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. 003
Requisition No: 10EE
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 lift conditions on Budget Period 2 (BP2) of the award DE-EE0002877 for Solazyme, Inc. entitled "Recovery Act: Solazyme Integrated Biorefinery (SzIBR): Diesel Fuels from Heterotrophic Algae." It approves the scope and budget for BP2 such that the total budget is $ EX4 21,765,708 Federal funds) and all funds are now available.

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: 1/28/2010 To: 3/31/2013 Comment [CL1]
New/Revised Budget Period 1 for this Award: From: 1/29/2010 To: 8/31/2010 Comment [CL2]
New/Revised Budget Period 2 for this Award: From: 9/1/2010 To: 3/31/2013 Comment [CL3] Comment [CL4]

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 Comment [CL5]
      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	Sarah McQuaid	Project Manager
2.	Christy Sterner	DOE – Project Officer		
3.	Chris Lindeman	Navarro – Project Engineer		

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		6/15/2010	Submission from previous amendment; however, only the BP1 amounts were evaluated. At the time, recipient indicated that the BP2 figures were ready for evaluation.
Revision 1			
Revision 2			
Revision "n"			

Comment [c6]: Fill this out

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.

Comment [c7]: Fill this out

Element of Cost	Original BP 2 Budget Submission	Final Negotiated Costs (BP 2 Revision)	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: ___

REDACTED
EXEMPTION 4

Is the original budget the same as the negotiated budget: ☐ Yes ☐ No

If No, please check all boxes that apply:

☐ Change in the Project Scope
☐ Changes due to Time Delays
☐ Math Errors in Budget
☐ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
☐ Indirect/Fringe Rates incorrectly applied

☐ Other (explain) _____

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

Project Officer commentary:

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 personnel associated with this project are for the management, design and engineering, and construction and operations oversight of the pilot plant being built for this project. There are 17 uniquely titled positions described by the applicant.

REDACTED
EXEMPTION 4

Comment [CL8]

Comment [CL9]:

Controller
Corporate Counsel
Director Business Development
Director Downstream Process Development
Downstream manufacturing engineer
Fermentation engineer
Manager: Downstream Process Development

Comment [CL10]:

Process Development Engineer
Project Engineer
Project Manager ($63/hr)
Project Manager ($50/hr)

Comment [CL11]:

Senior Director; Program Management & Logistics
Senior Manager; Fermentation
Senior Vice President; Manufacturing & Process Development
Senior Vice President; Research & Development
Vice President; Manufacturing: This is the Principal Investigator on the overall project.

REDACTED
EXEMPTION 5
(Deliberative Process)

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

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Comment [CL12]:

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
Total:	0		0	0		0

REDACTED
EXEMPTION 5
(Deliberative Process)

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

REDACTED
EXEMPTION 4

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:

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: ☐

Comment [c13]:

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:

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 5
(Deliberative Process)

REDACTED
EXEMPTION 4

Comment [c14]:

☐ Specialist concurs.

4. Equipment:

Total Negotiated Equipment Costs: REDACTED EXEMPTION 4	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: ☐

Comment [c15]:

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
REDACTED EXEMPTION 4			

Comment [CL16]:

Comment [CL17]:

Comment [CL18]:

Comment [CL19]:

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:

REDACTED
EXEMPTION 5
(Deliberative Process)

☐ Specialist concurs.

5. Supplies: REDACTED EXEMPTION 4

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:

Comment [CL20]:

REDACTED
EXEMPTION 4

REDACTED
EXEMPTION 4

☐ Specialist concurs.

REDACTED
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:

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

Comment [CL21]:

Comment [CL22]:

Comment [CL23]

Cherokee (sub)

specifically associated with the work at the site. ' building space, utilities, and some labor to the project. A separate evaluation of their scope and budget are included as an addendum to this evaluation memorandum.

Abengoa (sub)

REDACTED
EXEMPTION 4

BlueFire (sub)

UOP (sub)
UOP is going to refine some of the pilot plant's algal oil into renewable diesel. In addition, they are contributing cost share of of the project costs associated with the refining activities. A separate evaluation of their scope and budget are included as an addendum to this evaluation memorandum.

