

BWXT Y-12, L.L.C.
Y-12 NATIONAL SECURITY COMPLEX
ON-SITE/OFF-SITE INDIRECT RATE COMPARISON
AS OF JULY 30, 2001

Prior to indirect rate application, fully-burdened direct rates are applied to the sponsor's project for both on-site and off-site work. Our company applies a separate off-site indirect rate that differs from our on-site indirect rate in two areas. The off-site rate does not contain an allocation for certain indirect costs specifically identified as benefiting only on-site work. These costs would include things such as grounds and building maintenance, janitorial services, and fire protection. Secondly, whereas the on-site rate generally does not, the off-site rate contains a component to fund the administration of our work-for-others (WFO) program. An example of our rate structure is below:

	<u>On-Site</u>	<u>Off-Site</u>
Direct Salary (fully burdened)	\$ 66.82	\$ 66.82
Composite Indirect	<u>18.38</u>	<u>10.29</u>
Total Billed Cost	<u>\$ 85.20</u>	<u>\$ 77.11</u>