



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

IN REPLY REFER TO:

Agreement Date: March 14, 2008

NEGOTIATION AGREEMENT

INSTITUTION: **THE UNIVERSITY OF ALASKA
207B BUTROVICH BUILDING
FAIRBANKS, AK 99775-5120**

The Facilities and Administrative (F&A) cost rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to the University of Alaska 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 University of Alaska's Fiscal Years 2008 through 2010. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2008.

Section I: RATES - TYPE: PREDETERMINED (PRED)

F&A RATES - UNIVERSITY OF ALASKA FAIRBANKS (UAF):

TYPE	FROM	TO	RATE	BASE	APPLICABLE FUNCTION
PRED	7/1/07	6/30/10	45.1%	(a)	On-Campus Organized Research
PRED	7/1/07	6/30/10	26.0%	(a)	Poker Flat
PRED	7/1/07	6/30/10	29.0%	(a)	Arctic Region Supercomputing Center
PRED	7/1/07	6/30/10	36.0%	(a)	Other Sponsored Activities

F&A RATES - UNIVERSITY OF ALASKA ANCHORAGE (UAA):

TYPE	FROM	TO	RATE	BASE	APPLICABLE FUNCTION
PRED	7/1/07	6/30/10	34.0%	(a)	On-Campus Organized Research
PRED	7/1/07	6/30/10	33.3%	(a)	Other Sponsored Activities

F&A RATES - UNIVERSITY OF ALASKA SOUTHEAST (UAS):

TYPE	FROM	TO	RATE	BASE	APPLICABLE FUNCTION
PRED	7/1/07	6/30/10	42.0%	(a)	On-Campus Organized Research
PRED	7/1/07	6/30/10	32.0%	(a)	Other Sponsored Activities

SYSTEMWIDE (Applies to All Campuses):

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE FUNCTION</u>
PRED	7/1/07	6/30/10	30.0%	(a)	Sponsored Training

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, capital expenditures, charges for patient care and tuition remission, long-term space rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000 shall be excluded from Modified Total Direct Costs.

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 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 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.

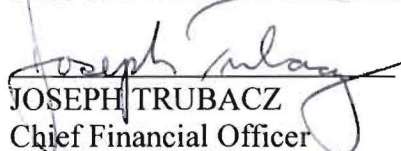
C. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR 220. Accordingly, such rates shall be applied to the extent provided in such circular to grants and contracts to which 2 CFR 220 is applicable, subject 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.

D. PREDETERMINED RATES: The predetermined rates set forth in Section I of this agreement are not subject to adjustment in accordance with the provisions of 2 CFR 220, subject to the limitations contained in Part A of this section.

E. DFARS WAIVER: Signature of this agreement by the authorized representative of the University of Alaska 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 University of Alaska is made to simplify the University's overall management of DoD cost reimbursements under DoD contracts.

F. SPECIAL REMARKS: Off-campus is defined as projects or specified project segments which (1) have estimated direct costs in excess of \$100,000 and (2) which require off-site research activities for a period of 180 consecutive days or the equivalent of 80% of the project term. Such research, exclusive of Poker Flat, shall be conducted at facilities and administrative rates agreed to by the contracting parties based on individual requirements. Unless a benefit to the project can be identified, such rates shall not contain on-campus facilities depreciation charges or operation and maintenance costs except for those costs which flow down through other cost components, nor shall there be any provisions for library or other student services costs.

FOR UNIVERSITY OF ALASKA:



JOSEPH TRUBACZ
Chief Financial Officer

3/18/08
Date

For information concerning this agreement contact:

Brian Kehoe
Office of Naval Research
875 North Randolph Street
Arlington, VA 22203-1995

FOR THE U.S. GOVERNMENT:


DEBORAH K. RAFI
Contracting Officer

3-20-08
Date

Phone: (703) 696-7742
E-mail: brian.kehoe@navy.mil

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

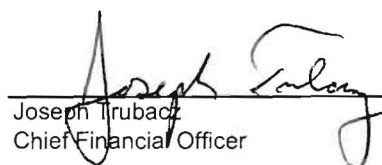
FYs Covered: 2008, 2009, 2010

Function Rate is Applicable to: University of Alaska Fairbanks -- On-Campus Organized Research,
Poker Flat, Arctic Region Supercomputing Center, Other Sponsored Activities

