Base Item	Base Cost	Rate	Indirect Cost
Example Only: Modified Total Direct Costs	*$100,000*	*25%*	*$25,000*
Total:			

The indirect costs proposed in the negotiated budget were appropriately applied and are reasonable: ☐

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.

_____ _____
Signature Date

(Typed Name) _____
Project Officer

2. Specialist Recommendation

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

_____ _____
Signature Date

(Typed name) _____
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. (Select this box if the preparer is not the contracting officer)

☐ 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. (Select this box if the preparer is also the contracting officer and indicate N/A in Block 2.)

_____ _____
Signature Date

(Typed name) _____
Contracting Officer

** Contracting Officers shall not sign an award/negotiation memorandum when they are the preparer, without first obtaining a review by their Branch Chief (PF-1 form). However, the Branch Chief may designate another Branch Chief to review the documents. When the Contracting Officer is the Branch Chief, the Contracting Officer will obtain a review from another Independent Reviewer (e.g., Contracting Officer or Policy Analyst). Specialists or Contracting Officers have the discretion to request Independent Review or Legal Review of any action, whether or not required by the review policy, due to unusual circumstances, high visibility, or political sensitivity.*

***PLEASE DELETE ALL BLUE TEXT ONCE FORM IS COMPLETE*

DE-EE0002877

PMC 120.1
(12/09)

U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE

FINANCIAL ASSISTANCE COMBINED COST/TECHNICAL EVALUATION AND NEGOTIATION MEMORANDUM

SECTION I - GENERAL INFORMATION

This technical evaluation/negotiation memorandum will be prepared jointly by the assigned DOE/Golden OCPM AND OAFA personnel, to document the specific action being evaluated and supported. Each office is responsible for certain sections of this document. The assigned OCPM and OAFA personnel responsible for the action will both sign this document upon its completion, demonstrating their agreement on its contents.

Project Officer to complete:

1. Recipient: Solazyme, Inc.

2. Grant/Cooperative Agreement No.: DE-EE0002877 Modification No. 001
   Requisition No:
   Project Title: Solazyme Integrated Biorefinery (SzIBR): Diesel Fuels from Heterotrophic Algae

3. Type of Action: ☒ New Award ☐ Renewal ☐ Continuation ☐ Revision

   Description of this Action: (NOTE: Indicate what is addressed by this Action only):

   The purpose of this action is to lift the conditions on the $ Ex 4 used in Budget Period 1 of the award for Solazyme, Inc. for the project entitled "Solazyme Integrated Biorefinery (SzIBR): Diesel Fuels from Heterotrophic Algae." It also approves the scope and budget for Budget Period 1.

4. Award type, as determined at Procurement Strategy Meeting (for new awards): ☐ Grant ☒ Cooperative Agreement

   If Cooperative Agreement, provide the specifics of the Substantial Involvement. (Note: This language will be used in the Substantial Involvement provision of the award.):

   Include standard language.

5. New/Revised Project Period for this Award: From: 01/29/2010 To: 03/31/2013
   New/Revised Budget Period 1 for this Award: From: 01/12/2010 To: 03/31/2010
   New/Revised Budget Period 2 for this Award: From: To:

Comment [CL1]:

6. Compliance Assessment (skip if new award):
   a. Deliverables
      The Recipient is current in submitting required reports: ☐ Yes ☐ No
      If no, identify the delinquent report(s), indicate what action(s) have been taken to remedy the situation, and identify what further action(s) are necessary, if any:

   b. Financial
      The Recipient is current in meeting the cost share requirement: ☐ Yes ☐ No
      If no, indicate what action(s) have been taken to remedy the situation and validate why this new action should proceed:

REDACTED
EXEMPTION 5
(Deliberative Process)

7. Check the applicable box for Funding Appropriation:
   ☒ Energy and Water ☐ Other

8. Check the applicable box for Statutory Authority:

☐ 109-58, Energy Policy Act 2005
☐ 110-140, Energy Independence and Security Act 2007
☒ ARRA
☐ Other: _____

Specialist to complete:

9. Per 10 CFR 600, the preferred payment method for State/Local Governments, Institutions of Higher Education, Hospitals, or Other Non-Profit Organizations is **Advance**. The preferred Payment Method for For-Profit organizations is **Reimbursement**. Please state the payment method that will be used for this award in the box below. If the preferred payment method is not planned for a new award, provide an explanation below. Also, explain below if the payment method for the award is being changed by this action. If the ACH or the "ASAP Approval Required" payment methods is required, include an explanation for the restriction.

