



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 17, 2009
 [Supercedes Agreement Dated: December 29, 2008]

NEGOTIATION AGREEMENT

INSTITUTION: BOSTON VA RESEARCH INSTITUTE, INC. (BVARI)
150 SOUTH HUNTINGTON AVENUE
BOSTON, MA 02130

The Indirect Cost and Fringe Benefits Rates contained herein are for use on grants, contracts and/or other agreements with all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR 230 (formerly Office of Management and Budget Circular A-122). These rates shall be used for forward pricing and billing purposes for the BVARI for Fiscal Year 2009 through 2010. This rate agreement supersedes all previous rate agreements or determinations for Fiscal Year 2009.

SECTION I: RATES - TYPE: PREDETERMINED (PRED)
FIXED (FIXED)
PROVISIONAL (PROV)

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 | 1/1/2009 | 12/31/2009 | 24.8% | (a) | All Programs | All |
| PROV | 1/1/2010 | Until amended | 24.8% | (a) | All Programs | All |

Fringe Benefits Rates:

| <u>TYPE</u> | <u>FROM</u> | <u>TO</u> | <u>RATE</u> | <u>BASE</u> | <u>APPLICABLE TO</u> | <u>LOCATION</u> |
|-------------|-------------|---------------|-------------|-------------|----------------------|-----------------|
| FIXED | 1/1/2009 | 12/31/2009 | 37.9% | (b) | All Programs | All |
| PROV | 1/1/2010 | Until amended | 37.9% | (b) | All Programs | All |

DISTRIBUTION BASES:

(a) Modified Total Direct Costs (MTDC) consisting of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants, subcontracts, and study site payments (defined in Section II, paragraph G.3.) up to the first \$25,000 of each subgrant, subcontract, and study site payment, regardless of the period covered by the subgrant, subcontract or study site

payment. MTDC does not include equipment, capital expenditures, charges for patient care, rental costs, the portion of each subgrant, subcontract, and study site payment in excess of \$25,000, or participant support costs.

(b) Salaries and wages

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. 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 prior approval of the authorized representative of the cognizant negotiating agency. 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. **PREDETERMINED RATES:** The predetermined rate contained in this agreement is not subject to adjustment in accordance with the provisions of 2 CFR 230, subject to the limitations contained in Part A of this section.

D. **FIXED RATES WITH CARRY-FORWARD PROVISIONS:** The fixed rate contained in this agreement is based on estimates of the costs for FY 2009. When actual costs for this fiscal year are determined, adjustments will be applied to the next subsequent rate negotiation to recognize the difference between the FY 2009 estimated costs used to establish the fixed rate and the negotiated actual FY 2009 costs

E. **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 anytime.

F. **USE BY OTHER FEDERAL AGENCIES:** The rates set forth in Section I are negotiated in accordance with and under the authority set forth in 2 CFR 230. Accordingly, such rates shall be applied to the extent provided in such regulations to grants and contracts and other transactions

to which 2 CFR 230 applies, 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 sponsored agreements using these rates or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.

G. SPECIAL REMARKS:

1. The rates included in Section I are not intended to be applied to Intergovernmental Personal Act (IPA) costs. If BVARI elects to seek reimbursement of indirect costs associated with IPA agreements, then the BVARI and the Office of Naval Research shall establish a special indirect cost rate for IPA agreements in accordance with the provisions of 2 CFR 230.

2. The Government's agreement with the rates set forth in Section I is not an acceptance of the BVARI's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by BVARI is on a non-precedence-setting basis and does not imply Government acceptance.

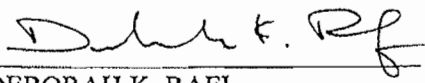
3. Study site payments are defined as BVARI-directed clinical trial activities at other sites.

FOR THE BOSTON VA
RESEARCH INSTITUTE, INC.:



NANCY WATTERSON-DIORIO
Chief Executive Officer

FOR THE U.S. GOVERNMENT:



DEBORAH K. RAFI
Contracting Officer

Date: 12/18/2009

Date: 12/18/2009

For information concerning this agreement contact:

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