Please detail the basis for the reasonable determination: The additional cost Ex 4 is reasonable and necessary for the scope of work. The other personnel rates and hours were previously justified, reviewed and approved.

2. Fringe Benefits:

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

Specialist:
Does the Recipient have an approved rate agreement: ☒ Yes ☐ No
If Yes, List the Date of Rate Agreement: April 2, 2010
Cite Federal Cognizant Agency: Defense Logistics Agency (DLA)

Personnel	Total Cost	Fringe Rate	Cost
Total Personnel			

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

REDACTED
EXEMPTION 4

3. Travel:

Total Negotiated Travel Costs: REDACTED EXEMPTION 4	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

The travel budget was evaluated and found to be reasonable in the previous revision. No changes to the travel budget are included in the current revision.

☒ Specialist concurs.

4. Equipment:

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

Project Officer:
The types 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 exceedin ☒ Yes ☐ No

Equipment	Total Cost	Purpose of Equipment	Basis of Cost
Total:			

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

☒ Specialist concurs.

5. Supplies:

Total Negotiated Supplies Costs: REDACTED EXEMPTION 4	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. 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: (table only shows costs which are new or revised since previous revision)	

Vendor Name	BP 1 Cost	Role in Project (Identify SOPO Tasks)

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

☒ Specialist concurs.

7. Construction:

Total Negotiated Construction Costs:	Not Applicable, the recipient did not propose Construction costs: ☒
Project Officer No construction costs were proposed for Budget Period 1.	
☒ Specialist concurs.	

REDACTED
EXEMPTION 4

8. Other Direct Costs:

Total Negotiated Other Direct Costs:	Not Applicable, the recipient did not propose Other Direct costs: ☒
Project Officer: No other direct costs were proposed for Budget Period 1.	
☒ Specialist concurs.	

REDACTED
EXEMPTION 4

9. Indirect Charges:

Total Negotiated Indirect Costs:	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: April 2, 2010 Cite Federal Cognizant Agency: Defense Logistics Agency (DLA) Please fill out the following tables with the negotiated costs:	

REDACTED
EXEMPTION 4

	Base Item	Rate	BP1 Original	BP1 Final	BP2 Proposed	BP1 Original Indirect	BP1 Final Indirect	BP2 Indirect
DOE Proposed								
DLA Agreement	Total Direct Costs							

REDACTED
EXEMPTION 4

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

REDACTED
EXEMPTION 4

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

Organization	Type of Cost Share	Cost Share Amount

REDACTED
EXEMPTION 4

Third Party cost share commitment letters have been obtained: ☐
Solazyme's cost share commitment changed due to the change in the budget with this modification.

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.

Changes to the Terms and Conditions with this modification include: 1) Update the "Award Project Period and Budget Periods" provision; 2) Update the "Cost Sharing" provision; 3) Update the "Rebudgeting and Recovery of Indirects" provision to accommodate new cap; 4) Update the "Funding of Budget Periods" provision; 5) Add "Reporting Subawards and Executive Compensation" provision; 6) Add "Central Contractor Registration and Universal Identifier Requirements" provision; and 7) Update the "NEPA" provision to the new T's & C's format.

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.

N/A

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.

N/A

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.

No work is being done at a public work or other public facility which would require the purchase of US-made steel, per the Buy American Act. However, Solazyme, their subrecipients, contractors, vendors, and other entities involved in this project intend, to the extent possible, to honor the intent of Congress and purchase US-made materials/equipment.

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. The Davis Bacon Act will apply to BP1 and BP2.

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 _____

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.

Signature _____ Date _____

Melissa Y. Wise
Contracting Officer

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.