10. Is the proposed Recipient on the debarred or suspended list? Yes ☐ No ☐
Are any of the proposed subrecipients/subcontractors on the debarred or suspended list? Yes ☐ No ☐
Is the Project Director on the debarred or suspended list? Yes ☐ No ☐
If yes for either response above, award cannot be made without obtaining a waiver. See attached waiver.
The review was conducted on the Internet on *(Date)* _____ (Include Printout in permanent STRIPES file)

11. A risk determination has been completed on the PMC Form 460.2 Yes ☐ N/A ☐

Project Officer and Specialist to complete:

12. Negotiation:

	Government Negotiator(s)		Recipient Negotiator(s)	
	Name	Organization	Name	Position
1.	Molly Hames	DOE – Contract Specialist	David Brinkmann	VP Manufacturing (PI)
2.	Christy Sterner	DOE – Project Officer	Dr. Anthony Day	VP R&D
3.	Chris Lindeman	DOE – Project Engineer	Gypsy Achong	

Comment [CL2]: O

REDACTED
EXEMPTION 5
(Deliberative Process)

SECTION II – NEGOTIATION SUMMARY

Project Officer/Specialist to complete:

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		7/8/2009	
Revision 1		1/20/2010	Updated SF-424a and PMC 123.1 to reflect Solazyme › cost share
Revision 2	REDACTED EXEMPTION 4	3/2/2010	Updated to reflect shifting some tasks
Revision "n"			

2. Complete Budget Table below (only include the original budget and final negotiated costs – the Percent of Totsal 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 Budget Submission	Final Negotiated Costs	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
				Proposed Rate	Negotiated Rate
Personnel Fringe Benefits Travel Equipment Supplies Contractual Construction Other		REDACTED EXEMPTION 4			
Total Direct Charges Indirect Charges					
TOTAL					
Program Income					
DOE Share (non-FFRDC) DOE Share (FFRDC) Total DOE Share					
Non-Federal Cost Share					

SEE ATTACHED SF 424A FOR BUDGET PERIOD BREAKDOWN

3. Total Allowable Adjustment without Concurrence from the Selection Official per the Selection Statement: _____

Actual Total Adjustment based on Budget Table Above: ___

Is the original budget the same as the negotiated budget: ☐ Yes ☒ No REDACTED EXEMPTION 4

If No, please check all boxes that apply:

☒ Change in the Project Scope *Original scope did not have any detailed engineering/design work in BP1; these engineering/design tasks were shifted from BP2 in original application to BP1 in current negotiated BP1 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) Original application › cost share; selected on condition of achieving . Solazyme increased their contribution to $5.4 to reach the cost share requirement and maintain the same level of DOE funding.

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

Project Officer commentary:
SOPO was not submitted in original application.

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:

REDACTED
EXEMPTION 4

Total Negotiated Personnel Costs:	Not Applicable, the recipient did not propose Personnel costs: ☐

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

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

The proposed labor rates are reasonable: ☒

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

Labor Type	Budget Period 1			Budget Period 2		
	Hours	Rate	Total	Hours	Rate	Total
					REDACTED EXEMPTION 4	
Total:						

Negotiated labor rates are reasonable: ☐
Labor rates are loaded rates (with fringe benefits or overhead costs): ☐ Address loaded rates in fringe benefits or indirect comments.

Please detail the basis for the reasonable determination:

2. Fringe Benefits:

REDACTED
EXEMPTION 4

Total Negotiated Fringe Benefit Costs:	Not Applicable, the recipient did not propose Fringe Benefit costs: ☐

For recipient budgets that include only fringe benefits and no indirect costs are proposed. the fringe benefit costs up to 35% of Direct Labor costs may be determined to be reasonable and acceptable, based on internal benchmarks of these costs. This fringe benefit costs allowance up to 35% of Direct Labor costs does not apply if fringe benefit costs are included in any indirect costs proposed for a budget. Fringe benefits costs that meet the criteria will not require a Fringe Benefit Rate proposal to be reviewed by the Cost/Price Analyst. However, supporting documentation should still be obtained for review.

Specialist:
Does the Recipient have an approved rate agreement: ☐ Yes ☐ No

If Yes, List the Date of Rate Agreement: _____
Cite Federal Cognizant Agency: _____

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
Example Only	*Principal Investigator*	*$100,000*	*25%*	*$25,000*
Total:				

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

3. Travel:

REDACTED
EXEMPTION 4

Total Negotiated Travel Costs:	Not Applicable, the recipient did not propose Travel costs: ☐

Project Officer:

The number and type of trips proposed in the negotiated budget are reasonable for the scope of work: ☒

The costs per trip proposed in the negotiated budget are reasonable: ☒

Is foreign travel included in the negotiated budget: ☐ Yes ☒ No (If yes, please fill out the following table with the negotiated costs below)

Location	Total Cost	Rationale for Foreign Travel

If the negotiated travel budget is greater than $100,000 or greater than 15% of the total negotiated budget, please explain the costs and rationale below:

☐ Specialist concurs.

