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UNIVERSITY
of ALASKA

Many Traditions One Alaska

October 4, 2004

Ms. Deborah Rafi
Indirect Cost Division
Office of Naval Research
Department of the Navy
800 North Quincy Street
Arlington, VA 22217-5660

RE: FY05-FY07 F&A Negotiated Agreement

Dear Ms. Rafi:

Enclosed is the signed original FY2005-FY2007 Predetermined F&A negotiation agreement and related component sheets. I have retained the signed copy for our records.

Thanks for your help in getting this agreement in place. Please feel free to contact me if you need any additional information or if I can be of any assistance to you.

Sincerely,


Randy L. Weaver

Vmb

Enclosure

cc w/o attachment: Joe Beedle
Ginger Baker



NEGOTIATION AGREEMENT

Institution: UNIVERSITY OF ALASKA
207B BUTROVICH BUILDING
FAIRBANKS, AK 99775-5120

The Facility and Administrative 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 provisions and cost principles mandated by the Office of Management and Budget (OMB) Circular A-21. These F&A rates shall be used for forward pricing and billing purposes at the University of Alaska for Fiscal Years 2005, 2006, and 2007. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2005, 2006, and 2007.

SECTION I: RATES - TYPE: Predetermined (Pred)

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

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>
Pred	7/01/04	6/30/07	47.5 %	(a)	On-Campus Organized Research
Pred	7/01/04	6/30/07	36.9 %	(a)	School of Fisheries and Ocean Science, Ship Operations
Pred	7/01/04	6/30/07	27.4 %	(a)	Poker Flat
Pred	7/01/04	6/30/07	25.2 %	(a)	Arctic Region Supercomputing Center
Pred	7/01/04	6/30/07	33.7 %	(a)	Other Sponsored Activities

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

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>
Pred	7/01/04	6/30/07	42.2 %	(a)	On-Campus Organized Research
Pred	7/01/04	6/30/07	35.6 %	(a)	Other Sponsored Activities

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

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>
Pred	7/01/04	6/30/07	40.0 %	(a)	On-Campus Organized Research
Pred	7/01/04	6/30/07	27.6 %	(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 TO</u>
Pred	7/01/04	6/30/07	30.0 %	(a)	Sponsored Training

DISTRIBUTION BASE:

(a) Modified Total Direct Costs (MTDC), as defined in OMB Circular A-21, 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 OMB Circular A-21. Accordingly, such rates shall be applied to the extent provided in such circular to grants and contracts to which OMB Circular A-21 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 OMB Circular A-21, 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.

Acceptance:

FOR THE UNIVERSITY OF ALASKA:

FOR THE GOVERNMENT:


JOSEPH BEEDLE
Vice President for Finance


DEBORAH K. RAFI
Contracting Officer

Date: 8/28/2004

Date: 8/31/2004

*For information concerning
this agreement contact:*

SCOTT M. BUKOVEC, Negotiator
OFFICE OF NAVAL RESEARCH
800 N. QUINCY STREET
BCT #3, Room 424
ARLINGTON, VA 22217

PHONE: 703.696.2586
E-mail: bukoves@onr.navy.mil

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FYs Covered: 2005, 2006, 2007

Function Rate is Applicable to: University of Alaska Fairbanks -- On-Campus Organized Research, School of Fisheries and Ocean Science
Ship Operations, Poker Flat, Arctic Region Supercomputing Center, Other Sponsored Activities

Type of Rates: Predetermined

	FYs 2005 - 2006 - 2007				
	On-Campus Organized Research	School of Fisheries and Ocean Science, Ship Operations	Poker Flat	Arctic Region Supercomputing Center	Other Sponsored Activities
Distribution Base (MTDC):	\$ 188,989,000	\$ 4,349,000	\$ 4,004,000	\$ 39,067,000	\$ 47,568,000
RATE COMPONENTS:					
1. ADMINISTRATIVE:					
A. G&A	11.70%	10.20%	10.20%	10.20%	9.50%
B. DA	19.30%	36.30%	19.70%	3.20%	12.80%
C. SPA	1.20%	1.30%	1.40%	1.40%	1.10%
D. Student Services	0.00%	0.00%	0.00%	0.00%	0.00%
E. Administrative Cap Adjustment	(6.20%)	(21.80%)	(5.30%)	0.00%	0.00%
Subtotal for Administrative	26.00%	26.00%	26.00%	14.80%	23.40%
2. DEPRECIATION					
A. Buildings Depreciation	5.00%	0.60%	0.90%	3.10%	2.70%
B. Equipment Depreciation	0.90%	0.00%	0.00%	0.60%	0.20%
C. Buildings Adjustment (See Notes Below)	0.80% ¹	1.50% ²	0.00%	0.10% ³	0.20% ⁴
D. Equipment Adjustment (See Notes Below)	0.10% ⁵	0.00%	0.00%	0.00%	0.00%
3. INTEREST	0.80%	0.00%	0.00%	1.70%	0.70%
4. O&M	12.50%	8.80%	0.50%	3.90%	5.60%
5. LIBRARY	1.40%	0.00%	0.00%	1.00%	0.90%
Subtotal for Facilities	21.50%	10.90%	1.40%	10.40%	10.30%
7. Voluntary Reduction	0.00%	0.00%	0.00%	0.00%	0.00%
8. Rounding	0.00%	0.00%	0.00%	0.00%	0.00%
Total	47.5%	36.9%	27.4%	25.2%	33.7%

Notes:

- ¹ Represents \$1,509,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to On-Campus Organized Research.
- ² Represents \$63,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to the School of Fisheries and Ocean Science, Ship Operations
- ³ Represents \$27,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to the Arctic Region Supercomputing Center.
- ⁴ Represents \$93,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to Other Sponsored Activities.
- ⁵ Represents \$153,000 write-off of depreciation (for FYs 05-07) related to the change in equipment capitalization threshold allocable to On-Campus Organized Research.