Type of Rates: Predetermined

	FYs 2008 - 2009 - 2010			
	On-Campus Organized Research	Poker Flat	Arctic Region Supercomputing Center	Other Sponsored Activities
Distribution Base (MTDC):	\$ 232,161,000	\$ 4,133,000	\$ 33,862,000	\$ 75,486,000
RATE COMPONENTS:				
1. ADMINISTRATIVE:				
A. G&A	14.70%	13.00%	13.00%	11.90%
B. DA	20.00%	18.30%	5.80%	14.80%
C. SPA	1.20%	1.40%	1.40%	1.40%
D. Student Services	0.00%	0.00%	0.00%	0.00%
E. Administrative Cap Adjustment	(9.90%)	(6.70%)	0.00%	(2.10%)
Subtotal for Administrative	26.00%	26.00%	20.20%	26.00%
2. DEPRECIATION				
A. Buildings Depreciation	5.00%	1.30%	4.80%	2.80%
B. Equipment Depreciation	0.70%	0.00%	1.50%	0.40%
3. INTEREST	1.60%	0.00%	3.30%	0.10%
4. O&M	10.50%	0.70%	5.20%	5.70%
5. LIBRARY	1.40%	0.00%	0.80%	1.00%
Subtotal for Facilities	19.20%	2.00%	15.60%	10.00%
7. Voluntary Reduction	0.00%	(2.00%)	(6.80%)	0.00%
8. Rounding	(0.10%)		0.00%	0.00%
Total	45.1%	26.0%	29.0%	36.0%


FOR THE UNIVERSITY:


Joseph Truback
Chief Financial Officer

3/20/08

Date

FOR THE U.S. GOVERNMENT:


Deborah K. Rafi
Contracting Officer

3-25-08

Date

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INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FYs Covered: 2008, 2009, 2010

Function Rate is Applicable to: University of Alaska Anchorage -- On-Campus Organized Research, Other Sponsored Activities

Type of Rates: Predetermined

	FYs 2008 - 2009 - 2010	
	On-Campus Organized Research	Other Sponsored Activities
Distribution Base (MTDC):	\$ 32,577,000	\$ 35,424,000
RATE COMPONENTS:		
1. ADMINISTRATIVE:		
A. G&A	14.90%	14.50%
B. DA	20.90%	12.60%
C. SPA	4.70%	5.30%
D. Student Services	0.00%	0.00%
E. Administrative Cap Adjustment	(14.50%)	(6.40%)
Subtotal for Administrative	26.00%	26.00%
2. DEPRECIATION/USE ALLOWANCE		
A. Buildings Depreciation	2.40%	2.50%
B. Equipment Depreciation	0.40%	0.20%
3. INTEREST	0.90%	0.10%
4. O&M	2.90%	3.40%
5. LIBRARY	1.30%	1.00%
Subtotal for Facilities	7.90%	7.20%
7. Voluntary Reduction	0.00%	0.00%
8. Rounding	0.10%	0.10%
Total	34.0%	33.3%


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INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FYs Covered: 2008, 2009, 2010

Function Rate is Applicable to: University of Alaska Southeast -- On-Campus Organized Research, Other Sponsored Activities

Type of Rates: Predetermined

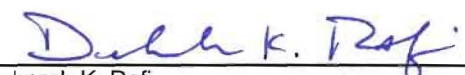
	FYs 2008 - 2009 - 2010	
	On-Campus Organized Research	Other Sponsored Activities
Distribution Base (MTDC):	\$ 2,736,000	\$ 777,000
RATE COMPONENTS:		
1. ADMINISTRATIVE:		
A. G&A	17.70%	17.60%
B. DA	11.90%	3.60%
C. SPA	3.60%	3.70%
D. Student Services	0.00%	0.00%
E. Administrative Cap Adjustment	(7.20%)	0.00%
Subtotal for Administrative	26.00%	24.90%
2. DEPRECIATION/USE ALLOWANCE		
A. Buildings Depreciation	8.60%	7.90%
B. Equipment Depreciation	4.90%	0.10%
3. INTEREST	7.80%	0.40%
4. O&M	14.20%	7.90%
5. LIBRARY	4.20%	1.60%
Subtotal for Facilities	39.70%	17.90%
7. Voluntary Reduction	(23.70%)	(10.80%)
8. Rounding	0.00%	0.00%
Total	42.0%	32.0%

FOR THE UNIVERSITY:


 Joseph Trubacz
 Chief Financial Officer

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 Deborah K. Rafi
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INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FYs Covered: 2008, 2009, 2010

Function Rate is Applicable to: University of Alaska Systemwide -- Sponsored Training

Type of Rates: Predetermined

FYs 2008 - 2009 - 2010	
Sponsored Training	
Distribution Base (MTDC):	\$ 375,168,000
RATE COMPONENTS:	
1. ADMINISTRATIVE:	
A. G&A	19.20%
B. DA	27.90%
C. SPA	0.40%
D. Student Services	21.90%
E. Administrative Cap Adjustment	(43.40%)
Subtotal for Administrative	26.00%
2. DEPRECIATION/USE ALLOWANCE	
A. Buildings Depreciation	7.10%
B. Equipment Depreciation	0.60%
3. INTEREST	0.40%
4. O&M	12.60%
5. LIBRARY	14.20%
Subtotal for Facilities	34.90%
7. Voluntary Reduction	(30.90%)
8. Rounding	0.00%
Total	30.0%


FOR THE UNIVERSITY:


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