4. Equipment:

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

Project Officer:

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 negotiated budget are reasonable: ☐

Is there any proposed equipment with a total cost exceeding $50,000: ☐ Yes ☐ No (If yes, please fill out the following table with the negotiated costs and basis of cost, i.e. historical price or vendor quote)

Equipment	Total Cost	Purpose of Equipment	Basis of Cost

If the negotiated equipment budget is greater than $100,000 or greater than 15% of the total negotiated budget, please explain the costs and rationale below:

☐ Specialist concurs.

5. Supplies:

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

Project Officer:

The types /quantities of supplies proposed in the negotiated budget are reasonable based on the scope of work: ☐

The costs of supplies proposed in the negotiated budget are reasonable: ☐

If the negotiated supply budget is greater than $100,000 or greater than 15% of the total negotiated budget, please explain the costs and rationale below:

☐ Specialist concurs.

6. Contractual:

Total Negotiated Contractual Costs: REDACTED EXEMPTION 4	Not Applicable, the recipient did not propose Contractual costs: ☐

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

Please fill out the following table with the negotiated costs:

Subrecipient/ Vendor Name	BP 1 Cost	BP 2 Cost	Total Cost	Role in Project (Identify SOPO Tasks)
REDACTED EXEMPTION 4				

Did the Recipient propose any subrecipients with total costs above $250,000? ☒ Yes ☐ No (If Yes, a separate Technical Evaluation/Negotiation Memorandum is required for each subrecipient/vendor – see below)

☐ Specialist concurs.

***For awards to corporations and nonprofits**, full reviews of their individual sub-recipients will be conducted for sub-recipient work with total costs (including cost share) greater than or equal to $250,000 or greater than or equal to 50% of the total project costs, whichever is less. **For awards to Universities, States, and Local Governments**, full reviews of their individual sub-recipients will be conducted for sub-recipient work with total costs (including cost share) greater than or equal to $500,000 or greater than or equal to 25% of the total project costs, whichever is less.*

*Full reviews consist of Tech Evaluation/Negotiation Memos covering reviews of budgets, budget justifications, and scopes of work. **For all sub-recipients costs that are below these thresholds, projects must continue to be assessed for reasonableness on the basis of the explanation (cost and brief description of work) presented by the Recipient in their application.***

7. Construction:

Total Negotiated Construction Costs: $	Not Applicable, the recipient did not propose Construction costs: ☒
Project Officer: The type of construction proposed in the negotiated budget is appropriate for the scope of work: ☐ The construction costs proposed in the negotiated budget are reasonable: ☐	
☐ Specialist concurs.	

8. Other Direct Costs:

Total Negotiated Other Direct Costs: $	Not Applicable, the recipient did not propose Other Direct costs: ☒
Project Officer: The types of other direct costs proposed in the negotiated budget are reasonable for the scope of work: ☐ The costs proposed in the negotiated budget for other direct costs are reasonable for the scope of work: ☐ *If the negotiated other direct cost budget is greater than $100,000 or greater than 15% of the total negotiated budget,*	

please explain the costs and rationale below:

☐ Specialist concurs.

9. Indirect Charges:

Total Negotiated Indirect Costs: REDACTED EXEMPTION 4	Not Applicable, the recipient did not propose Indirect Costs: ☐

Specialist:

Does the Recipient have an approved rate agreement: ☐ Yes ☐ No

If Yes, List the Date of Rate Agreement: _____

Cite Federal Cognizant Agency: _____

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
Example Only: Modified Total Direct Costs	*$100,000*	*25%*	*$25,000*
Total:			

The indirect costs proposed in the negotiated budget were appropriately applied and are reasonable: ☐

10. Cost Share:

Project Officer:

Project is a: ☐ Research ☐ Development ☐ Demonstration ☒ Other: Pilot plant

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

The recipient proposed cost share for this award is: REDACTED EXEMPTION 4

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

If the recipient does not meet the required cost share for this award, an explanation of the reason and authority for the reduction or waiver of the cost share requirement should be included below:

Specialist:

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

	Organization	Type of Cost Share (cash or in-kind)	Cost Share Amount	Basis of Value (how the recipient calculated value)
Total				

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

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

Specialist to complete

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

Project Officer to complete

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.

Solazyme was required to from to 20%. Solazyme cost share 20%

REDACTED EXEMPTION 4

Solazyme was required to have 25% contingency on total project cost.

Comment [CL3]:

REDACTED EXEMPTION 5 (Deliberative Process)

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.

Project Officer to complete

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.

