



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

Agreement Date: May 9, 2018

NEGOTIATION AGREEMENT

Institution: **THE UNIVERSITY OF ILLINOIS AT CHICAGO
 CHICAGO, ILLINOIS 60612**

The Facilities & Administrative (F&A) cost rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to The University of Illinois at Chicago by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the University of Illinois at Chicago's Fiscal Year (FY) 2019.

SECTION I: RATES - TYPE: PROVISIONAL (PROV)

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Rates</u>		<u>Base</u>	<u>Applicable Function</u>
			<u>On-Campus</u>	<u>Off-Campus</u>		
PROV	7/1/18	6/30/19	59.9%	26.0%	(a)	Organized Research
PROV	7/1/18	6/30/19	40.6%	26.0%	(a)	Instruction
PROV	7/1/18	6/30/19	36.0%	26.0%	(a)	Other Sponsored Activities

DISTRIBUTION BASE

(a) Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Equipment, capital expenditures, charges for patient care, rental costs, tuition remission, 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.

SECTION II - GENERAL

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. 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.

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 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.

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

F. APPLICATION OF RATES:

1. The rates included in Section I are not applicable to Intergovernmental Personnel Act (IPA) costs. If the University elects to seek reimbursement of F&A costs associated with IPA agreements, then the University and the Office of Naval Research shall establish a special F&A rate for IPA agreements in accordance with the provisions of 2 CFR Part 200.

2. Application of the appropriate On-Campus or Off-Campus indirect rate(s) is to be determined at the beginning of each sponsored agreement and is to be equitably adjusted if the circumstances which determined the application change materially during the period of performance.

a. The On-Campus rate is to be assessed except when a portion of the sponsored agreement is performed at an off-campus site. The criteria for utilization of the off-campus rate consists of all of the following: (a) performance at the off-campus site must be on a continuous

basis; intermittent performance is not sufficient; (b) the University personnel working or engaged on the project must be physically located at an off-campus site; and (c) the off-campus performance must be of sufficient duration; normally a full semester, summer term or the period of performance of the sponsored agreement. The off-campus rate will be used for the off-campus portion of the work on a sponsored agreement.

b. Off-campus costs may include costs incurred at the off-campus site for salaries, related benefits, supplies, utility costs, rent, local travel and other similar costs, which are treated as direct. Travel to and from an off-campus site is considered an off-campus cost.

G. SPECIAL REMARKS: The Government's agreement with the rates set forth in Section I is not an acceptance of the University of Illinois at Chicago's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by the University of Illinois at Chicago is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

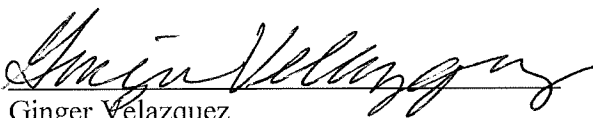
FOR THE UNIVERSITY:

FOR THE U.S. GOVERNMENT:



Avijit Ghosh
Interim Comptroller & Authorized
Representative of the Board of Trustees
of the University of Illinois

Shea D. Kersey
Contracting Officer



Ginger Velazquez
Assistant Vice President for Business and Finance

5/21/18

Date

May 23, 2018

Date

For information concerning this agreement contact:

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