

**DEPARTMENT OF THE NAVY**

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

IN REPLY REFER TO:

Agreement Date: December 20, 2010

Supersedes Agreement Dated: September 27, 2010

NEGOTIATION AGREEMENT

INSTITUTION: **UNIVERSITY OF ALASKA
FAIRBANKS, ALASKA 99775**

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to The University of Alaska (UA) 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 UA's Fiscal Year (FY) 2011-2013. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year(s) 2011-2013.

Section I: RATES - TYPE: PREDETERMINED (PRED)**Indirect Cost Rates (F&A):**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE FUNCTION</u>
<u>University of Alaska Fairbanks (UAF)</u>					
PRED	7/1/2010	6/30/2013	49.5%	(a)	On-Campus Organized Research (1)
PRED	7/1/2010	6/30/2013	60.3%	(a)	On-Campus Organized Research (2)
PRED	7/1/2010	6/30/2013	29.9%	(a)	Poker Flat
PRED	7/1/2010	6/30/2013	36.8%	(a)	Arctic Region Supercomputing Center
PRED	7/1/2010	6/30/2013	34.2%	(a)	Other Sponsored Activities
<u>University of Alaska Anchorage (UAA)</u>					
PRED	7/1/2010	6/30/2013	45.3%	(a)	On-Campus Organized Research
PRED	7/1/2010	6/30/2013	29.9%	(a)	Other Sponsored Activities
<u>University of Alaska Southeast (UAS)</u>					
PRED	7/1/2010	6/30/2013	45.0%	(a)	On-Campus Organized Research
PRED	7/1/2010	6/30/2013	31.6%	(a)	Other Sponsored Activities
<u>Systemwide (Applies to all Campuses)</u>					
PRED	7/1/2010	6/30/2013	35.0%	(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.

APPLICABLE TO:

- (1) Applies to DOD contracts awarded before November 30, 1993, all Non-DOD Instruments, and all DOD grants (See Section II, paragraph E). (Capped)
- (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, paragraph F). (Uncapped)

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. PREDETERMINED RATES: The predetermined rates contained in 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.

D. 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.

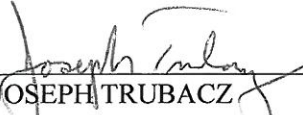
E. DFARS WAIVER: Signature of this agreement by the authorized representative of the University of Alaska and the Government acknowledges and affirms the University's request to waive the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion contained in DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1) with the exception of the University of Alaska Fairbanks Organized Research. 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. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS/SUBCONTRACTS: In accordance with DFARS 231.303, for the University of Alaska Fairbanks Organized Research, 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 the Department of Defense that such limitation is not being uniformly applied. Accordingly, the 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 2 CFR 220, whereas (1) does so.

G. SPECIAL REMARKS: Off-campus is defined as projects or specified project segments which (1) have estimated direct costs in excess of \$1 00,000 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.

Accepted:
FOR UNIVERSITY OF ALASKA:

FOR THE U.S. GOVERNMENT:



JOSEPH TRUBACZ
Chief Financial Officer

12/20/10

Date



DEBORAH K. RAFI
Contracting Officer

12/21/10

Date

For information concerning this agreement contact:
DAVID F. GODFREY, Negotiator
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: University of Alaska

FY Covered by Rate: 2011-2013

Location Rate is Applicable to: University of Alaska Fairbanks -- On Campus Organized Research

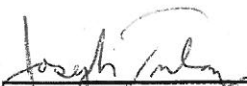
Type of Rate: Predetermined

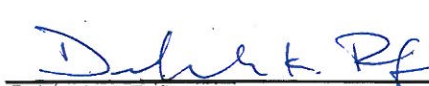
Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$77,823,000	\$78,639,000	\$79,464,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	11.76%	11.76%	11.76%
Dept Admin	23.64%	23.64%	23.64%
Spon Proj Admin	1.37%	1.37%	1.37%
Student Services	0.00%	0.00%	0.00%
Subtotal	36.78%	36.78%	36.78%
Administrative Cap Adjustment	(10.78%)	(10.78%)	(10.78%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	5.06%	5.06%	5.06%
Equip Depr	1.02%	1.02%	1.02%
Interest	1.48%	1.48%	1.48%
O & M	14.49%	14.49%	14.49%
Library	1.46%	1.46%	1.46%
Subtotal	23.51%	23.51%	23.51%
Capped Rate	49.51%	49.51%	49.51%
RATE ROUNDED	49.5%	49.5%	49.5%
Uncapped Rate	60.28%	60.28%	60.28%
RATE ROUNDED	60.3%	60.3%	60.3%