Solazyme, their subrecipients, contractors, vendors, and other entities involved in this project will comply with Davis Bacon Act requirements where those requirements are applicable for this project.

Buy American Applicability for Recovery Act Awards: *If the applicant's project involves construction, alteration, maintenance, or repair of a* ***public building or public work of a governmental entity*** *then the Recovery Act's Buy American requirements apply (to the prime and/or the Subrecipient). If not, then those requirements are inapplicable. The implementing regulations define public building and public work to mean a public building of, and a public work of, a governmental entity including the United States; the District of Columbia; commonwealths, territories, and minor*

outlaying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions. The public building or public work must be located in the United States. See 2 CFR § 176.140. The implementing regulations may be found at the following link: http://edocket.access.gpo.gov/2009/pdf/E9-9073.pdf

Davis Bacon Applicability for Recovery Act Awards: *If the applicant's project involves any resultant contracts that are in excess of $2,000 for construction, alteration or repair (including painting and decorating), then the Recovery Act's Davis Bacon requirements apply. The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal contracts in excess of $2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts.*

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.

_____ _____
Signature Date

(Typed Name)
Project Officer

2. Specialist Recommendation

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

_____ _____
Signature Date

(Typed name)
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. (Select this box if the preparer is not the contracting officer)

☐ 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. (Select this box if the preparer is also the contracting officer and indicate N/A in Block 2.)

_____ _____
Signature Date

(Typed name)
Contracting Officer

** Contracting Officers shall not sign an award/negotiation memorandum when they are the preparer, without first obtaining a review by their Branch Chief (PF-1 form). However, the Branch Chief may designate another Branch Chief to review the documents. When the Contracting Officer is the Branch Chief, the Contracting Officer will obtain a review from another Independent Reviewer (e.g., Contracting Officer or Policy Analyst). Specialists or Contracting Officers have the discretion to request Independent Review or Legal Review of any action, whether or not required by the review policy, due to unusual circumstances, high visibility, or political sensitivity.*

***PLEASE DELETE ALL BLUE TEXT ONCE FORM IS COMPLETE*

PMC 133.3

(12/09)

U.S. DEPARTMENT OF ENERGY
PROJECT MANAGEMENT CENTER

IPLD PRE-AWARD REVIEW REQUEST

TO: IPLD E-Mail: IPLegalReviews@go.doe.gov	Date Submitted:	01/08/2010
Attachments: (1) Financial Assistance Pre-Award Information Sheet (PMC 121.1) (2) Scope of Work or Statement of Project Objectives	Request Reply By:	03/31/2009

FROM: Molly Hames	PHONE: 303-275-4864
Name of Specialist (if different from submitter):	PHONE:

Awardee:	Solazyme, Inc.
Project Title:	**Recovery Act - Solazyme Integrated Biorefinery (SzIBR): Diesel Fuels from Heterotrophic Algae**
Award/Mod/Amendment No:	**DE-EE0002877 / 001**
FOA Title: Recovery Act - Demonstration of Integrated Biorefinery Operations	
Topic Area(s): Topic Area 5	
Date of Application (including any modifications): 12/23/2009	
Type of Instrument:	☐ Grant ☒ Cooperative Agreement ☐ Other

Awardee POC:	Anthony Day
Phone:	650-780-4777
E-mail Address:	tday@solazyme.com
Business Type:	☐ Large, For-Profit ☒ Small, For-Profit ☐ 501(c)(3) Nonprofit ☐ Other Nonprofit ☐ Other:_____

Project Officer:	Christy Sterner	DOE PO Phone:	303-275-4720

Response to B.3 on PMC 121.1 indicates Limited Rights Data or Restricted Computer Software will be used in the Award:	☒ YES	☐ NO	
Will 5-year data protection under EPAct apply for the Topic Areas included in this Award?	☒ YES	☐ NO	☐ This is a CDP

IPLD USE ONLY:

DE-EE0002877

PMC 120.1
(12/09)

U.S. DEPARTMENT OF ENERGY
GOLDEN FIELD OFFICE

FINANCIAL ASSISTANCE COMBINED COST/TECHNICAL EVALUATION AND NEGOTIATION MEMORANDUM

SECTION I - GENERAL INFORMATION

This technical evaluation/negotiation memorandum will be prepared jointly by the assigned DOE/Golden OCPM AND OAFA personnel, to document the specific action being evaluated and supported. Each office is responsible for certain sections of this document. The assigned OCPM and OAFA personnel responsible for the action will both sign this document upon its completion, demonstrating their agreement on its contents.

