

DEPARTMENT OF THE NAVY  
OFFICE OF NAVAL RESEARCH  
875 NORTH RANDOLPH STREET  
SUITE 1425  
ARLINGTON, VA 22203-1895

Agreement Date: June 29, 2018

NEGOTIATION AGREEMENT

INSTITUTION: **CARNEGIE MELLON UNIVERSITY**  
**PITTSBURGH, PA 15213-3890**

The Facilities and Administrative (F&A), Cost of Money and Fringe Benefits rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Carnegie Mellon University by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the Carnegie Mellon University Fiscal Year 2019. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2019.

**Section I: RATES - TYPE: FIXED (FIXED)**

**Facilities & Administrative (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>
Fixed	7/1/18	6/30/19	51.10%	(a)	Organized Research (1)	On-Campus
Fixed	7/1/18	6/30/19	51.30%	(a)	Organized Research (2)	On-Campus
Fixed	7/1/18	6/30/19	26.00%	(a)	Organized Research (1)	Off-Campus
Fixed	7/1/18	6/30/19	31.10%	(a)	Organized Research (2)	Off-Campus
Fixed	7/1/18	6/30/19	27.10%	(a)	Organized Research (1)	Off-Campus NREC <sup>1</sup>
Fixed	7/1/18	6/30/19	22.20%	(a)	Organized Research (2)	Off-Campus NREC
Fixed	7/1/18	6/30/19	55.00%	(a)	Organized Research (1)	Off-Campus Silicon Valley <sup>2</sup>
Fixed	7/1/18	6/30/19	9.60%	(a)	All Programs	SEI <sup>3</sup>

**Cost of Money Factor**

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Rate</u>	<u>Base</u>	<u>Applicable To</u>	<u>Location</u>
Fixed	7/1/18	6/30/19	0.00225	(a)	All Programs	SEI

<sup>1</sup>National Robotics Engineering Center

<sup>2</sup>CMU Silicon Valley Campus

<sup>3</sup>Software Engineering Institute

**Fringe Benefit Rates**

<u>Category</u>	<u>Type</u>	<u>From</u>	<u>To</u>	<u>Rate</u>	<u>Base</u>	<u>Applicable To</u>	<u>Location</u>
Domestic Full Time	Fixed	7/1/18	6/30/19	22.10%	(b)	All programs	Pittsburgh
International Full Time	Fixed	7/1/18	6/30/19	25.40%	(c)	All programs	International
Domestic Part Time w/ Benefits	Fixed	7/1/18	6/30/19	23.30%	(d)	All programs	Pittsburgh
Domestic Part Time w/o Benefits	Fixed	7/1/18	6/30/19	7.10%	(e)	All programs	Pittsburgh

**DISTRIBUTION BASES**

(a) Modified Total Direct Costs consisting of salaries and wages, fringe benefits, graduate student stipends, materials and supplies, services, travel, and subawards up to the first \$25,000 of each subaward (regardless of the period covered by the subaward). Equipment, capital expenditures, charges for tuition remission, rental costs, scholarships and fellowships, participant support costs as well as the portion of each subaward in excess of \$25,000 shall be excluded from modified total direct costs.

(b) Total full time faculty, staff, and union salaries and wages.

(c) Total full time faculty, staff, and union salaries and wages working internationally.

(d) Total part time salaries and wages with benefits for employees who work at least 17.5 hours per week, in an appointment of four months or longer.

(e) Total part time salaries and wages with mandated benefits for employees who work less than 17.5 hours per week, or in an appointment of less than four months.

**APPLICABLE TO**

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

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**SECTION II: GENERAL TERMS AND CONDITIONS**

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**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 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 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. FIXED RATES WITH CARRY-FORWARD PROVISIONS:** The fixed rates contained in this agreement are based on estimates of the costs for FY 2019. When actual costs for this fiscal year are determined, adjustments will be applied to a subsequent rate negotiation to recognize the difference between the FY 2019 estimated costs used to establish the fixed rates and the negotiated actual FY 2019 costs.

**D. CARRY-FORWARD AMOUNTS:** The following FY2008, FY2009 and FY2010 final, and FY 2016 and 2017 estimated carry-forward amounts were considered in the establishment of the FY 2019 rates: ( ) represents over-recovery

Liquidated in FY 2019 Fixed Rates

<u>F&amp;A Rates</u>	<u>Fiscal Year</u>	<u>Capped</u>	<u>Uncapped</u>
Organized Research - On Campus	2008	\$ (1,618,357)	\$ (232,339)
	2009	\$ (843,663)	\$ (9,901)
	2010	\$ (1,030,267)	\$ (136,867)
	2016		\$ 85,435
	2017	\$ (630,558)	\$ (189,530)
Organized Research - Off Campus	2008	\$ (2,775)	
	2017	\$ 1,457	
NREC Off Campus	2008	\$ (12,871)	\$ (116,290)
	2009	\$ (195)	\$ (200,743)
	2010	\$ 8,503	\$ (25,728)
	2017	\$ 60,755	\$ 40,738
Silicon Valley - Off Campus	2008	\$ (7,573)	
	2010	\$ 37,967	
	2017	\$ 138,000	
SEI	2008	\$ (584,629)	
	2009	\$ (208,869)	
	2010	\$ 77,892	

	2016	\$ 365,179
	2017	\$ (341,425)
<u>Cost of Money</u>		
	2008	\$ (119)
	2009	\$ 56,040
	2010	\$ 54,087
	2017	\$ 27,139

	<u>Liquidated in FY 2019 Fixed Rates</u>	
<u>Fringe Benefits Rates</u>		
Full Time Faculty/Staff Domestic	2008	\$ (1,595,321)
	2009	\$ (1,171,492)
	2010	\$ (2,956,825)
	2017	\$ (986,216)
Full time Faculty/Staff International	2008	\$ 221,162
	2009	\$ 87,875
	2010	\$ (26,537)
	2017	\$ 10,277
Domestic Part Time w/Benefits	2017	\$ 54,589
Domestic Part Time w/o Benefits	2017	\$ (166,702)

**E. 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 200. Accordingly, such rates 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.


**F. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS:** 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 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 Part 200, whereas (1) do so.

**G. DFARS WAIVER:** Signature of this agreement by the authorized representative of Carnegie Mellon University 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) for Silicon Valley and Software Engineering Institute rates. The waiver request by Carnegie Mellon University is made to simplify the University's overall management of DOD cost reimbursements under DOD contracts.

Accepted:

CARNEGIE MELLON UNIVERSITY:

FOR THE U.S. GOVERNMENT:

  
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CARRIE NELSON  
Associate Vice President  
for Finance and Controller

  
\_\_\_\_\_  
BETTY J. TINGLE  
Contracting Officer

6/29/18  
\_\_\_\_\_  
Date

6/29/2018  
\_\_\_\_\_  
Date

*For information concerning this agreement contact:*  
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