



**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 17, 2012  
 Supersedes Agreement Dated: September 19, 2011

**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 220. These rates shall be used for forward pricing and billing purposes for the California Institute of Technology's Fiscal Years 2012-2014. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2012-2014.

**Section I: RATES - TYPE: PREDETERMINED (PRED)  
 PROVISIONAL (PROV)**

**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	10/1/2011	9/30/2012	65.2%	(a)	Organized Research (except JPL)	On-Campus
Pred	10/1/2012	9/30/2013	66.5%	(a)	Organized Research (except JPL)	On-Campus
Prov	10/1/2013	9/30/2014	66.5%	(a)	Organized Research (except JPL)	On-Campus
Pred	10/1/2011	9/30/2012	26.0%	(a)	Organized Research (except JPL)	Off-Campus
Pred	10/1/2012	9/30/2013	26.0%	(a)	Organized Research (except JPL)	Off-Campus
Prov	10/1/2013	9/30/2014	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.

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## **SECTION II - GENERAL TERMS AND CONDITIONS**

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**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.

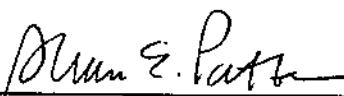
**D. PROVISIONAL RATES:** The provisional rates contained in this agreement are subject to unilateral amendment by the Government or bilateral amendment by the contracting parties at any time.

**E. Carry Forward Amounts:** The following carry-forward amounts were included in the establishment of the FY 2012 and FY 2013 rates:

	Institute Under/(Over) Recovery Liquidated in FY 12 F&A Rate			Institute Under/(Over) Recovery Liquidated in FY 13 F&A Rate	
	Capped On Campus	Capped Off Campus		Capped On Campus	Capped Off Campus
<u>Organized Research</u>			<u>Organized Research</u>		
FY09 Estimated	\$937,394	\$0	FY09 Estimated	\$937,394	0
FY10 Estimated	\$0	\$0	FY10 Estimated	\$522,372	0
	\$937,394	\$0		\$1,459,766	\$0


**F. 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

9/19/12  
Date

FOR THE U.S. GOVERNMENT:

  
David F. Godfrey  
Contracting Officer

9/20/12  
Date

*For information concerning this agreement contact:*

DAVID F. GODFREY, Contracting Officer  
Office of Naval Research  
875 North Randolph Street  
Arlington, VA 22203-1995

Phone: (703) 696-2586  
E-mail: david.f.godfrey@navy.mil

## INDIVIDUAL RATE COMPONENTS

Institution: California Institute of Technology

FY 2012

Type of Rate: Predetermined

	FY 2012	
Negotiation Base (MTDC):	\$133,000,000	\$13,400,000

RATE COMPONENTS:	On Campus	Off Campus
<b>ADMINISTRATIVE</b>		
G&A	11.56%	11.56%
DA	7.30%	7.30%
DA Allowance	3.60%	3.60%
Sponsored Projects Administration	2.70%	2.70%
Student Services Administration	1.92%	1.92%
Subtotal	27.08%	27.08%
Admin. Cap Adjustment	(1.08%)	(1.08%)
Subtotal	26.00%	26.00%

<b>FACILITIES</b>		
Building Depreciation	9.78%	
Equipment Depreciation	5.43%	
Observatories	2.46%	
Interest	2.55%	
O&M	14.50%	
Library	2.50%	
Utility Cost Adjustment (UCA)	1.30%	
Subtotal	38.52%	

<b>CARRY-FORWARD</b>		
FY 09 Estimated Under-Recovery \$937,394	0.70%	

Calculated Capped Rate	65.23%	26.00%
Rate Rounded	65.2%	26.0%

Uncapped Rate	N/A	N/A
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FOR CALIFORNIA INSTITUTE OF TECHNOLOGY:

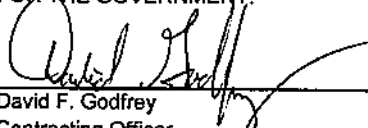


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Sharon E. Patterson  
Associate Vice President for Finance and Treasurer

9/19/12  
Date

FOR THE GOVERNMENT:



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David F. Godfrey  
Contracting Officer

9/20/12  
Date

## INDIVIDUAL RATE COMPONENTS

Institution: California Institute of Technology

FY 2013

Type of Rate: Predetermined

	FY 2013	
Negotiation Base (MTDC):	\$129,600,000	\$13,400,000

RATE COMPONENTS:	On Campus	Off Campus
<b>ADMINISTRATIVE</b>		
G&A	11.74%	11.74%
DA	7.56%	7.56%
DA Allowance	3.60%	3.60%
Sponsored Projects Administration	2.78%	2.78%
Student Services Administration	1.96%	1.96%
Subtotal	27.64%	27.64%
Admin. Cap Adjustment	(1.64%)	(1.64%)
Subtotal	26.00%	26.00%

<b>FACILITIES</b>		
Building Depreciation	10.08%	
Equipment Depreciation	5.58%	
Observatories	2.52%	
Interest	2.62%	
O&M	14.74%	
Library	2.57%	
Utility Cost Adjustment (UCA)	1.30%	
Subtotal	39.41%	

<b>CARRY-FORWARD</b>		
FY 09 Estimated Under-Recovery \$937,394	0.72%	
FY 10 Estimated Under-Recovery \$522,372	0.40%	

Calculated Capped Rate	66.53%	26.00%
Rate Rounded	66.5%	26.0%

Uncapped Rate	N/A	N/A
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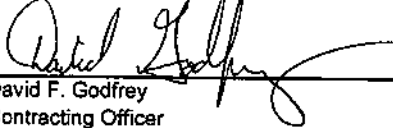


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