1. Recipient: Solazyme, Inc.

2. Grant/Cooperative Agreement No.: DE-EE0002877 Modification No. 004
   Requisition No: 11EE001972
   Project Title: Recovery Act: 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 re-scope Budget Period 1 of the award for Solazyme, Inc. for the project entitled "Recovery Act: Solazyme Integrated Biorefinery (SzIBR): Diesel Fuels from Heterotrophic Algae." This action includes the following: approving the reallocation of scope from Budget Period 2 into Budget Period 1; lifting conditions on the funds associated with those tasks, such that the total approved budget for Budget Period 1 is now Ex 4 $7,363,464 Federal funds + Ex 4 Non-Federal funds); moving REDACTED activities (scope and budget) adding six months to the end of Budget Period 1 so the new Budget Period 1 end date is 9/30/2011; extending the project end date to 3/31/2014; changing the Project contact from Matthew Frome to Sarah McQuaid; officially changing the address; and including Program Income terminology. The overall project scope remains unchanged.

Please note the Solazyme's address: 225 Gateway Blvd; South San Francisco, CA 94080. The Project contact is Sarah L. McQuaid, 650-416-5122.

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.):

1. Government Insight
   In order to adequately monitor project progress and provide technical direction and/or redirection to the Recipient, DOE must be provided an adequate level of insight into various Recipient activities. Government Insight activities by DOE include attendance at Recipient meetings, reviews and tests, as well as access for DOE's consultants to perform independent evaluations of Recipient's plans and processes. Recipient shall notify the DOE Project Officer of meetings, reviews, and tests in sufficient time to permit DOE participation, and provide all appropriate documentation for DOE review.

2. Specific activities to be conducted by DOE:
   a. Risk Evaluation – DOE will review the Recipient's initial Risk Mitigation Plan (RMP) for quality and completeness. DOE will also monitor updates to the RMP and actions taken by the Recipient during the performance of its award to mitigate risks and improve the probability of successful execution of the integrated Biorefinery project. At DOE's discretion, additional independent risk analyses of the project by DOE consultants may be requested.
   b. Independent Engineering Assessments – DOE will engage a private, independent engineering (IE) firm to assist in assessing the progress of the project and provide timely and accurate reports to DOE. The Recipient will ensure that the IE has access to any and all relevant documentation sufficient to allow the IE

to provide independent evaluations to DOE on the progress of the project. Such documentation includes but is not limited to the following:

- Drawings and specifications
- Construction and Execution plans
- Resource loaded schedules
- Design functions and requirements for the site final design review
- Risk management plans
- Value management and engineering studies and/or plans
- Acquisition strategies
- Project execution plans
- Project controls including earned value management systems
- Qualifications of the integrated project team.
- Financial strategy for funding the construction project
- Updated marketing and business plan
- Invoices submitted to DOE

DOE will evaluate the quality and completeness of information and documentation provided by the Recipient to DOE and its consultants in order to allow DOE to provide technical direction and/or redirection to the Recipient about how best to achieve the purposes of the award. Consultants to DOE may not provide technical direction and/or redirection to the Recipient.

5. New/Revised Project Period for this Award: From: 01/28/2010 To: 03/31/2014
New/Revised Budget Period 1 for this Award: From: 01/28/2010 To: 09/30/2011
New/Revised Budget Period 2 for this Award: From: 10/01/2011 To: 03/31/2014

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:

   N/A

   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:

   N/A

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
   ☒ 111-5, Recovery Act
   ☐ Other: _____

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.

   The recipient is receiving ARRA funds and will continue to be on the ACH payment method to monitor their funds to ensure costs outside of Budget Period 1 are not charged to the award.

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 02/03/2011 (Include Printout in permanent STRIPES file)

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

12. Negotiation:

	Government Negotiator(s)		Recipient Negotiator(s)	
	Name	Organization	Name	Position
1.	Molly Hames	DOE – G&A Specialist	Sarah McQuaid	Project Manager
2.	Christy Sterner	DOE – Project Officer	David Brinkmann	Business Officer
3.	Chris Lindeman	CNJV – Project Engineer		