Project Officer to complete:

1. Recipient: Solazyme, Inc.

2. Grant/Cooperative Agreement No.: DE-EE0002877 Modification No. 001
   Requisition No: 10EE003271
   Project Title: Solazyme Integrated Biorefinery (SzIBR): Diesel Fuels from Heterotrophic Algae

3. Type of Action: ☐ New Award ☐ Renewal ☐ Continuation ☒ Revision

   Description of this Action: (NOTE: Indicate what is addressed by this Action only):

   The purpose of this action is to lift the conditions REDACTED to be used in Budget Period 1 of the award for Solazyme, Inc. for the project entitled "Solazyme Integrated Biorefinery (SzIBR): Diesel Fuels from Heterotrophic Algae." It also approves the scope and budget for Budget Period 1.

   EXEMPTION 4

4. Award type, as determined at Procurement Strategy Meeting (for new awards): ☐ Grant ☒ Cooperative Agreement

   If Cooperative Agreement, provide the specifics of the Substantial Involvement. (Note: This language will be used in the Substantial Involvement provision of the award.):

   Include standard language.

5. New/Revised Project Period for this Award: From: 012/29/2010 To: 03/31/2013
   New/Revised Budget Period 1 for this Award: From: 01/12/2010 To: 03/31/2010
   New/Revised Budget Period 2 for this Award: From: To:

6. Compliance Assessment (skip if new award):
   a. Deliverables
      The Recipient is current in submitting required reports: ☒ Yes ☐ No
      If no, identify the delinquent report(s), indicate what action(s) have been taken to remedy the situation, and identify what further action(s) are necessary, if any:

      No reporting requirements under condition subsequent.

   b. Financial
      The Recipient is current in meeting the cost share requirement: ☐ Yes ☐ No
      If no, indicate what action(s) have been taken to remedy the situation and validate why this new action should proceed:

      No reporting requirements under condition subsequent.

7. Check the applicable box for Funding Appropriation:
   ☒ Energy and Water ☐ Other

REDACTED
EXEMPTION 5
(Deliberative Process)

Comment [j1]:

Comment [CL2]:

Comment [j3]:

8. Check the applicable box for Statutory Authority:

☐ 109-58, Energy Policy Act 2005
☐ 110-140, Energy Independence and Security Act 2007
☒ ARRA
☐ Other: _____

Specialist to complete:

9. Per 10 CFR 600, the preferred payment method for State/Local Governments, Institutions of Higher Education, Hospitals, or Other Non-Profit Organizations is **Advance**. The preferred Payment Method for For-Profit organizations is **Reimbursement**. Please state the payment method that will be used for this award in the box below. If the preferred payment method is not planned for a new award, provide an explanation below. Also, explain below if the payment method for the award is being changed by this action. If the ACH or the "ASAP Approval Required" payment methods is required, include an explanation for the restriction.

10. Is the proposed Recipient on the debarred or suspended list? Yes ☐ No ☐
Are any of the proposed subrecipients/subcontractors on the debarred or suspended list? Yes ☐ No ☐
Is the Project Director on the debarred or suspended list? Yes ☐ No ☐
If yes for either response above, award cannot be made without obtaining a waiver. See attached waiver.
The review was conducted on the Internet on *(Date)* _____ (Include Printout in permanent STRIPES file)

11. A risk determination has been completed on the PMC Form 460.2 Yes ☐ N/A ☐

Project Officer and Specialist to complete:

12. Negotiation:

	Government Negotiator(s)		Recipient Negotiator(s)	
	Name	Organization	Name	Position
1.	Molly Hames	DOE – Contract Specialist	David Brinkmann	VP Manufacturing (PI)
2.	Christy Sterner	DOE – Project Officer	Dr. Anthony Day	VP R&D
3.	Chris Lindeman	Navarro – Project Engineer	Gypsy Achong	Project Manager

SECTION II – NEGOTIATION SUMMARY

Project Officer/Specialist to complete:

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		7/8/2009	
Revision 1	PMC 123.1, SF-424a	1/20/2010	Updated SF-424a and PMC 123.1 to reflect Solazyme Ex4 20% cost share
Revision 2	PMC 123.1, SF-424a	3/2/2010	Updated to reflect shifting some tasks
Revision "n"			

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 Budget Submission	Final Negotiated Costs	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
				Proposed Rate	Negotiated Rate
Personnel Fringe Benefits Travel Equipment Supplies Contractual Construction Other		REDACTED EXEMPTION 4			
Total Direct Charges Indirect Charges					
TOTAL					
Program Income					
DOE Share (non-FFRDC) DOE Share (FFRDC) Total DOE Share					
Non-Federal Cost Share					

SEE ATTACHED SF 424A FOR BUDGET PERIOD BREAKDOWN

3. Total Allowable Adjustment without Concurrence from the Selection Official per the Selection Statement: _____

Actual Total Adjustment based on Budget Table Above: ___

Is the original budget the same as the negotiated budget: ☐ Yes ☒ No REDACTED EXEMPTION 4

If No, please check all boxes that apply:

☒ Change in the Project Scope
Original scope did not have any detailed engineering/design work in BP1; these engineering/design tasks were shifted from BP2 in original application to BP1 in current negotiated BP1 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) Original application cost share; selected on condition of achieving 20%. Solazyme contribution to $5.4 to reach the cost share requirement and maintain the same level of DOE funding.