REG (vendor)
REG will refine approximately gallons of algal oil to biodiesel (producing approximately gallons of biodiesel) in their commercial facility. This work will be done in production runs of approximately gallons each. Each of these runs is estimated to cost for a total cost of . In addition to this work in their commercial facility, will also be refining gallons of algal oil into biodiesel in their laboratory facilities. This will be done in approximately gallon batches, and includes analytical work. The total cost per batch for the lab refining and analysis is er batch, totaling

REDACTED
EXEMPTION 5
(Deliberative Process)

Obrien & Gere (vendor)

REDACTED
EXEMPTION 4

project. The majority of the costs associated with their work were evaluated and approved for BP1. The costs are reasonable for the work OB&G will be performing in support of BP2.

Vendor TBD (vendor)
These line items contain budget estimates for work that would be expected to be associated with the construction of a plant facility. Solazyme has not yet determined who these vendors will be, but will do so either through an open competitive bidding process or by submitting sole-source justification where applicable. All of the proposed costs were estimated based on similar work previously completed by Solazyme and are reasonable to the type of work being performed for this project.

Comment [c24]

Comment [c25]

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

☐ 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:

Comment [c26]: There were some big questions in this area.

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: ☐

) is for transportation of th to REG for refining into biodiesel. This includes…and…

s for transportation of the algal oil to UOP for refining into green diesel. This includes…and…

is for rail car storage of the algal oil. This includes…and…

; for rail car storage of the refined fuel product. This includes…and…

REDACTED
EXEMPTION 4

is for insurance and sample shipments, including…and…

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.

Comment [c27]: Finish with input from Solazyme

Comment [c28]: Finish with input from Solazyme

Comment [c29]: Finish with input from Solazyme

Comment [c30]: Finish with input from Solazyme

Comment [c31]: Finish with input from Solazyme

9. Indirect Charges:

REDACTED
EXEMPTION 5
(Deliberative Process)

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: _____

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: _____

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 _____ per the selection statement. Solazyme

REDACTED
EXEMPTION 4

cost share to 20%. Ex5 (Deliberative Process)

Solazyme was required to have contingency on total project cost, per the selection statement. They are currently working on drafting a certification that meets DOE requirements ensuring availability.

Comment [c32]:

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.

Comment [CL33]: Anything?

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.*

Subrecipient: _Cherokee Pharmaceuticals, LLC_

EE0002877

Complete this section for each subrecipient with proposed total costs of $100,000 or more. Otherwise, delete this section.

***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.***

Subrecipient: Cherokee Pharmaceuticals, LLC

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	Date of Submission	Summary of Change
Original		3/3/10	Submission from previous amendment; however, only the BP1 amounts were evaluated. At the time, recipient indicated that the BP2 figures were ready for evaluation.
Revision 1			
Revision 2			
Revision "n"			

Comment [CL34]: Fill this out

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.

Comment [CL35]: Fill this out

Element of Cost	Original BP2 Budget Submission	Final Negotiated Costs (BP 2 Revision)	Percent of Total Negotiated Budget	Fringe Benefits and Indirects	
				Proposed Rate	Negotiated Rate
Personnel					
Fringe Benefits					
Travel					
Equipment					
Supplies					
Contractual			REDACTED EXEMPTION 4		
Construction					
Other					
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. Is the original budget the same as the negotiated budget: ☐ Yes ☐ No

If No, please check all boxes that apply:

- ☐ Change in the Project Scope
- ☐ Changes due to Time Delays
- ☐ Math Errors in Budget
- ☐ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
- ☐ Indirect/Fringe Rates incorrectly applied
- ☐ Other (explain) _____

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

Project Officer commentary:

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 labor mix proposed in the negotiated budget is reasonable: ☒

The personnel associated with this project are for the operation of the pilot plant for this project. There are uniquely titled positions described by the applicant, some of which may include multiple persons. Even though BP2 extends across multiple calendar years, the pay rates do not escalate as the tasks progress. The total personnel costs for this project are

Comment [CL36]:

Comment [CL37]:

