts by category even if there are no differences in the dollar amount.

Element of Cost	Original BP1 Budget Submission	Final BP1 Negotiated Costs	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
				Proposed Rate	Negotiated Rate
Personnel	Exemption 4				
Fringe Benefits					
Travel					
Equipment					
Supplies					
Contractual					
Construction					
Other					
Total Direct Charges					
Indirect Charges					
TOTAL					
Program Income					
DOE Share (non-FFRDC)	$2,150,008	$1,416,520	Exemption 4		
DOE Share (FFDRC)	$0	$0			
Total DOE Share	$2,150,008	$1,416,520			
Non-Federal Cost Share	Exemption 4				

SEE ATTACHED SF 424A FOR BUDGET PERIOD BREAKDOWN

3. Is the original budget the same as the negotiated budget: ☐ Yes ☒ No

If No, please check all boxes that apply:

☐ Change in the Project Scope
☐ Changes due to Time Delays
☐ Math Errors in Budget
☐ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
☐ Indirect/Fringe Rates incorrectly applied
☒ Other (explain): BP2 construction costs were moved to BP2 from the BP1 budget

4. Briefly describe and explain any substantial change(s) to the original Statement of Project Objectives submitted by the recipient:

Project Officer commentary: The scope of work for BP1 proposed by Dow Chemical Company within Algenol's project changed since the original application. Initially, the work that was proposed for BP1 included activities that could only be completed in BP2. These BP2-type activities and the associated costs have been moved out of the budget for BP1 and these costs are evaluated below.

SECTION III – TECHNICAL EVALUATION SUMMARY

A. For each cost category, the Project Officer and the Specialist will complete his/her Technical Evaluation of the Negotiated Costs to confirm that they are all reasonable, allowable, and allocable. Additional comments should be added as necessary and as indicated below.

1. Personnel:

Total Negotiated Personnel Costs: $Exemption 4 Not Applicable, the recipient did not propose personnel costs: ☐

Project Officer:
Dow proposed numerous positions by staff name rather than position. They also provided total hours and total compensation. The average rate based on this information calculates Exemption 4 This a reasonable rate for the type of work Dow staff will be performing. Additional detail regarding actual positions and compensation rates per position is provided here:

Position Title	# of Employees	Hours	Dollars - Yr 1
Technologist, R&D	Exemption 4		
Scientist, R&D			
Sr. Research Specialist, R&D			
Total:			

The labor hours proposed in the negotiated budget are reasonable for the scope of work: ☒
The labor mix proposed in the negotiated budget is reasonable: ☒

☒ Specialist concurs.

2. Fringe Benefits:

Total Negotiated Fringe Benefit Costs: $0 Not Applicable, the recipient did not propose fringe benefit costs: ☒

Specialist:
No fringe benefit costs were proposed for Budget Period 1.

3. Travel:

Total Negotiated Travel Costs: $0 Not Applicable, the recipient did not propose travel costs: ☒

Project Officer:
No travel costs were proposed for Budget Period 1.

☒ Specialist concurs:

4. Equipment:

Total Negotiated Equipment Costs: $0 Not Applicable, the recipient did not propose equipment costs: ☒

Project Officer: No equipment costs were proposed for Budget Period 1.
☒ Specialist concurs.

5. Supplies:

Total Negotiated Supplies Costs: $0 Not Applicable, the recipient did not propose supplies costs: ☒

Project Officer: No supply costs were proposed for Budget Period 1.
☒ Specialist concurs.

6. Contractual:

Total Negotiated Contractual Costs: $0 Not Applicable, the recipient did not propose contractual costs: ☒

Project Officer: No contractual costs were proposed for Budget Period 1.
☒ Specialist concurs.

7. Construction:

Total Negotiated Construction Costs: $0 Not Applicable, the recipient did not propose construction costs: ☒

Project Officer: No construction costs were proposed for Budget Period 1.
☒ Specialist concurs.

