



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

Agreement Date: December 6, 2016

NEGOTIATION AGREEMENT

**INSTITUTION: LEHIGH UNIVERSITY
 BETHLEHEM, PA 18015-3046**

The Facilities and Administrative (F&A) cost rate contained herein is for use on grants, contracts and/or other agreements issued or awarded to Lehigh University by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR 200. These rates shall be used for forward pricing and billing purposes for Lehigh University Fiscal Years 2018 through 2020. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2018 through 2020.

Section I: RATE - TYPE: PREDETERMINED (PRED)

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>
Pred.	7/1/17	6/30/20	56.9%	(a)	Instruction	On Campus
Pred.	7/1/17	6/30/20	26.0%	(a)	Instruction	Off Campus
Pred.	7/1/17	6/30/20	61.0%	(a)	Organized Research	On Campus
Pred.	7/1/17	6/30/20	26.0%	(a)	Organized Research	Off Campus
Pred.	7/1/17	6/30/20	41.9%	(a)	Other Sponsored Activities	On Campus
Pred.	7/1/17	6/30/20	26.0%	(a)	Other Sponsored Activities	Off Campus

DISTRIBUTION BASES

(a) Modified Total Direct Cost (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, rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000 shall be excluded from the modified total direct costs.

SECTION II: GENERAL TERMS AND CONDITIONS

A. LIMITATIONS: Use of the rate 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 rate 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 rate agreed to herein and expressly relied upon by the Government in negotiating the said rate, is not subsequently found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: The rate contained in Section I of this agreement is 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 the rate, 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 RATE: The predetermined rate contained in this agreement is not subject to adjustment in accordance with the provisions of 2 CFR 200, subject to the limitations contained in Part A of this section.

D. USE BY OTHER FEDERAL AGENCIES: The rate set forth in Section I hereof is negotiated in accordance with and under the authority set forth in 2 CFR 200. Accordingly, such rate shall be applied to the extent provided in such regulations to grants, contracts and other transactions to which 2 CFR 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 which have or intend to issue or award grants and contracts using the rate 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 Lehigh 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). The waiver request by Lehigh University is made to simplify the University's overall management of DOD cost reimbursements under DOD contracts.

F. SPECIAL REMARKS:

1) The Government's agreement with the rates set forth in Section I is not an acceptance of Lehigh University's accounting practices or methodologies. Any reliance by the

Government on cost data or methodologies submitted by Lehigh University is on a non-precedence-setting basis and does not imply Government acceptance.

2) In accordance with 2 CFR 200.414(g), Lehigh University has requested an extension of its Fiscal Year 2017 rates. Therefore, the rates identified in Section I are an extension of the FY 2017 rates.

Accepted:

FOR LEHIGH UNIVERSITY:

FOR THE U.S. GOVERNMENT:


ROBERT E. SIEGFRIED
Director of Finance & Administration Systems


LINDA B. SHIPP
Contracting Officer

12/6/16
Date

12-6-16
Date

For information concerning this agreement contact:

Shea Kersey
Office of Naval Research

Phone: (703) 696-2055
E-mail: shea.kersey@navy.mil

INDIVIDUAL RATE COMPONENTS

Institution: Lehigh University

Extension of FY 2017 rates

Function Rate is Applicable to: Instruction

Type of Rate: Predetermined (Capped)

Negotiation Base: Modified Total Direct Costs - see below

<u>RATE COMPONENTS:</u>	Extension of FY 17 rates	
	FY18- FY20 On Campus	FY18- FY20 Off Campus
1. ADMINISTRATIVE		
General Administration	11.40%	11.40%
Dept Admin Allowance	3.60%	3.60%
Dept Admin	11.90%	11.90%
Sponsored Proj Admin	0.20%	0.20%
Student Services Admin	17.00%	17.00%
Administrative Cap Adjustment	(18.10%)	(18.10%)
Subtotal Administrative	26.00%	26.00%
2. FACILITIES		
Building Depreciation	5.00%	0%
Equipment Depreciation	0.90%	0%
Building Interest	2.20%	0%
Operation & Maintenance	8.80%	0%
Library	14.00%	0%
Subtotal Facilities	30.90%	0%
TOTAL RATE	56.90%	26.00%
MTDC Base (in \$000):	\$ 90,865	\$ 258

FOR THE INSTITUTION:

FOR THE GOVERNMENT:



 Robert E. Siegfried
 Director of Finance & Administration Systems



 Linda B. Shipp
 Contracting Officer

12/6/16

 Date

12-6-16

 Date

For Official Use Only

INDIVIDUAL COMPONENT SHEET

Institution: Lehigh University

Extension of FY 2017 rates

Function Rate is Applicable to: Other Sponsored Activity

Type of Rate: Predetermined (Capped)

Negotiation Base: Modified Total Direct Cost - see below

<u>RATE COMPONENTS:</u>	Extension of FY 17 rates	
	FY18- FY20 On Campus	FY18- FY20 Off Campus
1. ADMINISTRATIVE		
General Administration	11.40%	11.40%
Dept. Admin Allowance	3.60%	3.60%
Dept Admin	12.90%	12.90%
Sponsored Proj Admin	7.70%	7.70%
Student Services Admin		
Administrative Cap Adjustment	(9.60%)	(9.60%)
Subtotal Administrative	26.00%	26.00%
2. FACILITIES		
Building Depreciation	2.30%	0%
Equipment Depreciation	1.40%	0%
Building Interest	1.10%	0%
Operation & Maintenance	9.20%	0%
Library	1.90%	0%
Subtotal Facilities	15.90%	
TOTAL RATE	41.90%	26.00%
MTDC Base (in \$000):	\$ 7,791	\$ 560

FOR THE INSTITUTION:



 Robert E. Siegfried
 Director of Finance & Administration Systems

12/2/16

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FOR THE GOVERNMENT:



 Linda B. Shipp
 Contracting Officer

12-6-16

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INDIVIDUAL COMPONENT SHEET

Institution: Lehigh University

Extension of FY 2017 rates

Function Rate is Applicable to: Organized Research

Type of Rate: Predetermined (Capped)

Negotiation Base: Modified Total Direct Costs - see below

<u>RATE COMPONENTS:</u>	Extension of FY 17 rates	
	FY18- FY20 On Campus	FY18- FY20 Off Campus
1. ADMINISTRATIVE		
General Administration	11.40%	11.40%
Dept Admin Allowance	3.60%	3.60%
Dept Admin	12.60%	12.60%
Sponsored Proj Admin	6.80%	6.80%
Student Services Admin		
Administrative Cap Adjustment	(8.40%)	(8.40%)
Subtotal Administrative	26.00%	26.00%
2. FACILITIES		
Building Depreciation	9.90%	0%
Equipment Depreciation	6.40%	0%
Building Interest	5.60%	0%
Operation & Maintenance	19.80%	0%
Library	2.00%	0%
Subtotal Facilities	43.70%	0%
Voluntary Reduction	(8.70%)	
TOTAL RATE	61.00%	26.00%
MTDC Base (in \$000):	\$ 17,151	\$ 783

FOR THE INSTITUTION:



 Robert E. Siegfried
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