



**The Secretary of Energy**  
Washington, DC 20585

June 21, 2016

MEMORANDUM FOR DOE CONTRACTORS AND RESPECTIVE LABOR UNIONS

FROM: ERNEST J. MONIZ

A handwritten signature in black ink, appearing to read "Ernest J. Moniz", written over a light blue horizontal line.

SUBJECT: The BenVal System

The BenVal system was developed in the 1990's to provide the Department of Energy (DOE) with data on how to ensure that our contractors were providing benefits that were competitive in the marketplace to continue to attract the best employees and facilitate the achievement of DOE missions in a cost effective manner.

In recent years, we have witnessed dynamic changes in both pension and health care plans throughout the private sector. In addition, implementation of the Affordable Care Act and other statutory changes set in motion changes to the way in which health care and retirement programs are provided by U.S. employers. These changes have had significant effects on how the BenVal system has advised our contractor human resources systems.

At its inception, this system was never intended to encourage our contractors to reduce benefits. Today, our mission continues to require us to attract the best employees and retain the workforce that has been so valuable to our results.

When a contractor performs either a BenVal or comparative cost study and enters into collective bargaining negotiations pursuant to economic parameters approved by the Department, the resulting Collective Bargaining Agreement should provide evidence of reasonable costs pursuant to the Federal Acquisition Regulation.

Labor organizations engaged in collective bargaining regarding benefits are legally entitled, upon request, to relevant, non-proprietary information regarding benefits, such as BenVal information; for example, including the identities of comparators that are generally not considered confidential or proprietary information. However, the Contractor may not share with the labor organizations either proprietary corporate or proprietary actuarial information without appropriate authorization to release that information.