FOR UNIVERSITY OF ALASKA:

FOR THE U.S. GOVERNMENT:


Joseph Trubacz
Chief Financial Officer


Deborah K. Rafi
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INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013

Location Rate is Applicable to: University of Alaska Fairbanks - Other Sponsored Activities

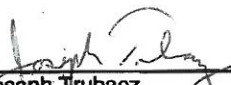
Type of Rate: Predetermined

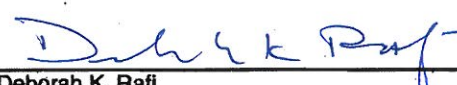
Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$23,363,000	\$23,959,000	\$24,573,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	11.30%	11.30%	11.30%
Dept Admin	14.50%	14.50%	14.50%
Spon Proj Admin	1.70%	1.70%	1.70%
Student Services	0.00%	0.00%	0.00%
Subtotal	27.50%	27.50%	27.50%
Administrative Cap Adjustment	(1.50%)	(1.50%)	(1.50%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	1.20%	1.20%	1.20%
Equip Depr	0.40%	0.40%	0.40%
Interest	0.20%	0.20%	0.20%
O & M	5.30%	5.30%	5.30%
Library	1.10%	1.10%	1.10%
Subtotal	8.20%	8.20%	8.20%
Capped Rate	34.20%	34.20%	34.20%
RATE ROUNDED	34.2%	34.2%	34.2%

FOR UNIVERSITY OF ALASKA:

FOR THE U.S. GOVERNMENT:


Joseph Trubacz
Chief Financial Officer


Deborah K. Rafi
Contracting Officer

12/20/10
Date

12/21/10
Date

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013

Location Rate Is Applicable to: University of Alaska Fairbanks – Arctic Region Supercomputing Center

Type of Rate: Predetermined

Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$8,844,000	\$8,844,000	\$8,844,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	12.00%	12.00%	12.00%
Dept Admin	6.50%	6.50%	6.50%
Spon Proj Admin	1.40%	1.40%	1.40%
Student Services	0.00%	0.00%	0.00%
Subtotal	19.90%	19.90%	19.90%
Administrative Cap Adjustment	0.00%	0.00%	0.00%
Subtotal	19.90%	19.90%	19.90%
2. FACILITIES:			
Bld Depr	4.70%	4.70%	4.70%
Equip Depr	1.10%	1.10%	1.10%
Interest	2.50%	2.50%	2.50%
O & M	7.20%	7.20%	7.20%
Library	1.40%	1.40%	1.40%
Subtotal	16.90%	16.90%	16.90%
Capped Rate	36.80%	36.80%	36.80%
RATE ROUNDED	36.8%	36.8%	36.8%

FOR UNIVERSITY OF ALASKA:

Joseph Trubacz
Chief Financial Officer

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Contracting Officer

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INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013

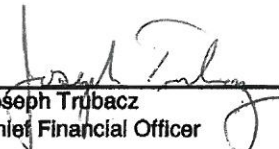
Location Rate is Applicable to: University of Alaska Fairbanks -- PokerFlat

Type of Rate: Predetermined

Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$2,354,000	\$2,534,000	\$2,534,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	12.00%	12.00%	12.00%
Dept Admin	24.00%	24.00%	24.00%
Spon Proj Admin	1.70%	1.70%	1.70%
Student Services	0.00%	0.00%	0.00%
Subtotal	37.70%	37.70%	37.70%
Administrative Cap Adjustment	(11.70%)	(11.70%)	(11.70%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	0.70%	0.70%	0.70%
Equip Depr	2.80%	2.80%	2.80%
Interest	0.00%	0.00%	0.00%
O & M	0.40%	0.40%	0.40%
Library	0.00%	0.00%	0.00%
Subtotal	3.90%	3.90%	3.90%
Capped Rate	29.90%	29.90%	29.90%
RATE ROUNDED	29.9%	29.9%	29.9%