Director of Manufacturing
Manager Technical Support
Process Engineer
Production Coordinator
Senior Process Engineer
Senior Process Microbiologist
Technician (hourly labor)

REDACTED EXEMPTION 5 (Deliberative Process)

REDACTED EXEMPTION 4

Comment [CL38]:

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
Total:						

REDACTED
EXEMPTION 4

Negotiated labor rates are reasonable: ☐ (Please attach supporting documentation e.g. www.salary.com, if applicable)

2. Fringe Benefits:

REDACTED
EXEMPTION 4

Total Negotiated Fringe Benefit Costs:	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: _____
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:

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:

REDACTED
EXEMPTION 4

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

Comment [CL39]:

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:

All supplies are related to the production of algae, algal oil and other actions being undertaken at the Cherokee site.

REDACTED
EXEMPTION 5
(Deliberative Process)

. This includes…and…

This includes…and…

This includes…and…

REDACTED
EXEMPTION 4

cluding…and…

☐ Specialist concurs.

Comment [c40]

Comment [c41]:

Comment [c42]

me

Comment [c43]:

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:

Subrecipient/Vendor Name	BP 1 Cost	BP 2 Cost	Total Cost	Contribution to Project (Identify SOPO Tasks)

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

☐ Specialist concurs.

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:

Comment [CL44]:

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:

Comment [c45]:

REDACTED
EXEMPTION 4

This includes…and…

. This includes…and…

.and…

REDACTED
EXEMPTION 4

and…

..and…

..

☐ Specialist concurs.

Comment [c47

Comment [c48]:

Comment [c50]

Comment [c51]:

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: _____

REDACTED
EXEMPTION 5

(Deliberative Process)

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: ☐

Subrecipient: _Abengoa Bioenergy New Technologies_

EE0002877

Complete this section for each subrecipient with proposed total costs of $100,000 or more. Otherwise, delete this section.

***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.***

Subrecipient: Abengoa Bioenergy New Technologies

SECTION II – NEGOTIATION SUMMARY

Project Officer/Specialist to complete:

3. 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	Date of Submission	Summary of Change
Original	SF424a; PMC123.1	2/9/2010	Submission from previous amendment; however, only the BP1 amounts were evaluated. At the time, recipient indicated that the BP2 figures were ready for evaluation.
Revision 1			

Comment [c52]: Fill this out

4. 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.

Comment [CL53]: Fill this out

Element of Cost	Original BP2 Budget Submission	Final Negotiated Costs (BP2 Revision)	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. Is the original budget the same as the negotiated budget: ☒ Yes ☐ No

If No, please check all boxes that apply:

- ☐ Change in the Project Scope
- ☐ Changes due to Time Delays
- ☐ Math Errors in Budget
- ☐ Changes in Indirect/Fringe Costs Caused Changes in Direct Costs or Total Project Costs
- ☐ Indirect/Fringe Rates incorrectly applied
- ☐ Other (explain) _____

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

Project Officer commentary:
No comments.

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 labor mix proposed in the negotiated budget is reasonable: ☒

The personnel associated with this project are [illegible] use in the pilot plant being built for this project. There are 6 uniquely titled positions described by the applicant, some of which may include multiple persons. The total personnel costs for this project are

Comment [CL54]:

REDACTED EXEMPTION 4

REDACTED EXEMPTION 5 (Deliberative Process)

Comment [CL55]:

Please fill out the following table with the negotiated costs:

Labor Type	Budget Period 1			Budget Period 2		
	Hours	Rate	Total	Hours	Rate	Total
Total:	0		0	0		0

Negotiated labor rates are reasonable: ☐ (Please attach supporting documentation e.g. www.salary.com, if applicable)

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: _____
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:

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.

REDACTED
EXEMPTION 5
(Deliberative Process)

5. Supplies:

REDACTED
EXEMPTION 4

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 o' proposed in the negotiated budget are reasonable: ☒

s cost is and includes the biomass feedstocks, chemicals, enzymes, yeast, and utilities required for the conversion to sugars.

Comment [CL56]:

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: $	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	Contribution to Project (Identify SOPO Tasks)

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

☐ Specialist concurs.

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:

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: _____

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: ☐