8. Other Direct Costs:

Total Negotiated Other Direct Costs: Not Applicable, the recipient did not propose other direct costs: ☒

Project Officer: *Original Budget:* Exemption 4 *Revised Budget:* $ The revised budget contains less 'other direct costs' because Dow Chemical moved a portion of their costs from BP1 to BP2 because these activities were associated with construction activities. This accounts for the $ Exemption 4 in the budget.
☒ Specialist concurs.

9. Indirect Charges:

Total Negotiated Indirect Costs: $Exemption 4 Not Applicable, the recipient did not propose indirect costs: ☐

Original Budget: $Exemption 4
Revised Budget: $
Specialist:
Does the Recipient have an approved rate agreement: ☒ Yes ☐ No

If Yes, List the Date of Rate Agreement: June 23, 2010 Cite Federal Cognizant Agency: Defense Contract Audit Agency

Please fill out the following tables with the negotiated costs:

Base Item	Base Cost	Rate	Indirect Cost
R&D Laboratories	Exemption 4		
Non-R&D Groups			
Administration Service Expense (Total Direct + Overhead)			
Total Indirect:			
Rev			

The indirect costs proposed in the original budget are reasonable: ☒
Dow Chemical was asked to provide an explanation of how they calculated their indirect rates. In the process, they realized they had misapplied their rates. When they recalculated, they found they had proposed under the calculated
Exemption 4

10. Cost Share:

Project Officer:
Project is a: ☒ Research ☒ Development ☐ Demonstration ☐ Other: Pilot Project, BP1 (Explain)

The minimum recipient's cost share required for this award is: Exemption 4

The recipient proposed cost share for this award is: Exemption 4 of their Budget Period 1 costs as cash cost share, totaling $Exemption 4 The Phase 1 cost share was confirmed to include only Photobioreactor development costs.

Does the proposed cost share meet the minimum requirement: ☒ Yes ☐ No

Specialist:
Is the proposed cost share: ☒ Cash ☐ In-kind

Third Party cost share commitment letters have been obtained: ☒ (Please include letters in permanent STRIPES file)

SECTION IV – RECOMMENDATIONS/APPROVAL

Signatures of the Project Officer and Specialist, indicating their recommendations, as indicated below, will occur after their mutual agreement on the contents of this document, and before the review and approval process for the action. The signatures below indicate that the costs in the negotiated budget are reasonable, allowable, and allocable.

1. Technical Recommendation

The project costs are acceptable and should be considered for a financial assistance award. The resources have been reviewed relative to the Statement of Project Objectives and are found to be reasonable, except as previously noted herein.

Christy Sterner — 8/13/10
Signature — Date

Christy Sterner
Project Officer

2. Specialist Recommendation

In view of the above analysis, the technical evaluation, and considering all known factors, this Award is recommended.

Molly R Hames — 08/16/10
Signature — Date

Molly Hames
Grants and Agreements Specialist

3. Contracting Officer Approval

☒ I concur with the above recommendation and have determined that the Recipient is responsible. I consider this Award to be in the best interest of the Government, and approve the award documents.

☐ In view of the analysis, the technical evaluation, and considering all known factors, I have determined that the Recipient is responsible. This Award is considered to be in the best interest of the Government and approved.

Michael A. Schledom — 08/16/2010
Signature — Date

Michael A. Schledom
Contracting Officer

PMC 410.1
(07/06)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

FINANCIAL INFORMATION

PROVIDE ALL INFORMATION REQUESTED ON THIS FORM

Applicant: **Algenol Biofuels Inc.**

Project Title: **Pilot-Scale Integrated Biorefinery Operations for Producing Ethanol from Hybrid Algae**

Announcement/Award No: **DE-FOA-0000096 /**

1. Have you had prior Federal awards? ☐ Yes ☒ No

2. Have you had an outside audit or an A-133 audit? ☒ Yes ☐ No
If yes, please provide a copy of the A-133 or outside audit (electronic preferred).

INFORMATION FOR DETERMINING COGNIZANT AGENCY/OFFICE

3. Applicant's fiscal year end date is December 31st

4a. Identify Cognizant **Federal Agency** (agency providing the preponderance of Federal funding), and provide Agency name, a point of contact, phone number, and e-mail.