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		6/15/2010	Current approved documents
Revision 1	SF 424A; PMC 123.1; SOPO	11/5/2010	Updated documents to reflect moving
Revision 2	SF 424A; PMC 123.1; SOPO	12/21/2010	REDACTED EXEMPTION 4
Revision 3	SF 424A; PMC 123.1	1/11/2010	
Revision 4	SF 424A; PMC 123.1; SOPO	2/14/2011	

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	Current Approved BP1 Budget Submission	Final Negotiated Costs (BP1 Revision)	Variance	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
					Proposed Rate	Negotiated Rate
Personnel						
Fringe Benefits						
Travel						
Equipment						
Supplies						
Contractual						
Construction						
Other						
Total Direct Charges						
Indirect Charges						
TOTAL						
Program Income						
DOE Share (non-FFRDC)						
DOE Share (FFRDC)						
Total DOE Share						
Non-Federal Cost Share						

REDACTED EXEMPTION 4

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: - Total Budget has not changed

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

REDACTED EXEMPTION 4

☐ 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:

REDACTED
EXEMPTION 4

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:	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 additional personnel budget included in this revision is REDACTED EXEMPTION 4

Relative to this revision, the rates and hours for all other personnel in BP1 have not changed. The rates proposed are reasonable and are based on actual salaries. Based on the scope of work proposed in the revision and Solazyme's management and engineering oversight roles, the positions and corresponding hours proposed are appropriate and reasonable.

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

Labor Type	Original Budget Period 1			Final Budget Period 1		
	Hours	Rate	Total	Hours	Rate	Total
Corporate Counsel						
Director Business Development						
Project Engineer						
Project Manager						
Project Manager						
Sr. Dir. Program Management & Logistics						
SVP Manufacturing & Process Development						
VP Manufacturing						
Total:						

REDACTED
EXEMPTION 4

Negotiated labor rates are reasonable: ☒
Please detail the basis for the reasonable determination: The additional cost of the is reasonable and necessary for the scope of work. The other personnel rates and hours were previously justified, reviewed and approved.

2. Fringe Benefits:

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

Specialist:
Does the Recipient have an approved rate agreement: ☒ Yes ☐ No
If Yes, List the Date of Rate Agreement: April 2, 2010
Cite Federal Cognizant Agency: Defense Logistics Agency (DLA)

Personnel	Total Cost	Fringe Rate	Cost

REDACTED
EXEMPTION 4

3. Travel:

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

The travel budget was evaluated and found to be reasonable in the previous revision. No changes to the travel budget are included in the current revision.

☒ Specialist concurs.

4. Equipment:

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

Project Officer:
The types 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

Equipment	Total Cost	Purpose of Equipment	Basis of Cost

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

☒ Specialist concurs.

5. Supplies:

Total Negotiated Supplies Costs:	Not Applicable, the recipient did not propose Supplies costs: ☒
Project Officer: No supply costs were proposed for Budget Period 1.	REDACTED
☒ Specialist concurs.	EXEMPTION 4

6. Contractual:

Total Negotiated Contractual Costs:	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: (table only shows costs which are new or revised since previous revision)

Vendor Name	BP 1 Cost	Role in Project (Identify SOPO Tasks)

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

Did the Recipient propose any subrecipients with total costs above $250,000? ☐ Yes ☒ No

Quotes and estimation bases have been provided for the vendor costs noted above.

☒ Specialist concurs.

7. Construction:

Total Negotiated Construction Costs:	Not Applicable, the recipient did not propose Construction costs: ☒
Project Officer No construction costs were proposed for Budget Period 1.	
☒ Specialist concurs.	

REDACTED
EXEMPTION 4

8. Other Direct Costs:

Total Negotiated Other Direct Costs:	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:

REDACTED
EXEMPTION 4

Total Negotiated Indirect Costs:	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: April 2, 2010
Cite Federal Cognizant Agency: Defense Logistics Agency (DLA)

Please fill out the following tables with the negotiated costs:

	Base Item	Rate	BP1 Original Base	BP1 Final Base	BP1 Original Indirect Charges	BP1 Final Indirect Charges
DOE Proposed						
DLA Agreement	Total Direct Costs					

REDACTED
EXEMPTION 4

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: 20%
The recipient proposed cost share for this award is: 20%
Does the proposed cost share meet the minimum requirement: ☒ Yes ☐ No

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

Organization	Type of Cost Share	Cost Share Amount

REDACTED
EXEMPTION 4

Third Party cost share commitment letters have been obtained: ☐
Solazyme's cost share commitment changed due to the change in the budget with this modification.

