

MEMO

To: United States Advanced Battery Consortium LLC Supplier

Page | 1

Subject: Required Documentation for Cost Proposal Submissions (REVISED)

The United States Advanced Battery Consortium LLC (USABC) maintains a rigorous technical and financial due diligence process when considering issuing purchase orders to suppliers under government and industry cooperative programs.

As part of the financial evaluation process, the USABC and the United States Department of Energy (USDOE) now require cost proposal submissions which include use of the following forms, or a similar format containing the same information,

1) EERE 335, Budget Justification (see Attachment 1A and Attachment 1B). Note: EERE 335 (Attachment 1A) is used for 3 budget periods. Form EERE 335.1 (Attachment 1B) is used for up to 5 budget periods,

2) EERE 410.2, Sample Indirect Rate Proposal-Pre-Award (see Attachment 2), and,

3) EERE 305, Pre-Award Information (see Attachment 3).

Use of form EERE 410.2 is required in lieu of federally negotiated and approved fringe, indirect, and G & A rates applied to cost proposal estimates. If applicable, copies of documentation authorizing the federally negotiated rates will be requested.

In addition, when requested, the cost estimates submission must be supported by readily available documentation for all cost categories. The properly completed EERE 335 form, along with appropriate supporting documentation, will greatly assist the USABC in evaluating your submission from a financial perspective and in expediting the purchase order release process.

Note that USDOE form EERE 335 has been slightly modified for specific USABC use. DOE form EERE 335, Budget Justification, is available from the USABC Project Manager.

Industry supplier participation in projects is considered critical in achieving USABC technical objectives. As such, the USABC wants to facilitate the evaluation process as much as possible. Since all data submissions are subject to audit by federal agency representatives, as well as the USABC, participant cooperation in preparing form EERE 335, and other associated documents, is extremely important. It is imperative that the supplier be prepared to provide the USABC Project Manager and/or finance representatives with immediate access to the documented basis for the development of cost estimates in all cost categories as requested.

The USABC Project Manager for the proposed project will be the primary point of contact for much of the technical and financial evaluation process, however, a USABC finance liaison will also be closely involved until all financial due diligence requirements are completed.

Please contact the respective USABC Project Manager for direction should you have questions or concerns regarding the proposal evaluation process.

Page | 2

As noted, participants will be required to provide documentation supporting cost estimates. Be certain all cost estimates included on EERE 335 are required to successfully achieve the proposed Statement of Work. Estimates must be in accordance with Generally Accepted Accounting Principles (GAAP), verifiable, reasonable, allocable and allowable under the appropriate federal cost principles as follows,

- 1) Commercial organizations: Federal Acquisition Regulation (FAR) Part 31.
(<https://www.eere-pmc.energy.gov/Forms.aspx/>)
- 2) Educational institution: OMB Circular A-21.
(https://www.whitehouse.gov/omb/circulars_default/)
- 3) State, local & Indian Tribe Governments: OMB Circular A-87.
(https://www.whitehouse.gov/omb/circulars_default/)
- 4) Non-profit organizations: OMB Circular A-122
(https://www.whitehouse.gov/omb/circulars_default/)

In cases where federally negotiated and approved fringe, indirect, and G & A rates are not available, please find attached the otherwise required USDOE format EERE 410.2, Sample Indirect Rate Proposal-Pre Award, (see Attachment 2) which will be useful in preparing documentation in support of applied rate proposals. DOE form EERE 410.2, Sample Rate Proposal-Pre Award, is available from the USABC Project Manager or from the following website, (<https://www.eere-pmc.energy.gov/Forms.aspx/>).

In most instances, federal forms EERE 335, Cost Justification, and form, EERE 410.2, Indirect Rate sample format, will be requested for reporting detail supporting project cost proposals.

Further, as a useful tool in assisting the applied rates development under format EERE 410.2, in May, 2019, the Defense Contractors Audit Agency (DCAA) published a Memorandum (see Attachment 4) entitled “*Audit Alert on Identifying Expressly Unallowable Costs*”. This memorandum covering 19-PAC-002(‘R’), supersedes 14-PAC-021 (‘R’), and 14-PAC-022 (‘R’), issued December 18, 2014, and January 7, 2015, respectively.

This updated document discusses the concepts of allowable, unallowable, and expressly unallowable costs as applied to specific costs subject matter. Application of these cost principles may affect the development of applied rates. Please review carefully to determine if any of the subject matter applies to the total project cost proposal before submission.

Page | 3

Developers will likely be requested by USABC to provide assurances as to having reviewed and applied, where and if required, the cost principles discussed in the DCAA Memorandum.

In an effort to assist with the volume of subject matter concerning unallowable costs, a content table has been developed and updated which categorizes the various topics by primary subject, with its associated Memorandum line item number.

In addition, both Technical and Financial Due Diligence representatives from USABC, will require submission of federal form EERE 305, Pre-Award Information.

DOE form EERE 305 is available from the USABC Project Manager or from the following website, (<https://www.eere-pmc.energy.gov/Forms.aspx>), click on 'EERE Financial Opportunities Resources'.

Finally, research partners are required to be registered in the federal System for Award Management (SAM), accessed at (www.SAM.gov), as well as, provide a Data Universal Numbering System (DUNS) number for the respective participating organization. The DUNS number is obtained by calling Dun and Bradstreet, Inc., (currently) 866-705-5711, or accessing by internet at (<http://fedgov.dnb.com/webform>).

PLEASE NOTE: All submissions are required in the ENGLISH language.

Please note, a summary statement of Financial Due Diligence (FDD), by cost category and other business assurances, will be documented by the USABC finance liaison at the end of the evaluation process. The summary statement will be based upon representations made in the supplier cost estimate, business assurances submission, and the detailed cost basis disclosures by authorized supplier personnel.

The USABC finance liaison summary statement, based upon supplier representation, as part of the FDD process, will be included as part of the auditable, permanent file of record, to be submitted to the USDOE.

For questions concerning any data submissions to USABC under research proposals, direct all inquiries to the assigned USABC Project Manager.