



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 29, 2016
 [Supersedes Agreement Dated: April 13, 2016]

NEGOTIATION AGREEMENT

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

The F&A rates contained herein are 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 200. These rates shall be used for forward pricing and billing purposes for the California Institute of Technology's Fiscal Year 2016. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2016.

Section I: RATES - TYPE: FIXED

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
Fixed	10/1/2015	9/30/2016	64.30%	(a)	Organized Research (except JPL)	On-Campus
Fixed	10/1/2015	9/30/2016	26.00%	(a)	Organized Research (except JPL)	Off-Campus

DISTRIBUTION BASES

- (a) Modified Total Direct Costs (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.

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. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The fixed rates contained in this agreement are based on estimates of the costs for FY 2016. 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 2016 estimated costs used to establish the fixed rates and the negotiated actual FY 2016 costs.

D. Carry Forward Amounts: The following final and estimated carry-forward amounts were considered in the establishment of the FY2016 fixed rates:


	Liquidated in FY2016	To Be Liquidated
CFW Final FY2007	(\$273,014)	\$0
CFW Estimated FY2014	(\$1,000,000)	(\$471,326)

E. 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 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other transactions to which 2 CFR 200 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 to provide such agencies with documentary notice of this agreement and its terms and conditions.

F. DFARS WAIVER: Signature of this agreement by the authorized representative of the California Institute of Technology and the Government acknowledges and affirms the University's request to waive the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion contained in DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1). The waiver request by the California Institute of Technology is made to simplify the University's overall management of DOD cost reimbursements under DOD contracts.

Accepted:
FOR THE CALIFORNIA INSTITUTE
OF TECHNOLOGY:


Sharon E. Patterson
Associate Vice President for Finance
and Treasurer

9/29/16
Date

FOR THE U.S. GOVERNMENT:


Linda B. Shipp
Contracting Officer

9-29-16
Date

For information concerning this agreement contact:
Betty Tingle, Contract Specialist
Office of Naval Research

Phone: (703) 696-7742
E-mail: Betty.Tingle@navy.mil

INDIVIDUAL RATE COMPONENTS

Institution: California Institute of Technology

FY 2016

Type of Rate: Fixed

	FY 2016	
Negotiation Base (MTDC):	\$140,034,057	\$14,669,142
RATE COMPONENTS:	On Campus	Off Campus
ADMINISTRATIVE		
G&A	12.08%	12.08%
DA	5.96%	5.96%
DA Allowance	3.60%	3.60%
Sponsored Projects Administration	2.79%	2.79%
Student Services Administration	2.23%	2.23%
Rounding	0.01%	0.01%
Subtotal	26.67%	26.67%
Admin. Cap Adjustment	(0.67%)	(0.67%)
Subtotal	26.00%	26.00%
FACILITIES		
Building Depreciation	9.96%	0.00%
Equipment Depreciation	4.67%	0.00%
Observatories	2.64%	0.00%
Interest	4.02%	0.00%
O&M	14.38%	0.00%
Library	2.25%	0.00%
Utility Cost Adjustment (UCA)	1.30%	0.00%
Subtotal	39.22%	0.00%
CARRY-FORWARD*		
	(0.91%)	0.00%
Rounding	-0.01%	0.00%
Total Capped Rate	64.30%	26.00%

*Represents FY2007 final overrecovery of \$273,014 and estimated FY2014 overrecovery of \$1,000,000.

FOR CALIFORNIA INSTITUTE OF TECHNOLOGY:

FOR THE GOVERNMENT:



 Sharon E. Patterson
 Associate Vice President for Finance and Treasurer



 Linda B. Shipp
 Contracting Officer

9/29/16

 Date

9-29-16

 Date

For Official Use Only