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.

Changes to the Terms and Conditions with this modification include: 1) Update the "Award Project Period and Budget Periods" provision; 2) Update the "Cost Sharing" provision; 3) Add the "Use of Program Income – Cost Sharing"; 4) Update the "Funding of Budget Periods" provision; 5) Add "Reporting Subawards and Executive Compensation" provision; 6) Add "Central Contractor Registration and Universal Identifier Requirements" provision; and 7) Update the "NEPA" provision to the new T's & C's format.

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.

N/A

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.

N/A

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.

No work is being done at a public work or other public facility which would require the purchase of US-made steel, per the Buy American Act. However, Solazyme, their subrecipients, contractors, vendors, and other entities involved in this project intend, to the extent possible, to honor the intent of Congress and purchase US-made materials/equipment. 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. The Davis Bacon Act will apply to BP1 and BP2.

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 — 3/8/11
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 — 03/08/11
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.

Melissa Wise — 3/8/11
Signature — Date

Melissa Y. Wise
Contracting Officer

MEMORANDUM FOR RECORD

To: OCPM
OAFA

From: Matthew A. Barron, Director, Financial Assistance (RE)
James P. Damm, Director, Financial Assistance (EE)

Date: November 16, 2010

Subject: Continuation of Update to Guidance for Evaluations of Budgets for Financial Assistance Awards

On August 19, 2009, we signed the "Update to Guidance for Evaluations of Budgets for Financial Assistance Awards" memorandum in response to the unprecedented workload dictated by the American Recovery and Reinvestment Act. The resulting changes to processes for budget reviews, in part, contributed to the success with which an unprecedented workload was handled with great expediency. Due to its success, coupled with the expectation of the future financial assistance workload, this memorandum continues the changes to processes for budget reviews that were previously set forth.

Therefore, the following changes continue and are in effect until further notice:

1. Subrecipient Budget Reviews:

    a. For awards to Universities, States, and Local Governments, full reviews of individual subrecipients will be conducted for subrecipient 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.

    b. For awards to corporations or nonprofits, full reviews of individual subrecipients will be conducted for subrecipient 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.

    c. Full reviews consist of Technical Evaluations/Negotiation Memorandums covering reviews of budgets, budget justifications, and statements of work.

    d. For all subrecipient 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 its application.

2. Fringe Benefit Rates and Cost Reviews:

    a. For Recipient budgets that include only fringe benefits and no indirect costs are proposed, the fringe benefit costs of up to 35% of Direct Labor costs are determined to be reasonable and acceptable, based on internal benchmarks of these costs (typically includes SUTA, FICA, unemployment, etc.).

    b. This fringe benefits cost allowance of up to 35% of Direct Labor costs does not apply if fringe benefit costs are included in any indirect costs proposed for a budget.

c. Fringe benefit costs that meet the criteria will not require a Fringe Benefit Rate Proposal to be reviewed by a Cost/Price Analyst.

3. Pending Indirect Rate Proposals:

a. If negotiations are not complete on an indirect rate proposal, a special provision may be used to accept the proposed budget until a full evaluation of the indirect rate proposal can be completed. (See the "Reopener Term – Pending Indirect Rates – Financial Assistance.").

b. When the "Reopener" provision is used, the Recipient will be placed on either ACH or ASAP Reimbursement – Approval Required, to ensure that all funds are reviewed prior to disbursement. Use of the provision will be tracked by the Specialist or Contracting Officer responsible for the award.

c. After submission and review of an indirect rate proposal, approved or provisional indirect rate(s) will be determined by the Contracting Officer (usually the Cost/Price Analyst CO).

d. Once the award budget has been fully negotiated, ASAP – Approval Required may be lifted.