Agency: Department of Energy
Point of Contact: Christy Sterner
Phone: 303-275-4720
E-mail:Christy.sterner@go.doe.gov

4b. To assist our office in validating Cognizant **Federal Agency** (4a), please provide following information for the 5 highest dollar award value for current Federal contracts, grants or awards (do not include sub-awards). (State Agencies and Universities can skip 4b)

Contract/Award #	Awarding Agency	Awarding Office	Start Date	End Date	Total Value

5a. If applicant has current DOE awards, identify Cognizant **DOE Office** (office providing the preponderance of DOE funding), and provide DOE office name, a point of contact, phone number, and e-mail.

DOE Office:
Point of Contact (Contracting Officer):
Phone:
E-mail:

5b. To assist our office in validating Cognizant **DOE Office** (5a), please provide following information for the 5 highest dollar value awards for current DOE contracts, grants or awards (do not include sub-awards). (State agencies and Universities can skip 5b)

DOE Contract/Award #	DOE Awarding Office	Start Date	End Date	Total Value

FINANCIAL MANAGEMENT SYSTEM

To qualify for Financial Assistance, compliance with 10 CFR 600.121 - Higher Education, Hospitals, and Other Non-Profit Organizations, 10 CFR 600.220(b) - State and Local Governments or 10 CFR 600.311 - For-Profit Organizations is required. Please check applicable boxes below.

☐ The Financial Management System is in compliance with 10 CFR 600.121, 10 CFR 600.220(b), or 10 CFR 600.311.

☒ I do not know if my Financial Management System is in compliance with 10 CFR 600.121, 10 CFR 600.220(b), or 10 CFR 600.311. If this block is checked, complete the survey below.

Accounting System Survey

	Yes	No	NA
1. Is your Accounting System in accordance with Generally Accepted Accounting Principles applicable to the circumstances?	☒	☐	☐
2. Accounting System provides for:			
a. Segregation of direct costs from indirect costs.	☒	☐	☐
b. Identification and accumulation of direct costs by project.	☒	☐	☐
c. A logical and consistent method for the allocation of indirect costs to intermediate and final cost objectives. (Project is final cost objective)	☒	☐	☐
d. Accumulation of costs under general ledger control.	☒	☐	☐
e. A timekeeping system that identifies employees' labor by intermediate and final cost objectives.	☐	☐	☒
f. A labor distribution system that charges direct and indirect labor to appropriate cost objectives.	☒	☐	☐
g. Interim (at least monthly) determination of costs charged to a project through routine posting of books of account.	☒	☐	☐
h. Excluding costs charged to Government projects which are not allowable in terms of FAR 31, Contract Cost Principles and Procedures, or other provisions.	☒	☐	☐
i. Identification of costs by project line item and by units (as if each unit or line item were a separate project) if required by the proposed award.	☒	☐	☐
3. Is the Accounting System designed, and are the records maintained in such a manner that adequate, reliable data are developed for use in developing cost proposals?	☒	☐	☐
4. Is the Accounting System currently in full operation?	☒	☐	☐

PMC 420.3
(12/09)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

REQUEST FOR COST PRICE ASSISTANCE

Award No./DUNS	DE-EE0002867/80-039-9904	Awardee: (Legal Name in CCR)	ALGENOL BIOFUELS INC.
Specialist:	Molly Hames	Project Officer:	Christy Sterner
Requestor:		Project Monitor:	Christine English
Business Contact Name:	Craig Smith	Business Contact Ph. No:	239-498-2000
Business Contact Email:	craig.smith@algenolbiofuels.com	Date of Request:	04/12/2010
Program Area:	Biomass Program	Award Type: ☒ Recovery	☐ CDP ☐ Other_____

Complete Section and Forward to Analyst for Completion

SPECIALIST: Mark below whether pre-award, post award, or audit and provide any comments or special needs:

1) ☒ Pre-award Proposal- submitted documents should include budget documents summary and detail, additional supporting information to support proposed calculations. **Comments:**

REDACTED
EXEMPTION 4

There are three sub-recipients for this project: Georgia Institute of Technology ($), Membrane Technology and Research Inc. ($), and the Dow Chemical Company ($ These budgets are included with this request. Georgia Tech already has an existing rate agreement with DHHS, it appears that Membrane TRI had a previous rate agreement in 2004, and it also appears that there was a previous rate agreement with the Dow Chemical Company in 2006 in the W Drive.