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

Project Officer commentary: SOPO was not submitted in original application.

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: REDACTED EXEMPTION 4	Not Applicable, the recipient did not propose Personnel costs: ☐

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

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

The proposed labor rates are reasonable: ☒

The proposed rates appear reasonable based on the activities being performed in BP1, the staff/positions listed as participating in the activities, and the distribution of hours assigned to each activity and position.

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

Labor Type	Budget Period 1			Budget Period 2		
	Hours	Rate	Total	Hours	Rate	Total

REDACTED
EXEMPTION 4

Negotiated labor rates are reasonable: ☐
Labor rates are loaded rates (with fringe benefits or overhead costs): ☐ Address loaded rates in fringe benefits or indirect comments.

Please detail the basis for the reasonable determination:

2. Fringe Benefits:

Total Negotiated Fringe Benefit Costs: REDACTED EXEMPTION 4	Not Applicable, the recipient did not propose Fringe Benefit costs: ☐

For recipient budgets that include only fringe benefits and no indirect costs are proposed, the fringe benefit costs up to 35% of Direct Labor costs may be determined to be reasonable and acceptable, based on internal benchmarks of these costs. This fringe benefit costs allowance up to 35% of Direct Labor costs does not apply if fringe benefit costs are included in any indirect costs proposed for a budget. Fringe benefits costs that meet the criteria will not require a Fringe Benefit Rate proposal to be reviewed by the Cost/Price Analyst. However, supporting documentation should still be obtained for review.

Specialist:
Does the Recipient have an approved rate agreement: ☐ Yes ☐ No

If Yes, List the Date of Rate Agreement: _____
Cite Federal Cognizant Agency: _____

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
Example Only	*Principal Investigator*	*$100,000*	*25%*	*$25,000*
Total:				

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

3. Travel:

REDACTED
EXEMPTION 4

Total Negotiated Travel Costs:	Not Applicable, the recipient did not propose Travel costs: ☐

Project Officer:

The number and type of trips proposed in the negotiated budget are reasonable for the scope of work: ☒

The costs per trip proposed in the negotiated budget are reasonable: ☒

Is foreign travel included in the negotiated budget: ☐ Yes ☒ No (If yes, please fill out the following table with the negotiated costs below)

Location	Total Cost	Rationale for Foreign Travel

If the negotiated travel budget is greater than $100,000 or greater than 15% of the total negotiated budget, please explain the costs and rationale below:

☐ Specialist concurs.

4. Equipment:

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

Project Officer:

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 negotiated budget are reasonable: ☐

Is there any proposed equipment with a total cost exceeding $50,000: ☐ Yes ☐ No (If yes, please fill out the following table with the negotiated costs and basis of cost, i.e. historical price or vendor quote)

Equipment	Total Cost	Purpose of Equipment	Basis of Cost

If the negotiated equipment budget is greater than $100,000 or greater than 15% of the total negotiated budget, please explain the costs and rationale below:

☐ Specialist concurs.

5. Supplies:

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

Project Officer:

The types /quantities of supplies proposed in the negotiated budget are reasonable based on the scope of work: ☐

The costs of supplies proposed in the negotiated budget are reasonable: ☐

If the negotiated supply budget is greater than $100,000 or greater than 15% of the total negotiated budget, please explain the costs and rationale below:

☐ Specialist concurs.

6. Contractual:

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

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

Please fill out the following table with the negotiated costs:

Comment [i41]:

REDACTED
EXEMPTION 5
(Deliberative Process)

Subrecipient/ Vendor Name	BP 1 Cost	BP 2 Cost	Total Cost	Role in Project (Identify SOPO Tasks)
REDACTED EXEMPTION 4				

The changes in the contractual budget since the original application are primarily due to the addition

All subrecipients are expected to have scopes and budgets in BP2 that exceed

Solazyme has chosen a REDACTED EXEMPTION 4 but has not entered into a final contractual agreement with them to perform

Did the Recipient propose any subrecipients with total costs above $250,000? ☐ Yes ☒ No (If Yes, a separate Technical Evaluation/Negotiation Memorandum is required for each subrecipient/vendor – see below)

☐ Specialist concurs.

