



Department of Energy

Brookhaven Site Office
P.O. Box 5000
Upton, New York 11973

Mr. Robert Lincoln
Chief Human Resources Officer
Brookhaven Science Associates, LLC
Brookhaven National Laboratory
Upton, New York 11973

SEP 25 2013

Dear Mr. Lincoln:

SUBJECT: LABORATORY DIRECTOR BASE SALARY REIMBURSEMENT CAP AND INCENTIVE COMPENSATION

The below contract language, H.22 (d)(1)(B), reflects the requirement that the Laboratory Director's base salary reimbursement is the maximum allowable salary reimbursement under the contract.

The Contracting Officer's approval of individual compensation actions will be required only for the top contractor official (e.g., laboratory director/plant manager or equivalent) and key personnel as indicated in (d)(1)(A)(iv) above. The base salary reimbursement level for the top contractor official establishes the maximum allowable salary reimbursement under the contract. Unusual circumstances may require a deviation for an individual on a case-by-case basis. Any such deviations must be approved by the Contracting Officer.

A recent salary action prompted the Department of Energy (DOE) reinterpretation of the terms "salary reimbursement" of the comparable employee to include base salary as well as incentive compensation. Incentive compensation for the purposes of this contract provision includes a pay-at-risk agreement entered into between Brookhaven Science Associates (BSA) and the employee at the beginning of a performance year. For example, the agreement could outline the target incentive compensation percentage the employee could earn if specific objectives are met, a certain PEMP score earned, etc.

Therefore, please report to DOE the incentive programs, as defined above, available to BSA employees with supplementary policies and procedures.

Finally, please report if any BSA employees' base salary plus incentive compensation, as defined above, is reimbursed at or above the current reimbursement for the Laboratory Director. Please include specific base salary, incentive compensation and effective date for each employee.

If you have any questions, please contact me at extension 7812.

Sincerely,

Evelyn Landini, Director
Business Management Division
Contracting Officer

cc: R. Kelly, BSA
J. Loh, BHSO
C. Johnson, SC-CH