COST PRICE ANALYST: Findings, Recommendations & Comments:

I have reviewed the proposed indirect costs associated with Award No. DE-EE0002867 to determine if the indirect costs proposed for the Recipient, Algenol Biofuels, Inc., are reasonable, allocable and allowable and in accordance with 10 CFR 600 and FAR 31.205.

DOE Golden is Cognizant for the Recipient and an Indirect Rate Proposal (IRP) was provided in conjunction with this review, based on 2009 YTD actual costs through the Recipient's fiscal yearend December. The IRP appropriately segregated indirect from direct costs and properly excluded unallowable cost elements. This Recipient has had no prior Federal awards and I worked with Craig Jones in January 2010 regarding a few issues from their first submission and development of their IRP. The information provided by the recipient for development of the fringe and indirect rates proposed offers a level of detail to make the following recommendation for Budget Year One (follow-on year's budget estimations are not finalized).

The proposed fringe costs for year one of $ % against the labor base proposed for that year of $. The fringe pool consists of the allowable elements as offered by the Recipient to their employees and represented in the Recipient's information. These elements include payroll taxes, medical, workers compensation, and childcare expense.

Consistent with the IRP provided, the proposed indirect costs for year one of $ are calculated using the IRP rate of % against the base of modified total direct costs $ REDACTED excluding Contractual expenses, but including Vendor costs. {Reference Excel spreadsheet for specific calculations}. EXEMPTION 4

For the Budget Year One information, I recommend accepting the Fringe Rate of % and associated costs of $ as well as the Indirect Rate of % and associated costs of $ These costs are considered reasonable, allocable and allowable and no exception is taken with the application of the proposed rates. I recommend the Contract Specialist confirm the Recipient understands for the follow-on years, the DOE will need to have appropriate incurred cost information prior to adjusting the rates to determine the reasonableness in adjusting these rates. At this point using rates consistent with Year one is reasonable for estimating purposes of deriving the full award fringe and indirect costs proposed. For this review, I was informed there was no audit provided, although an A-133 was conducted according to the Recipient. Therefore, further determination regarding the level of cost risk was not confirmed.

The three Sub-Recipients which have proposed budget under this award (and commented on above) have rate agreements in place with their perspective Cognizant Agency/Office, including DOW Chemical which has listed the most current rate information in their budget justification for 2008 and confirmed with the DCAA office on 4/19/2010. The Contract Specialist will make the determination of the application of the rates for the estimated budgets proposed.

Completed by: Pam Lavergne Date: April 19, 2010

Reviewed by: Lisa Artz Date: 04/19/2010

RECIPIENT: **Rate Calculation Worksheet / Notes**

ALGENOL BIOFUELS INC. (EE0002867)

	PROPOSED						DIFFERENCE		CALCULATED			
	Budget Period 1	Budget Period 2	Budget Period 3	Total (All Years)	Rate(s)	RECOMMEND	Budget Year 1	Delta (All Years)	Budget Period 1	Budget Period 2	Budget Period 3	Total (All Years)
Labor	Exemption 4						Exemption 4		Exemption 4			
Labor:									$			
Total Labor									$			
Fringe Rates						NOTE 1 **						
Total Fringe *Applied Rate*						19.5%			$			
Labor Incl. Fring									$			
Travel									$			
Equipment									$			
Supplies									$			
Georgia Tec									$			
MTF									$			
Dow Chemica									$			
Sub-Recipient									$			
Vendor									$			
FFRDC									$			
Contractual									$			
ODC									$			
Total Direct						NOTE 2			$			
Indirect Cost Rate Applied						73.9%			$			
Total Award									$			

NOTES:

(1) Fringe proposed against direct & indirect labor for allowable elements in accordance with Recipient's IRP.

