



DEPARTMENT OF THE NAVY
 OFFICE OF NAVAL RESEARCH
 875 NORTH RANDOLPH STREET
 SUITE 1425
 ARLINGTON, VA 22203-1995

IN REPLY REFER TO:

Agreement Date: September 13, 2011
 Supersedes Agreement Dated: March 25, 2011

NEGOTIATION AGREEMENT

INSTITUTION: **CALIFORNIA INSTITUTE OF TECHNOLOGY
 PASADENA, CALIFORNIA 91125**

The F&A rate contained herein is for use on grants, contracts and/or other agreements issued or awarded to the California Institute of Technology by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR 220. This rate shall be used for forward pricing and billing purposes for the California Institute of Technology's Fiscal Year (FY) 2011. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year(s) 2011.

Section I: RATES - TYPE: PREDETERMINED (PRED)

Facilities an Administrative Rate (Indirect Costs):

| <u>TYPE</u> | <u>FROM</u> | <u>TO</u> | <u>RATE</u> | <u>BASE</u> | <u>APPLICABLE TO</u> | <u>LOCATION</u> |
|-------------|-------------|-----------|-------------|-------------|------------------------------------|-----------------|
| Pred | 10/1/2010 | 9/30/2011 | 64.0% | (a) | Organized Research (except JPL) | On-Campus |
| Pred | 10/1/2010 | 9/30/2011 | 26.0% | (a) | Organized Research (except JPL) | Off-Campus |

DISTRIBUTION BASES

- (a) Modified Total Direct Costs (MTDC), as defined in 2 CFR 220, consisting of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Equipment (defined as having a useful life of two years and an acquisition cost of \$5,000 or more per unit), capital expenditures, charges for patient care and tuition remission, rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000 is excluded.

SECTION II - GENERAL TERMS AND CONDITIONS

A. LIMITATIONS: Use of the rates set forth under Section I is subject to any statutory or administrative limitations and is applicable to a given grant, contract or other agreement only to the extent that funds are available and consistent with any and all limitations of cost clauses or provisions, if any, contained therein. Acceptance of any or all of the rates agreed to herein is predicated upon all the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the grantee/contractor and allowable under governing cost principles; (2) that the same costs that have been treated as indirect costs are not claimed as direct costs; (3) that similar types of costs, in like circumstances, have been accorded consistent accounting treatment; (4) that the information provided by the contractor/grantee, which was used as the basis for the acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating the said rates, is not subsequently found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: The rates contained in Section I of this agreement are based on the accounting system in effect at the time this agreement was negotiated. Changes to the method(s) of accounting for costs, which affects the amount of reimbursement resulting from the use of these rates, require the written approval of the authorized representative of the cognizant negotiating agency for the Government prior to implementation of any such changes. Such changes include but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.

C. PREDETERMINED RATES: The predetermined rates contained in this agreement are not subject to adjustment in accordance with the provisions of 2 CFR 220.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR 220. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other transactions to which 2 CFR 220 is applicable, subject to any limitations in part A of this section. Copies of this document may be provided by either party to other Federal agencies which have or intend to issue or award grants and contracts using these rates or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.

Accepted:
FOR THE CALIFORNIA INSTITUTE
OF TECHNOLOGY:



Sharon E. Patterson
Associate Vice President for Finance
and Treasurer

9/13/11
Date

For information concerning this agreement contact:
DAVID F. GODFREY, Negotiator
Office of Naval Research
875 North Randolph Street
Arlington, VA 22203-1995

FOR THE U.S. GOVERNMENT:



Deborah K. Rafi
Contracting Officer

9/13/11
Date

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