



DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
800 NORTH QUINCY STREET
ARLINGTON VA 22217-5660

IN REPLY REFER TO:

ONR 242
September 26, 2005

Ms. Tracey Fraser
Director of Cost Studies and Project Accounting
California Institute of Technology
Mail Code 219-15
Pasadena, CA 91125

Subject: Caltech FY 2006 Paid Leave Rate

Dear Ms. Fraser:

In your letter dated May 31, 2005, Caltech requested approval of the Paid Leave Rate for FY 2006. Based on this request and my review of historical paid leave data, I am approving the below rate for pricing and billing purposes beginning October 1, 2005, until amended:

Paid Leave Rate: 15.5%
Application Base: Biweekly salary and hourly employees

Caltech is expected to monitor this rate during FY 2006 and disclose to the Government any significant changes between the approved rate and estimated actual cost. This rate may be changed at any time upon agreement of Caltech and the Government or unilaterally by the Government.

If you have any questions, please contact me at (703) 696-8559 or E-mail address shippl@onr.navy.mil.

Sincerely,

A handwritten signature in cursive script that reads "Linda B. Shipp".

Linda B. Shipp
Contracting Officer

Cc: ONR-San Diego
DCAA