(2) Previously reviewed Recipient's IRP (Jan 2010). With updated information, the application of the indirect rate proposed for Year One (under review), provides no exceptions. Will need to review BY2 & 3 after finalization of budgets for review.

** DOE Golden is Cognizant.

Department of Energy
Golden Field Office
1617 Cole Boulevard
Golden, Colorado 80401-3393

April 19, 2010

Dear Recipient,

As the Cognizant U.S. Department of Energy (DOE) Office for your organization, we have approved provisional billing rates per the attached Indirect Cost Rate Agreement.

In accordance with applicable Federal regulations (FAR 42.7 and/or 10 CFR 600.103) governing indirect cost rates for your award(s), billing rates are not to be construed as determinative of the indirect costs to be distributed or of the bases of distribution to be used in the final settlement of your award(s).

You are expected to monitor the approved billing rates and notify your Administrative Contracting Officer in writing of any substantial change in the indirect rates. Adequate documentation supporting requests for revised billing rates must also be provided.

You are reminded to submit your proposed final indirect cost rates for each fiscal year to the Contracting Officer no later than six (6) months after the end of that fiscal year. The proposed final rates should be based on actual costs incurred and be supported by adequate cost data.

In compliance with the payment clause of your award(s), we are requesting that you make any appropriate invoice adjustments to reflect the approved provisional billing rates for all active DOE, and other Federal agency, awards. Audit adjustments should be clearly delineated so as to be readily identifiable for verification by auditors. Care should be taken that amounts claimed do not exceed cost limitations or indirect cost rate ceilings contained in any awards.

If you have any questions, please contact the Contract Specialist(s) associated with your award(s). If they are unable to address your questions, a representative from the Indirect Cost Rate Management Team will follow up with a response.

Thank you for your consideration,
Indirect Cost Rate Management Team

Enclosure: Provisional Indirect Rate Agreement

Department of Energy, Golden Field Office

Department of Energy
Golden Field Office
1617 Cole Boulevard
Golden, Colorado 80401-3393

PROVISIONAL BILLING / BIDDING RATE AGREEMENT

Awardee: Algenol Biofuels, Inc.

Applicable Period: 2010

The U.S. Department of Energy hereby approves the following provisional rates for billing purposes as requested and confirmed by review dated April 19, 2010. The rates are approved for your **Fiscal Year 2010** beginning January 2010 and ending December 2010 and supersede any prior approvals.

INDIRECT COST RATES:

Indirect Cost Pool	Billing Rate	Allocation Base
Fringe	REDACTED EXEMPTION 4	(a)
Indirect Rate		(b)

BASIS FOR ALLOCATION:
(a) Total Labor Dollars
(b) Modified Total Direct Cost, including vendor costs, excluding subcontractor costs.

Pending establishment of final indirect cost rates, you may bill for indirect expenses using the above rates for the period specified for existing Government contracts, grants, or cooperative agreements. However, this approval shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in such awards. Additionally, if any award contains indirect rate ceilings, and these ceilings are less than the above rates, the lesser rate shall prevail.

Acceptance of these provisional rates for billing purposes does not imply final acceptance nor commit the Government to any specific rate in final rate negotiations.

Nothing herein shall be construed to prejudice, waive, or in any other way affect any rights of the Government under the provisions of any contracts, grants, or other cooperative agreements respecting limitation of the Government's obligation hereunder.

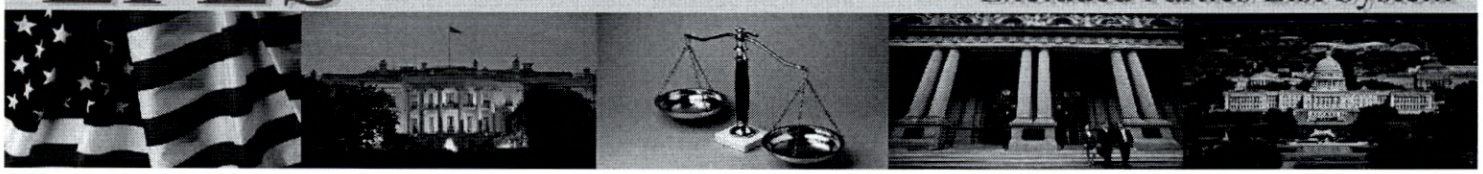
This agreement is effective as of the date of this letter. Questions regarding this agreement should be directed to my attention at the address below.

