

GAO Highlights

Highlights of [GAO-14-78](#), a report to congressional committees

Why GAO Did This Study

DOE's 17 national laboratories house cutting-edge scientific facilities and equipment, ranging from high-performance computers to ultra-bright X-ray sources for investigating fundamental properties of materials. DOE allows the capabilities of the laboratories to be made available to perform work for other federal agencies and nonfederal entities through its WFO program, provided that the work does not hinder DOE's mission or compete with the private sector, among other things. GAO was asked to review the WFO program. GAO examined (1) the amount and type of work conducted under the program, (2) the extent to which DOE has ensured that WFO program requirements are met, and (3) the extent to which program performance is measured against WFO program objectives. GAO reviewed DOE and laboratory data and documents, internal and external review reports, and interviewed officials from DOE and the laboratories.

What GAO Recommends

GAO recommends, among other things, that DOE take steps to ensure compliance with project approval requirements; require laboratories to establish written procedures for charging costs to projects; specify what the annual program reviews should include; produce annual reports on WFO activities; and establish performance measures for the WFO program. DOE generally agreed with the report and its recommendations.

View [GAO-14-78](#). For more information, contact David C. Trimble at (202) 512-3841 or trimbled@gao.gov

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NATIONAL LABORATORIES

DOE Needs to Improve Oversight of Work Performed for Non-DOE Entities

What GAO Found

In fiscal years 2008 through 2012, the Department of Energy (DOE) performed about \$2 billion annually of Work for Others (WFO) projects, as measured by the costs incurred. Although the amount of WFO performed has remained relatively constant over the last 5 years overall, WFO as a percentage of the total work performed at the laboratories—measured in total laboratory costs incurred—has declined from 17 percent in fiscal year 2008 to about 13 percent in fiscal year 2012. In fiscal year 2012, the WFO program included more than 6,500 projects. About 88 percent of this work was for other federal agencies, with the majority of it performed for the Department of Defense. For example, one project for the Army applies a laboratory's expertise in laser decontamination of surfaces to develop a system that will remove chemical agent residues from equipment. The remaining WFO work was sponsored by nonfederal entities, including state and local governments, universities, private industry, and foreign entities.

DOE officials have not ensured that WFO program requirements are consistently met. For example, a DOE official is required to determine whether a proposed WFO project has met DOE requirements for accepting work before approving, or certifying, the work and this responsibility may not be delegated to the laboratories. However, DOE officials from site offices at 8 of the 17 laboratories reported that these determinations were made by the laboratories and that the DOE officials did not take steps to independently verify the determinations prior to approving the work. DOE also cannot ensure that the full costs of materials and services for WFO projects are charged to sponsors because 12 of 17 laboratories have limited or no written procedures for developing WFO project budgets or charging costs to ongoing projects, two important steps for recovering the full costs of materials and services. A 2013 DOE Office of Inspector General report found that the costs of administering WFO projects at one laboratory were allocated to DOE projects, resulting in an estimated \$400,000 in WFO project costs that were not reimbursed to the laboratory. DOE requires that its program offices annually review the WFO program at each of its laboratories. However, DOE requirements do not specify what the reviews should include, and DOE program offices varied in what they consider to be an annual review. DOE also requires the department's Chief Financial Officer to report annually on the activities conducted under the WFO program, but DOE officials told GAO that they no longer produce the report because the requirement is outdated, choosing instead to fulfill data requests on a case-by-case basis. As a result, DOE does not have data that are comparable across laboratories or over time.

DOE has not measured the extent to which WFO program performance is measured against program objectives and has not established performance measures to do so. Some DOE site offices and laboratories have taken steps to evaluate the performance of the WFO program, but these steps are not consistent across the laboratories, do not incorporate key attributes of successful performance measures, and do not address the WFO program objectives. Recent internal and external reviews of the laboratories have recommended that DOE establish clear measures to evaluate laboratory WFO program performance against the WFO program objectives. DOE officials told GAO that they do not believe it is appropriate to develop one set of measures for all laboratories and that they do not plan to do so.