MEMORANDUM FOR RECORD

To: OCPM
OAFA

From: Matthew A. Barron, Director, Financial Assistance (RE)
James P. Damm, Director, Financial Assistance (EE)

Date: August 19, 2009

Subject: Update to Guidance for Evaluations of Budgets for Financial Assistance Awards

In response to the unprecedented workload dictated by the American Recovery and Reinvestment Act, and to expedite processing of new financial assistance awards and other administrative award actions, the following changes to processes for budget reviews are in effect, until further notice:

1. Sub-recipient Budget Reviews:

   a. 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.

   b. 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.

   c. Full reviews consist of Tech Evaluation/Negotiation Memos covering reviews of budgets, budget justifications, and scopes of work.

   d. 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.

2. Fringe Benefit Rates and Cost Reviews:

   a. 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 will be determined to be reasonable and acceptable, based on internal benchmarks of these costs (typically includes SUTA, FICA, unemployment, etc.).

   b. This fringe benefits costs allowance up to 35% of Direct Labor costs does not apply if fringe benefit costs are include in any indirect costs proposed for a budget.

c. Fringe benefit costs that meet the criteria will not require a Fringe Benefit Rate proposal to be reviewed by the Cost/Price Analyst.

3. Pending Indirect Rates Proposals:

a. If negotiations are not complete on indirect rate proposals, a special provision may be used to accept the proposed budget until a full evaluation of their indirect rate proposal can be completed. (See the "Reopener Term – Pending Indirect Rates – Financial Assistance.)

b. When the provision is used, the Recipient will be placed on ASAP Approval Required, to ensure all funds are reviewed before disbursement. Use of the provision will be tracked by the Specialist or Contracting Officer responsible for the award.

c. After submission and review of indirect rate proposals, approved or provisional indirect rates will be determined by the Contracting Officer (usually the Cost/Price Analysis CO).

d. Once award budget has been fully negotiated, ASAP Approval Required will be lifted.

REDACTED

FOIA EXEMPTION 4

AWD-011 RE Questions Re Rescope of BP1 to Include Additional Equip.

From: Sarah McQuaid [smcquaid@solazyme.com]
Sent: Wednesday, December 08, 2010 3:50 PM
To: Sterner, Christy
Cc: Bob Florence; Adrian Galvez; Hank Majdeski; David Brinkmann
Subject: RE: Questions Re: Rescope of BP1 to Include Additional Equip.
Attachments: Cherokee Demolition Estimate - DA2010-07-15 (2).pdf

Hi Christy,

REDACTED
EXEMPTION 4

Best regards,

Sarah

Sarah Larkin McQuaid, Ph.D., P.M.P.,
Assoc. Director Program Management,
Solazyme Inc.
Phone: 650.416.5122
Cell: 619.867.3055

-----Original Message-----
From: Sterner, Christy [mailto:christy.sterner@go.doe.gov]
Sent: Tuesday, December 07, 2010 8:51 AM
To: Sarah McQuaid
Cc: Lindeman, Chris
Subject: Questions Re: Rescope of BP1 to Include Additional Equip.
Importance: High

Hi Sarah,

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

Best regards,

Christy Sterner
Project Officer
U.S. Department of Energy
Golden Field Office
Phone: 303-275-4720
Fax: 303-275-4753
email: christy.sterner@go.doe.gov

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

AWD-011 FW Questions Re Rescope of BP1 to Include Additional Equip 2.
From: Sarah McQuaid [smcquaid@solazyme.com]
Sent: Friday, December 17, 2010 3:30 PM
To: Sterner, Christy
Cc: Bob Florence; Adrian Galvez; Gayle McKenzie; David Brinkmann
Subject: FW: Questions Re: Rescope of BP1 to Include Additional Equip.
Attachments: Annotated - SzIBR Proposal Update 8Apr2010.pdf; OBG_Task_Orders_1_2_Dec2010.pdf; OBG - TO #2 Cost Est.pdf

Hi Christy,

REDACTED
EXEMPTION 4

Please let me know if you have any additional questions.