For the U.S. Department of Energy:

Lisa Artz

Ms. Lisa Artz
Administrative Contracting Officer
Indirect Cost Rate Management
1617 Cole Boulevard
Golden, Colorado 80401-3393

April 20, 2010
Date



EPLS Search Results

Results **1** - **1** of **1**

Search Results for Parties Excluded by

Firm, Entity, or Vessel : Algenol Biofuels, Inc.
Firm, Entity, or Vessel : The Dow Chemical Company
Firm, Entity, or Vessel : Georgia Institute of Technology
Firm, Entity, or Vessel : Membrane Technology and Research, Inc.
Individual : Craig R Smith

As of 15-Jul-2010 5:55 PM EDT

Save to MyEPLS

Page: **1**

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Name	Smith, Craig E.
Classification	Individual
Exclusion Type	Reciprocal
Description	Convicted of Clean Air Act or Clean Water Act violation- ineligible for awards to be performed at this Facility Only: C.W.S. Industries, Inc., 726-C Kaighns Ave., Camden, NJ 08103 (Violating Facility)

Address(es) --

Verify Street 1	
Verify Street 2	
Address	Cherry Hill, NJ, 08003
DUNS	none

CT Action(s) --

Action Date	24-Feb-2003
Termination Date	Indef.
CT Code	H
Agency	EPA
Agency POC	EPA Contacts
EPLS Create Date	23-Mar-2004
EPLS Modify Date	

Record History

Page: **1**

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Back New Search Report Excel XML ASCII Printer-Friendly

Hames, Molly

From: Sterner, Christy
Sent: Friday, August 13, 2010 2:40 PM
To: Hames, Molly; 'Mundell, Kristy (KR)'
Cc: 'Dibbs, Mitch (MG)'; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hi Everyone,

I apologize for the confusion. I entered all the wrong numbers into Molly's email below. We were working on it together and I misunderstood the numbers. Please disregard the email below. It should read as follows:

REDACTED
EXEMPTION 4

Thank you for your patience, time and attention to this matter.

Best regards,

Christy Sterner
U.S. DOE

Go to http://www.eere.energy.gov/golden/funding.aspx for important news regarding Grants.gov.

-----Original Message-----
From: Hames, Molly
Sent: Thursday, August 12, 2010 2:48 PM
To: 'Mundell, Kristy (KR)'
Cc: Dibbs, Mitch (MG); Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,

REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Mundell, Kristy (KR) [mailto:KRMundell@dow.com]
Sent: Thursday, August 12, 2010 9:10 AM
To: Hames, Molly
Cc: Dibbs, Mitch (MG); Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Molly,

REDACTED
EXEMPTION 4

If you have any questions, please do not hesitate to contact me.

Regards,

Kristy Mundell
Functional Controllers - U.S. Government Contracts

The Dow Chemical Company
2020 Dow Center

Midland, MI 48674
Phone: 989-638-9831 Fax: 989-636-0380
Email: krmundell@dow.com

-----Original Message-----
From: Hames, Molly [mailto:molly.hames@go.doe.gov]
Sent: Monday, August 09, 2010 4:40 PM
To: Dibbs, Mitch (MG); Mundell, Kristy (KR)
Cc: Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
I just wanted to check in and see if you had any questions. This is the last item we need before the remaining conditions can be lifted for Budget Period 1. Please feel free to call me.