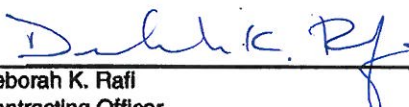
FOR UNIVERSITY OF ALASKA:


Joseph Trubacz
Chief Financial Officer

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Date

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Deborah K. Rafi
Contracting Officer

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INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013

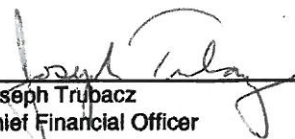
Location Rate is Applicable to: University of Alaska Anchorage -- On Campus Organized Research

Type of Rate: Predetermined

Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$11,339,000	\$10,231,000	\$9,512,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	12.24%	12.24%	12.24%
Dept Admin	31.40%	31.40%	31.40%
Spon Proj Admin	2.67%	2.67%	2.67%
Student Services	0.00%	0.00%	0.00%
Subtotal	46.31%	46.31%	46.31%
Administrative Cap Adjustment	(20.31%)	(20.31%)	(20.31%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	4.91%	4.91%	4.91%
Equip Depr	0.56%	0.56%	0.56%
Interest	1.22%	1.22%	1.22%
O & M	11.69%	11.69%	11.69%
Library	0.97%	0.97%	0.97%
Subtotal	19.35%	19.35%	19.35%
Capped Rate	45.35%	45.35%	45.35%
RATE ROUNDED	45.3%	45.3%	45.3%

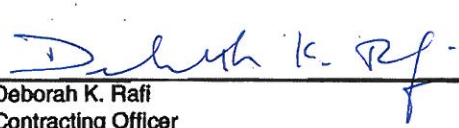
FOR UNIVERSITY OF ALASKA:


 Joseph Trupacz
 Chief Financial Officer

12/20/10

Date

FOR THE U.S. GOVERNMENT:


 Deborah K. Rafi
 Contracting Officer

12/21/10

Date

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013

Location Rate is Applicable to: University of Alaska Anchorage -- Other Sponsored Activities

Type of Rate: Predetermined

Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$20,816,000	\$23,784,000	\$27,178,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	12.00%	12.00%	12.00%
Dept Admin	13.40%	13.40%	13.40%
Spon Proj Admin	3.40%	3.40%	3.40%
Student Services	0.00%	0.00%	0.00%
Subtotal	28.80%	28.80%	28.80%
Administrative Cap Adjustment	(2.80%)	(2.80%)	(2.80%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	0.80%	0.80%	0.80%
Equip Depr	0.10%	0.10%	0.10%
Interest	0.00%	0.00%	0.00%
O & M	2.30%	2.30%	2.30%
Library	0.70%	0.70%	0.70%
Subtotal	3.90%	3.90%	3.90%
Capped Rate	29.90%	29.90%	29.90%
RATE ROUNDED	29.9%	29.9%	29.9%

FOR UNIVERSITY OF ALASKA:

Joseph Trubacz
Chief Financial Officer

12/20/10

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Deborah K. Rafi
Contracting Officer

12/21/10

Date

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013


Location Rate is Applicable to: University of Alaska Southeast -- On Campus Organized Research

Type of Rate: Predetermined

Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$1,107,500	\$1,143,500	\$1,180,500
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	19.58%	19.58%	19.58%
Dept Admin	24.15%	24.15%	24.15%
Spon Proj Admin	8.40%	8.40%	8.40%
Student Services	0.00%	0.00%	0.00%
Subtotal	52.12%	52.12%	52.12%
Administrative Cap Adjustment	(26.12%)	(26.12%)	(26.12%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	4.64%	4.64%	4.64%
Equip Depr	0.44%	0.44%	0.44%
Interest	2.89%	2.89%	2.89%
O & M	7.25%	7.25%	7.25%
Library	3.79%	3.79%	3.79%
Subtotal	19.00%	19.00%	19.00%
Capped Rate	45.00%	45.00%	45.00%
RATE ROUNDED	45.0%	45.0%	45.0%