***For awards to corporations and nonprofits**, full reviews of their individual sub-recipients will be conducted for sub-recipient work with total costs (including cost share) greater than or equal to $250,000 or greater than or equal to 50% of the total project costs, whichever is less. **For awards to Universities, States, and Local Governments**, full reviews of their individual sub-recipients will be conducted for sub-recipient work with total costs (including cost share) greater than or equal to $500,000 or greater than or equal to 25% of the total project costs, whichever is less.*

*Full reviews consist of Tech Evaluation/Negotiation Memos covering reviews of budgets, budget justifications, and scopes of work. **For all sub-recipients costs that are below these thresholds, projects must continue to be assessed for reasonableness on the basis of the explanation (cost and brief description of work) presented by the Recipient in their application.***

Comment [j5]: v

REDACTED EXEMPTION 5 (Deliberative Process)

7. Construction:

Total Negotiated Construction Costs: $	Not Applicable, the recipient did not propose Construction costs: ☒
Project Officer: The type of construction proposed in the negotiated budget is appropriate for the scope of work: ☐ The construction costs proposed in the negotiated budget are reasonable: ☐	
☐ Specialist concurs.	

8. Other Direct Costs:

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

Project Officer:

The types of other direct costs proposed in the negotiated budget are reasonable for the scope of work: ☐

The costs proposed in the negotiated budget for other direct costs are reasonable for the scope of work: ☐

If the negotiated other direct cost budget is greater than $100,000 or greater than 15% of the total negotiated budget, please explain the costs and rationale below:

☐ Specialist concurs.

9. Indirect Charges:

Total Negotiated Indirect Costs: REDACTED EXEMPTION 4	Not Applicable, the recipient did not propose Indirect Costs: ☐

Specialist:

Does the Recipient have an approved rate agreement: ☐ Yes ☐ No

If Yes, List the Date of Rate Agreement: _____

Cite Federal Cognizant Agency: _____

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
Example Only: Modified Total Direct Costs	*$100,000*	*25%*	*$25,000*
Total:			

The indirect costs proposed in the negotiated budget were appropriately applied and are reasonable: ☐

10. Cost Share:

Project Officer:

Project is a: ☐ Research ☐ Development ☐ Demonstration ☒ Other: Pilot plant

The minimum recipient's cost share required for this award is: — REDACTED EXEMPTION 4

The recipient proposed cost share for this award is: — —

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

If the recipient does not meet the required cost share for this award, an explanation of the reason and authority for the reduction or waiver of the cost share requirement should be included below:

Specialist:

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

	Organization	Type of Cost Share (cash or in-kind)	Cost Share Amount	Basis of Value (how the recipient calculated value)
Total				

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

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

Specialist to complete

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

Project Officer to complete

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.

Solazyme was required to [redacted] cost share from [redacted] to 20%, per the selection statement. Solazyme cost share to 20%

REDACTED EXEMPTION 4

Solazyme was required to have 25% contingency on total project cost, per the selection statement.

Comment [CL6]: [redacted]

REDACTED EXEMPTION 5 (Deliberative Process)

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.

The forthcoming evaluation for the BP2 scope and activities will include subrecipients with budgets above the $250,000 threshold for additional evaluation. These additional evaluations will be addressed at that time.

Project Officer to complete

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.

Solazyme, their subrecipients, contractors, vendors, and other entities involved in this project will comply with Davis Bacon Act requirements where those requirements are applicable for this project.

Buy American Applicability for Recovery Act Awards: *If the applicant's project involves construction, alteration, maintenance, or repair of a* ***public building or public work of a governmental entity*** *then the Recovery Act's Buy American requirements apply (to the prime and/or the Subrecipient). If not, then those requirements are inapplicable. The implementing regulations define public building and public work to mean a public building of, and a public work of, a governmental entity including the United States; the District of Columbia; commonwealths, territories, and minor outlaying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions. The public building or public work must be located in the United States. See 2 CFR § 176.140. The implementing regulations may be found at the following link: http://edocket.access.gpo.gov/2009/pdf/E9-9073.pdf*

Davis Bacon Applicability for Recovery Act Awards: *If the applicant's project involves any resultant contracts that are in excess of $2,000 for construction, alteration or repair (including painting and decorating), then the Recovery Act's Davis Bacon requirements apply. The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal contracts in excess of $2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts.*

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.

_____ _____
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.

_____ _____
Signature Date

(Typed name)
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. (Select this box if the preparer is not the contracting officer)

☐ 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. (Select this box if the preparer is also the contracting officer and indicate N/A in Block 2.)