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Hames, Molly
Sent: Monday, August 02, 2010 12:34 PM
To: 'mgdibbs@dow.com'; 'krmundell@dow.com'
Cc: Sterner, Christy; English, Christine
Subject: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
We are reviewing your budget submitted as a contractor to Algenol Biofuels, Inc. I only had a few questions. The first is, could we please have a copy of your indirect rate agreement with DCAA? The second is, would you mind providing me with how you calculated the proposed

REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

Hames, Molly

From: Mundell, Kristy (KR) [KRMundell@dow.com]
Sent: Thursday, August 12, 2010 9:10 AM
To: Hames, Molly
Cc: Dibbs, Mitch (MG); Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW
Attachments: Dow Chemical 2010 Provisional Billing Indirect rates

Molly,

Below is the breakdown of the Year 1 indirect costs using the 2010 provisional billing rates. Attached is the email from DCAA indicating approval of the 2010 provisional billing rates.

Please note, Dow is not requesting any additional funding from DOE. Dow will pay for any excess costs over the total DOE funding of $
as originally proposed.

REDACTED
EXEMPTION 4

If you have any questions, please do not hesitate to contact me.

Regards,

Kristy Mundell
Functional Controllers - U.S. Government Contracts

The Dow Chemical Company
2020 Dow Center
Midland, MI 48674
Phone: 989-638-9831 Fax: 989-636-0380
Email: krmundell@dow.com

-----Original Message-----
From: Hames, Molly [mailto:molly.hames@go.doe.gov]
Sent: Monday, August 09, 2010 4:40 PM
To: Dibbs, Mitch (MG); Mundell, Kristy (KR)

Cc: Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

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Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Hames, Molly
Sent: Monday, August 02, 2010 12:34 PM
To: 'mgdibbs@dow.com'; 'krmundell@dow.com'
Cc: Sterner, Christy; English, Christine
Subject: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
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REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864

Hames, Molly

From: Dibbs, Mitch (MG) [mgdibbs@dow.com]
Sent: Monday, August 09, 2010 3:16 PM
To: Hames, Molly
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Molly,

I should have a response for you on Wednesday.

Regards,
Mitch

Mitchell Dibbs
External Technology
The Dow Chemical Company
1776 Building
Midland, Michigan 48674
Tel: (989)636-1202
Fax: (989)636-1705
mgdibbs@dow.com
www.dow.com

-----Original Message-----
From: Hames, Molly [mailto:molly.hames@go.doe.gov]
Sent: Monday, August 09, 2010 4:40 PM
To: Dibbs, Mitch (MG); Mundell, Kristy (KR)
Cc: Sterner, Christy; English, Christine
Subject: RE: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,
I just wanted to check in and see if you had any questions. This is the last item we need before the remaining conditions can be lifted for Budget Period 1. Please feel free to call me.

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

-----Original Message-----
From: Hames, Molly
Sent: Monday, August 02, 2010 12:34 PM
To: 'mgdibbs@dow.com'; 'krmundell@dow.com'
Cc: Sterner, Christy; English, Christine
Subject: DOE Award: DE-EE0002867 - Algenol - Subcontractor DOW

Hello,

We are reviewing your budget submitted as a contractor to Algenol Biofuels, Inc. I only had a few questions. The first is, could we please have a copy of your indirect rate agreement with DCAA? The second is, would you mind providing me with how you calculated the proposed

REDACTED
EXEMPTION 4

Thanks,

Molly Hames
Grants & Agreements Specialist
U.S. Department of Energy
Golden Field Office
1617 Cole Blvd. Golden, CO 80401
Phone: 303-275-4864
Fax: 303-275-4754

Hames, Molly

From: Sterner, Christy
Sent: Monday, July 26, 2010 7:06 PM
To: Hames, Molly
Subject: FW: Changing Katie McFadden to Business Officer

Importance: High

Hi Molly,

Per Craig's request below, please update the Business Contact for Algenol's award to Katie McFadden, Algenol's CFO.

Thanks and best regards,

Christy Sterner
U.S. DOE

Go to http://www.eere.energy.gov/golden/funding.aspx for important news regarding Grants.gov.

-----Original Message-----
From: Craig Smith [mailto:craig.smith@algenolbiofuels.com]
Sent: Monday, July 26, 2010 6:58 PM
To: Sterner, Christy
Subject: Re: Changing Katie McFadden to Business Officer
Importance: High

Dear Christy:

Please change the name of the Business contact for Algenol's DOE grant from Craig R. Smith, M.D. to Katie McFadden, Algenol's CFO. Thank you.