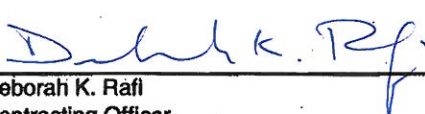
FOR UNIVERSITY OF ALASKA:


 Joseph Trubacz
 Chief Financial Officer

12/20/10

Date

FOR THE U.S. GOVERNMENT:


 Deborah K. Rafi
 Contracting Officer

12/21/10

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INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013

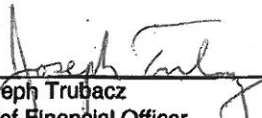
Location Rate is Applicable to: University of Alaska Southeast -- Other Sponsored Activities

Type of Rate: Predetermined

Negotiation Base:

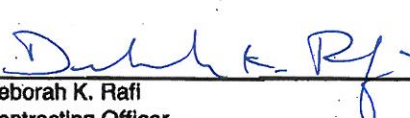
	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$224,000	\$231,000	\$238,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	20.80%	20.80%	20.80%
Dept Admin	4.80%	4.80%	4.80%
Spon Proj Admin	8.90%	8.90%	8.90%
Student Services	0.00%	0.00%	0.00%
Subtotal	34.50%	34.50%	34.50%
Administrative Cap Adjustment	(8.50%)	(8.50%)	(8.50%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	1.30%	1.30%	1.30%
Equip Depr	0.00%	0.00%	0.00%
Interest	0.00%	0.00%	0.00%
O & M	1.70%	1.70%	1.70%
Library	2.60%	2.60%	2.60%
Subtotal	5.60%	5.60%	5.60%
Capped Rate	31.60%	31.60%	31.60%
RATE ROUNDED	31.6%	31.6%	31.6%

FOR UNIVERSITY OF ALASKA:


Joseph Trubacz
Chief Financial Officer

12/20/10
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FOR THE U.S. GOVERNMENT:


Deborah K. Rafi
Contracting Officer

12/21/10
Date

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FY Covered by Rate: 2011-2013

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

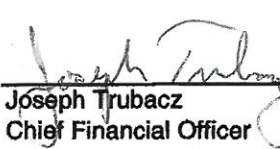
Type of Rate: Predetermined

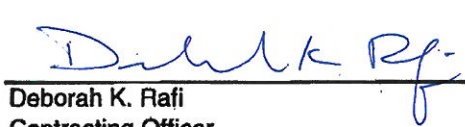
Negotiation Base:

	FY 2011	FY 2012	FY 2013
Distribution Base (MTDC):	\$145,852,000	\$151,867,000	\$158,148,000
RATE COMPONENTS:	On Campus	On Campus	On Campus
1. ADMINISTRATIVE:			
Gen Admin	22.55%	22.55%	22.55%
Dept Admin	33.38%	33.38%	33.38%
Spon Proj Admin	0.38%	0.38%	0.38%
Student Services	23.78%	23.78%	23.78%
Subtotal	80.09%	80.09%	80.09%
Administrative Cap Adjustment	(54.09%)	(54.09%)	(54.09%)
Subtotal	26.00%	26.00%	26.00%
2. FACILITIES:			
Bld Depr	8.45%	8.45%	8.45%
Equip Depr	0.72%	0.72%	0.72%
Interest	0.62%	0.62%	0.62%
O & M	15.90%	15.90%	15.90%
Library	13.60%	13.60%	13.60%
Subtotal	39.29%	39.29%	39.29%
Voluntary Reduction	(30.29%)	(30.29%)	(30.29%)
Capped Rate	35.00%	35.00%	35.00%
RATE ROUNDED	35.0%	35.0%	35.0%

FOR UNIVERSITY OF ALASKA:

FOR THE U.S. GOVERNMENT:


Joseph Trubacz
Chief Financial Officer


Deborah K. Rafi
Contracting Officer

12/20/10

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