Best regards,

Sarah

-----Original Message-----
From: Sarah McQuaid
Sent: Thursday, December 16, 2010 12:26 PM
To: Gayle McKenzie
Subject: RE: Questions Re: Rescope of BP1 to Include Additional Equip.

Hi Gayle, here is the new text and annotated attachments we discussed this morning...

AWD-011 FW Questions Re Rescope of BP1 to Include Additional Equip 2.

Hi Christy

REDACTED
EXEMPTION 4

Please let me know if you have any additional questions.

Best regards,

Sarah

Sarah Larkin McQuaid, Ph.D., P.M.P.,

Assoc. Director Program Management,

Solazyme Inc.

Phone: 650.416.5122

Cell: 619.867.3055

-----Original Message-----

From: Sterner, Christy [mailto:christy.sterner@go.doe.gov]

Sent: Tuesday, December 07, 2010 8:51 AM

AWD-011 FW Questions Re Rescope of BP1 to Include Additional Equip 2.

To: Sarah McQuaid

Cc: Lindeman, Chris

Subject: Questions Re: Rescope of BP1 to Include Additional Equip.

Importance: High

Hi Sarah,

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

Best regards,

Christy Sterner
Project Officer
U.S. Department of Energy
Golden Field Office
Phone: 303-275-4720
Fax: 303-275-4753
email: christy.sterner@go.doe.gov

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

Wise, Melissa

From: Wise, Melissa
Sent: Wednesday, March 02, 2011 9:55 AM
To: Hames, Molly
Subject: FW: Decision Change - Indirect Charges for DOE Award DE-EE0002877

Molly,

Please include a copy of the e-mail below. With Pam's e-mail,

REDACTED
EXEMPTION 5
(Deliberative Process)

Thanks!
Melissa

REDACTED
EXEMPTION 4

Melissa Wise
Grants and Agreements Specialist
U.S. Department of Energy
Golden Field Office

-----Original Message-----
From: Lavergne, Pamela
Sent: Wednesday, March 02, 2011 9:49 AM
To: Wise, Melissa
Cc: Sterner, Christy
Subject: RE: Decision Change - Indirect Charges for DOE Award DE-EE0002877

Melissa,

Per Christy's email below, and from our conversations, please utilize this email as approval for Solazyme to take the balance of capped indirect costs, if it has been incurred. The DOE understands the Recipient is utilizing the accounting

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 5

Thank you,
Pam

Pam Lavergne
U.S. Department of Energy
Contract Cost/Price ACO
Direct: 720-356-1474
FAX: 720-356-1550

"The Greatest Casualty is Being Forgotten. We are the Land of the Free, Because of the Brave"

-----Original Message-----
From: Sterner, Christy
Sent: Tuesday, March 01, 2011 5:41 PM
To: Lavergne, Pamela
Cc: Wise, Melissa
Subject: RE: Decision Change - Indirect Charges for DOE Award DE-EE0002877

Importance: High

Hi Pam,

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 5
(Deliberative Process)

Thanks again for your help!

Best regards,

Christy

-----Original Message-----
From: Lavergne, Pamela
Sent: Tuesday, March 01, 2011 3:26 PM
To: Sterner, Christy
Subject: RE: Decision Change - Indirect Charges for DOE Award DE-EE0002877

Christy,

Just give me a call. Thanks

Pam Lavergne
U.S. Department of Energy
Contract Cost/Price ACO
Direct: 720-356-1474
FAX: 720-356-1550

"The Greatest Casualty is Being Forgotten. We are the Land of the Free, Because of the Brave"

-----Original Message-----
From: Sterner, Christy
Sent: Tuesday, March 01, 2011 3:21 PM
To: Lavergne, Pamela
Subject: RE: Decision Change - Indirect Charges for DOE Award DE-EE0002877
Importance: High

Hi Pam,

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 5
(Deliberative Process)

Would you be available and willing to meet with me briefly to discuss this? I am having difficulty explaining and discussing this with them (and a path forward) because I have questions myself. I am working at home at the moment, but I don't live far from work and could be there in about 15 minutes. If you're available today, that would be great. If not, can I schedule a brief meeting for tomorrow morning?