Craig R. Smith, M.D.
Chief Operating Officer
Algenol Biofuels Inc.

239-498-2000
craig.smith@algenolbiofuels.com

On Jul 26, 2010, at 4:34 PM, Sterner, Christy wrote:

> Hi Craig,
>
> I'm sorry for the confusion, but we need an email from you requesting
> changing the Business contact from you to Katie. Can you send me a
> quick email requesting that change?
>
> Thanks for your help!
>
> Best regards,
>
> Christy Sterner
> Project Officer

Hames, Molly

From: Katie McFadden [Katie.McFadden@Algenolbiofuels.com]
Sent: Thursday, July 22, 2010 5:39 AM
To: Hames, Molly
Cc: Sterner, Christy; English, Christine; Tara Lambert
Subject: Re: DE-EE0002867 - Algenol - Indirects

Hi Molly,

OK.

We will make the adjustment on our end as well and adjust our billing accordingly.

If you need anything else, let us know.

Cheers,

katie
On Jul 21, 2010, at 1:34 PM, Hames, Molly wrote:

> Hello Katie,
>
>
>
>
>
>
>
>
> Please let me know if this is acceptable. If you have questions please
> call me. I am in a meeting from 12-3 (MST) today, but will be
> available after that.
>
> Molly Hames
> Grants & Agreements Specialist
> U.S. Department of Energy
> Golden Field Office
> 1617 Cole Blvd. Golden, CO 80401
> Phone: 303-275-4864
> Fax: 303-275-4754
>
> <4-21-10 PMC 123.1.xls>

REDACTED
EXEMPTION 4

RE Questions on DOW Submittal to Algenol Project

From: Dibbs, Mitch (MG) [mgdibbs@dow.com]
Sent: Friday, May 28, 2010 9:01 AM
To: Sterner, Christy
Cc: Mundell, Kristy (KR)
Subject: RE: Questions on DOW Submittal to Algenol Project
Attachments: Algenol Labor by Title.xls

Follow Up Flag: Follow up
Flag Status: Flagged

Christy,

Attached is a summary table that gives the job titles, number of individuals with that title, total hours, and total labor dollars for each title for Dow's Phase 1 activities.

Is this information sufficient for your needs? Is there anything else that you require for your review?

Concerning your question on cost share; the referenced statement pertains to activities in Phase 1, 2 & 3. All site preparation and support activities were moved from Phase 1 to Phase 2 at the request of Algenol. The Phase 1 cost share includes only Photobioreactor development costs.

If there are any other questions please feel free to contact Kristy or me.

Regards,

Mitch

Mitchell Dibbs
External Technology
The Dow Chemical Company
1776 Building
Midland, Michigan 48674
Tel: (989)636-1202
Fax: (989)636-1705
mgdibbs@dow.com
www.dow.com

-----Original Message-----
From: Sterner, Christy [mailto:christy.sterner@go.doe.gov]
Sent: Tuesday, May 25, 2010 5:44 PM
To: Dibbs, Mitch (MG)
Subject: Questions on DOW Submittal to Algenol Project
Importance: High

Hi Mitch,

At the end of March, we had contacted Katie McFadden at Algenol with some questions about your submittal to their project. She indicated that I could contact you directly with my questions or to request additional information. Unfortunately, I misread the email and thought you were sending me the information rather than me contacting you to request it; hence, the delay. I apologize for that confusion. As you are aware, I'm sure, we are working to lift the conditions on your Budget Period 1 funding within Algenol's award. In order to do so, there are a few outstanding items that need to be addressed.

REDACTED
EXEMPTION 4

On DOW's budget justification form, PMC 123.1, personnel costs are estimated at $ for BP1. While great detail was provided in the spreadsheet, we need a bit more information. It's not necessary to list the personnel by name; in fact, we would prefer that you did not. Please provide the personnel list by title/position rather than by name. There are a few reasons for this...the