



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 26, 2018

NEGOTIATION AGREEMENT

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

The Facilities and Administrative (F&A) and Staff Benefit rates 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 provisions and cost principles mandated by 2 CFR Part 200. The rate shall be used for forward pricing and billing purposes for Caltech's Fiscal Year 2019.

Section I: RATES - TYPE: PROVISIONAL (PROV)

F&A Rates:

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
PROV	10/1/18	9/30/19	64.5%	(a)	Organized Research (except JPL)	On-Campus
PROV	10/1/18	9/30/19	26.0%	(a)	Organized Research (except JPL)	Off-Campus

Fringe Rate:

PROV	10/1/18	9/30/19	26.5%	(b)	Organized Research (except JPL)	All
------	---------	---------	-------	-----	------------------------------------	-----

DISTRIBUTION BASE

- (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.
- (b) 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 the rate agreed to herein is predicated upon all the following conditions: (1) that no costs other than those incurred by the recipient/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the recipient/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 recipient/contractor, which was used as the basis for the acceptance of the rate agreed to herein and expressly relied upon by the Government in negotiating the said rate, 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 this rate, 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. 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.

D. 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 Part 200. Accordingly, such rate shall be applied to the extent provided in such regulations to grants, contracts and other agreements to which 2 CFR Part 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.

E. SPECIAL REMARKS: The Government's agreement with the rate 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

9/26/18
Date

FOR THE U.S. GOVERNMENT:



SHEA D. KERSEY
Contracting Officer

9/26/2018
Date

For information concerning this agreement contact:

Shea Kersey
Office of Naval Research

Phone: (703) 696-2055
E-mail: shea.kersey@navy.mil