Thanks for your help and best regards,

Christy

-----Original Message-----
From: Lavergne, Pamela
Sent: Tuesday, March 01, 2011 1:37 PM
To: 'Sarah McQuaid'; Wise, Melissa
Cc: Sterner, Christy; Bob Florence; Gayle McKenzie; Yelena Popova; Susan Wong; Tyler Painter
Subject: RE: Decision Change - Indirect Charges for DOE Award DE-EE0002877

Good Afternoon,

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 5
(Deliberative Process)

Thank you,
Pam

Pam Lavergne
U.S. Department of Energy
Contract Cost/Price ACO

Direct: 720-356-1474
FAX: 720-356-1550

"The Greatest Casualty is Being Forgotten. We are the Land of the Free, Because of the Brave"

-----Original Message-----
From: Sarah McQuaid [mailto:smcquaid@solazyme.com]
Sent: Tuesday, March 01, 2011 12:28 PM
To: Wise, Melissa
Cc: Sterner, Christy; Lavergne, Pamela; Bob Florence; Gayle McKenzie; Yelena Popova; Susan Wong; Tyler Painter
Subject: RE: Decision Change - Indirect Charges for DOE Award DE-EE0002877

Hi again Melissa,

REDACTED
EXEMPTION 4

Sarah Larkin McQuaid, Ph.D., P.M.P.,
Assoc. Director Program Management,
Solazyme Inc.
Phone: 650.416.5122
Cell: 619.867.3055

-----Original Message-----
From: Wise, Melissa [mailto:melissa.wise@go.doe.gov]
Sent: Tuesday, March 01, 2011 8:59 AM
To: Sarah McQuaid
Cc: Sterner, Christy; Lavergne, Pamela
Subject: RE: Decision Change - Indirect Charges for DOE Award DE-EE0002877

Sarah,

I am heading to a 10am meeting. I am attaching the C/P comments, and hope that Pam Lavergne can respond.

REDACTED
EXEMPTION 4

Thanks,
Melissa

Melissa Wise
Grants and Agreements Specialist

-----Original Message-----
From: Sarah McQuaid [mailto:smcquaid@solazyme.com]
Sent: Tuesday, March 01, 2011 9:44 AM
To: Wise, Melissa
Cc: Sterner, Christy; Hames, Molly; Yelena Popova; Bob Florence; Adrian Galvez; Gayle McKenzie; Susan Wong
Subject: RE: Decision Change - Indirect Charges for DOE Award
DE-EE0002877

Hi Melissa,

We enjoyed speaking with you also Melissa and we thank you for your time.

REDACTED
EXEMPTION 4

Best regards,

Sarah

_____
Sarah Larkin McQuaid, Ph.D., P.M.P.,
Assoc. Director Program Management,
Solazyme Inc.
Phone: 650.416.5122
Cell: 619.867.3055
-----Original Message-----
From: Wise, Melissa [mailto:melissa.wise@go.doe.gov]
Sent: Tuesday, March 01, 2011 8:10 AM
To: Sarah McQuaid
Cc: Sterner, Christy; Hames, Molly
Subject: Decision Change - Indirect Charges for DOE Award DE-EE0002877
Importance: High

Hi Sarah,

It was a pleasure speaking with you and your team yesterday evening.

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

I apologize for causing any confusion.

Sincerely,
Melissa

Melissa Wise
Grants and Agreements Specialist
U.S. Department of Energy
Golden Field Office