



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 12, 2011
 Supersedes Agreement Dated: September 29, 2010

NEGOTIATION AGREEMENT

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

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

Section I: RATES - TYPE: FIXED(FIXED)

Staff Benefits:

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
Fixed	10/1/2010	9/30/2011	27.50%	(a)	Organized Research (except JPL)	All

DISTRIBUTION BASES

(a) Total salaries and wages of faculty and staff (excluding graduate assistants) including vacation, holiday, and sick leave. (Leave consists of accrued paid leave for bi-weekly salary and hourly employees and actual paid leave for monthly employees).

SECTION II - GENERAL TERMS AND CONDITIONS

A. **LIMITATIONS:** Use of the rate 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 rate contained in Section I of this agreement is 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. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The fixed rate contained in this agreement is based on estimates of the costs for FY 2011. When actual costs for this fiscal year are determined, adjustments will be applied to the next subsequent rate negotiation to recognize the difference between the FY 2011 estimated costs used to establish the fixed rates and the negotiated actual FY 2011 costs.

D. Carry Forward Amounts: The Staff Benefit Rate set forth in Section I is inclusive of FY 2008 estimated under-recovery of \$774,803 and FY 2009 estimated under-recovery of \$2,406,476.

E. USE BY OTHER FEDERAL AGENCIES: The rate set forth in Section I hereof was 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.

F. SPECIAL REMARKS: The Government's agreement with the rates set forth in Section I is not an acceptance of Caltech's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by Caltech is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

FOR THE CALIFORNIA INSTITUTE
OF TECHNOLOGY:

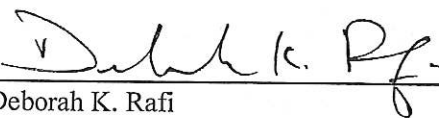


Sharon E. Patterson
Associate Vice President for Finance
and Treasurer

9/13/11

Date

FOR THE U.S. GOVERNMENT:



Deborah K. Rafi
Contracting Officer

9/13/11

Date

For information concerning this agreement contact:

DAVID F. GODFREY, Negotiator
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Arlington, VA 22203-1995

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