FOR THE UNIVERSITY:


 Joseph Beede
 Vice President for Finance

8/28/2004
 Date

FOR THE U.S. GOVERNMENT:


 Deborah K. Rafi
 Contracting Officer

8/31/2004
 Date

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FYs Covered: 2005, 2006, 2007

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

Type of Rates: Predetermined

Distribution Base (MTDC): RATE COMPONENTS:	FYs 2005 - 2006 - 2007	
	On-Campus Organized Research	Other Sponsored Activities
	\$ 27,952,000	\$ 27,672,000
1. ADMINISTRATIVE:		
A. G&A	16.50%	13.00%
B. DA	20.10%	15.60%
C. SPA	2.50%	2.90%
D. Student Services	0.00%	0.00%
E. Administrative Cap Adjustment	(13.10%)	(5.50%)
Subtotal for Administrative	26.00%	26.00%
2. DEPRECIATION/USE ALLOWANCE		
A. Buildings Depreciation	4.60%	2.30%
B. Equipment Depreciation	1.60%	1.40%
C. Buildings Adjustment (See Notes Below)	0.50% ¹	0.30% ²
D. Equipment Adjustment (See Notes Below)	0.10% ³	0.00%
3. INTEREST	2.80%	0.00%
4. O&M	5.00%	4.10%
5. LIBRARY	1.60%	1.50%
Subtotal for Facilities	16.20%	9.60%
7. Voluntary Reduction	0.00%	0.00%
8. Rounding	0.00%	0.00%
Total	42.2%	35.6%


Notes:

¹ Represents \$147,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to On-Campus Organized Research.

² Represents \$75,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to Other Sponsored Activities.

³ Represents \$21,000 write-off of depreciation (for FYs 05-07) related to the change in equipment capitalization threshold allocable to the On-Campus Organized Research.

FOR THE UNIVERSITY:




 Joseph Beedle
 Vice President for Finance

8/28/2004

 Date

FOR THE U.S. GOVERNMENT:



 Deborah K. Rafi
 Contracting Officer

8/31/2004

 Date

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FYs Covered: 2005, 2006, 2007

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

Type of Rates: Predetermined

	FYs 2005 - 2006 - 2007	
	On-Campus Organized Research	Other Sponsored Activities
Distribution Base (MTDC):	\$ 1,629,000	\$ 480,000
RATE COMPONENTS:		
1. ADMINISTRATIVE:		
A. G&A	15.50%	15.60%
B. DA	12.50%	3.60%
C. SPA	0.00%	0.00%
D. Student Services	0.00%	0.00%
E. Administrative Cap Adjustment	(2.00%)	0.00%
Subtotal for Administrative	26.00%	19.40%
2. DEPRECIATION/USE ALLOWANCE		
A. Buildings Depreciation	5.30%	1.90%
B. Equipment Depreciation	1.30%	0.00%
C. Buildings Adjustment (See Notes Below)	0.70% ¹	1.30% ²
D. Equipment Adjustment (See Notes Below)	0.20% ³	0.00%
3. INTEREST	0.00%	0.00%
4. O&M	7.90%	1.30%
5. LIBRARY	3.90%	3.70%
Subtotal for Facilities	19.30%	8.20%
7. Voluntary Reduction	(5.30%)	0.00%
8. Rounding	0.00%	0.00%
Total	40.0%	27.6%

Notes:

¹ Represents \$12,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to On-Campus Organized Research.

² Represents \$6,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to Other Sponsored Activities.

³ Represents \$3,000 write-off of depreciation (for FYs 05-07) related to the change in equipment capitalization threshold allocable to the On-Campus Organized Research.

FOR THE UNIVERSITY:

FOR THE U.S. GOVERNMENT:



 Joseph Beedle
 Vice President for Finance



 Deborah K. Rafi
 Contracting Officer

8/28/2004

 Date

8/31/2004

 Date

INDIVIDUAL RATE COMPONENTS

Institution: University of Alaska

FYs Covered: 2005, 2006, 2007

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

Type of Rates: Predetermined

	FYs 2005 - 2006 - 2007
	Sponsored Training
Distribution Base (MTDC):	
RATE COMPONENTS:	\$ 290,576,000
1. ADMINISTRATIVE:	
A. G&A	21.20%
B. DA	23.10%
C. SPA	0.20%
D. Student Services	19.60%
E. Administrative Cap Adjustment	(38.10%)
Subtotal for Administrative	26.00%
2. DEPRECIATION/USE ALLOWANCE	
A. Buildings Depreciation	9.10%
B. Equipment Depreciation	0.90%
C. Buildings Adjustment (See Notes Below)	1.20% ¹
D. Equipment Adjustment (See Notes Below)	0.10% ²
3. INTEREST	0.30%
4. O&M	15.60%
5. LIBRARY	18.90%
Subtotal for Facilities	46.10%
7. Voluntary Reduction	(42.10%)
8. Rounding	0.00%
Total	30.0%

Notes:

- ¹ Represents \$3,438,000 write-off of depreciation (for FYs 05-07) related to the change in building capitalization threshold allocable to Sponsored Training.
² Represents \$354,000 write-off of depreciation (for FYs 05-07) related to the change in equipment capitalization threshold allocable to Sponsored Training.

FOR THE UNIVERSITY:



 Joseph Beedle
 Vice President for Finance

8/28/2004

Date

FOR THE U.S. GOVERNMENT:



 Deborah K. Rafi
 Contracting Officer

8/31/2004

Date