



DEPARTMENT OF THE NAVY
 OFFICE OF NAVAL RESEARCH
 875 NORTH RANDOLPH STREET
 SUITE 1425
 ARLINGTON, VA 22203-1995

IN REPLY REFER TO:

Agreement Date: June 7, 2011

NEGOTIATION AGREEMENT

Institution: UNIVERSITY OF DENVER
 2199 S. UNIVERSITY BLVD.
 DENVER, COLORADO 80208

The Facility and Administrative (F&A) Cost Rates, Fringe Benefits Rates, and ERI Animal Care Facility Rate contained herein are for use on grants, contracts and/or other agreements issued or awarded to the University of Denver by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR Part 220 – formerly Office of Management and Budget (OMB) Circular A-21. These rates shall be used for forward pricing and billing purposes at the University of Denver for Fiscal Years 2012. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2012.

SECTION I: RATES - TYPE: Provisional (Prov.)

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Rate</u>	<u>Base</u>	<u>Applicable To</u>	<u>Location</u>
<u>Facility and Administration Rates:</u>						
Prov.	7/1/11	6/30/12	47.4%	(a)	Organized Research (1) Academic Research Center	On-Campus
Prov.	7/1/11	6/30/12	54.8%	(a)	Organized Research (2) Academic Research Center	On-Campus
Prov.	7/1/11	6/30/12	26.0%	(a)	Organized Research Academic Research Center	Off-Campus
Prov.	7/1/11	6/30/12	47.2%	(a)	Sponsored Instruction	On-Campus
Prov.	7/1/11	6/30/12	31.4%	(a)	Other Sponsored Activities	On-Campus

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Rate</u>	<u>Base</u>	<u>Applicable To</u>	<u>Location</u>
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Fringe Benefits Rates:

Prov.	7/1/11	6/30/12	27.0%	(b)	Appointed	All
Prov.	7/1/11	6/30/12	7.5%	(c)	Non-Appointed	All
Prov.	7/1/11	6/30/12	1.5%	(c)	Students	All

Lab Rate:

Fixed	7/1/11	6/30/12	\$0.80	(d)	ERI Animal Care Facility	On-Campus
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DISTRIBUTION BASES:

The following bases are applicable to the above cited rates:

- (a) Modified Total Direct Cost (MTDC), as defined in 2 CFR Part 220 – formerly Office of Management and Budget (OMB) Circular A-21, consists of 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 an acquisition cost equal to or greater than \$5,000 and useful life of more than one year for acquisitions on or after 1 July 2002), 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.
- (b) Total Salaries and Wages, including holidays, vacations, sick leave, and overtime.
- (c) Total Salaries and Wages and overtime.
- (d) Per diem charge per cage used.

APPLICABLE TO

- (1) Applies to DOD contracts awarded before November 30, 1993, all Non-DOD Instruments, and all DOD Grants (See Section II, Part G).
- (2) Applies to only DOD contracts awarded on or after November 30, 1993 in accordance with and under the authority of DFARS 231.303(1) (See Section II, Part G).

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 the rates agreed to herein is predicated upon all of the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in this indirect cost pool as finally accepted and that such costs are legal obligations of the grantee/contractor and allowable under governing regulations; (2) that the same costs that have been treated as indirect costs are not claimed as direct costs; (3) that similar types of costs have been accorded consistent accounting treatment; and (4) that the information provided by the grantee/contractor, which was used as the basis for acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating and accepting 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 the agreement was negotiated. Changes to the method(s) of accounting for costs which affect 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 costs from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.

C. 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 Part 220. Accordingly, such rates shall be applied to the extent provided in such regulation to grants and contracts to which 2 CFR Part 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.

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. SPECIAL REMARKS

APPLICATION OF FACILITY & ADMINISTRATIVE COST RATES TO DEPARTMENT OF DEFENSE (DoD) CONTRACTS/SUBCONTRACTS:

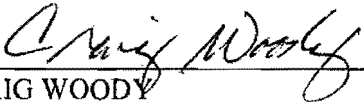
1. Signature of this agreement by the authorized representative of the University of Denver and the Government acknowledges and affirms the University's request to waive the prohibition contained in DFARS 231.303(1) except for the Academic Research Center On Campus Organized Research rates (see paragraph G.2. below) 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 University of Denver is made to simplify the University's overall management of DoD cost reimbursements under DoD contracts.

2. In accordance with DFARS 231.303, no limitation (unless waived by the institution) may be placed on the reimbursement of otherwise allowable indirect costs incurred by an institution of higher education under a DoD contract awarded on or after November 30, 1993, unless the same limitation is applied uniformly to all other organizations performing similar work. It has been determined by DoD that such limitation is not being uniformly applied. Accordingly, the Academic

Research Center On Campus Organized Research rates cited (2) of Section I, as explained under the title "APPLICABLE TO", do not reflect the application of the 26% limitation on administrative indirect costs imposed by OMB Circular A-21 whereas (1) does.


Acceptance:

FOR THE UNIVERSITY:


CRAIG WOODY
Vice Chancellor for
Business and Financial Affairs

Date June 7, 2011

FOR THE U.S GOVERNMENT:


DEBORAH K. RAFI
Contracting Officer

Date 6/7/2011

For information concerning this agreement contact:

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