_____ _____
Signature Date

(Typed name)
Contracting Officer

** Contracting Officers shall not sign an award/negotiation memorandum when they are the preparer, without first obtaining a review by their Branch Chief (PF-1 form). However, the Branch Chief may designate another Branch Chief to review the documents. When the Contracting Officer is the Branch Chief, the Contracting Officer will obtain a review from another Independent Reviewer (e.g., Contracting Officer or Policy Analyst). Specialists or Contracting Officers have the discretion to request Independent Review or Legal Review of any action, whether or not required by the review policy, due to unusual circumstances, high visibility, or political sensitivity.*

***PLEASE DELETE ALL BLUE TEXT ONCE FORM IS COMPLETE*

MODIFICATIONS:

Please add the following statement to all award modifications in STRIPES at MAIN/TEXT
Add 'Electronic Signature Defined' statement

Please add the following statement to all award modification that are ARRA related in STRIPES at MAIN/TEXT
Add 'Federal Reporting.gov Admin OFC' statement
(administrative office = 03601)

Please add the following statement to all award modifications in STRIPES at MAIN/TEXT
The purposes of this modification are to:

1) Delete and replace the Special Terms and Conditions;

2) Add the Intellectual Property Provisions, CDSB-1003 (Attachment 1);

3) Add the Statement of Project Objectives (Attachment 2);

4) Add the Federal Assistance Reporting Checklist and Instructions, DOE F 4600.2 (Attachment 3);

5) Add the Budget Information, SF-424A (Attachment 4);

6) Add the Requirements For Contingency Funds for Integrated Biorefinery Projects, Appendix (Attachment 5); and

7) This modification approved only Budget Period 1 of the project.

All other terms and conditions remain unchanged.

In Block 7 of the Assistance Agreement, the Period of Performance reflects the beginning of the Project Period through the end of the current Budget Period, shown as 01/28/2010 through 09/30/2010. For multiple Budget Periods, see Special Terms and Conditions, Provision 4, "Award Project Period and Budget Periods."

DOE Award Administrator: Molly Hames
E-mail: molly.hames@go.doe.gov
Phone: 303-275-4864

DOE Project Officer: Christy Sterner
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Recipient Business Officer: David Brinkmann
E-mail: doe_szibr@solazyme.com
Phone: 650-780-4777

Recipient Principal Investigator: David Brinkmann
E-mail: doe_szibr@solazyme.com
Phone: 650-780-4777

PMC-F12a
(2-02)

U.S. DEPARTMENT OF ENERGY
EERE PROJECT MANAGEMENT CENTER
NEPA DETERMINATION

RECIPIENT: United States Department of Energy **STATE:** CO

PROJECT TITLE: Administrative Actions CX

Funding Opportunity Announcement Number	Procurement Instrument Number	NEPA Control Number	CID Number
n/a	n/a		0

Based on my review of the information concerning the proposed action, as NEPA Compliance Officer (authorized under DOE Order 451.1A), I have made the following determination:

CX, EA, EIS APPENDIX AND NUMBER:
Description:

A11 Technical advice and planning assistance to international, national, state, and local organizations.

A9 Information gathering (including, but not limited to, literature surveys, inventories, audits), data analysis (including computer modeling), document preparation (such as conceptual design or feasibility studies, analytical energy supply and demand studies), and dissemination (including, but not limited to, document mailings, publication, and distribution; and classroom training and informational programs), but not including site characterization or environmental monitoring

Rational for determination:

This NEPA determination applies to all administrative actions for EERE projects such as: information gathering (surveys, inventories, audits); data analysis (including computer monitoring); document preparation (preliminary design, feasibility studies, analytical energy supply and demand studies); information dissemination (mailings, publication, distribution, training, conferences, and informational programs) and non-laboratory research. All administrative actions for EERE projects are categorically excluded under A9 and A11.

NEPA PROVISION

DOE has made a conditional NEPA determination for this award, and funding for certain tasks under this award is contingent upon the final NEPA determination.

Insert the following language in the award:

You are restricted from taking any action using federal funds, which would have an adverse affect on the environment or limit the choice of reasonable alternatives prior to DOE/NNSA providing either a NEPA clearance or a final NEPA decision regarding the project.

Prohibited actions include:
Any activities identified as prohibited by the DOE Contracting Officer, Project Officer, or the NEPA Compliance Officer; Final Design; Site Characterization; and Environmental Monitoring.

This restriction does not preclude you from:
Administrative activities such as: information gathering (surveys, inventories, audits); data analysis (including computer monitoring); document preparation (preliminary design, feasibility studies, analytical energy supply and demand studies); information dissemination (mailings, publication, distribution, training, conferences, and informational programs) and non-laboratory research.
If you move forward with activities that are not authorized for federal funding by the DOE Contracting Officer in advance of the final NEPA decision, you are doing so at risk of not receiving federal funding and such costs may not be recognized as allowable cost share.

Note to Specialist :

None Given.