Agreement Date: April 26, 2021

NEGOTIATION AGREEMENT

Institution: VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
BLACKSBURG, VIRGINIA  24061

The Facility and Administrative (F&A) cost rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to the Virginia Polytechnic Institute and State 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 Virginia Polytechnic Institute and State University Fiscal Years 2022 through 2024. This rate agreement supersedes all previous rate agreements/determinations related to these rates for Fiscal Years 2022 through 2024.

Section I: RATES - TYPE: PREDETERMINED (PRED)

Facility and Administrative Cost Rates:

<table>
<thead>
<tr>
<th>Type</th>
<th>From</th>
<th>To</th>
<th>Rate</th>
<th>Base</th>
<th>Applicable To</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>60.00%</td>
<td>(a)</td>
<td>Organized Research (1)</td>
<td>On Campus</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>63.00%</td>
<td>(a)</td>
<td>Organized Research (2)</td>
<td>On Campus</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>27.50%</td>
<td>(a)</td>
<td>Organized Research (1)</td>
<td>Off Campus Adjacent*</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>30.50%</td>
<td>(a)</td>
<td>Organized Research (2)</td>
<td>Off Campus Adjacent</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>26.00%</td>
<td>(a)</td>
<td>Organized Research (1)</td>
<td>Off Campus Remote**</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>29.00%</td>
<td>(a)</td>
<td>Organized Research (2)</td>
<td>Off Campus Remote</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>53.00%</td>
<td>(a)</td>
<td>Instruction</td>
<td>On Campus</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>26.00%</td>
<td>(a)</td>
<td>Instruction</td>
<td>Off Campus</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>35.00%</td>
<td>(a)</td>
<td>Other Sponsored Activities</td>
<td>On Campus</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>23.30%</td>
<td>(a)</td>
<td>Other Sponsored Activities</td>
<td>Off Campus</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>46.00%</td>
<td>(a)</td>
<td>Agricultural Exp. Station</td>
<td>On Campus</td>
</tr>
<tr>
<td>PRED</td>
<td>7/1/2021</td>
<td>6/30/2024</td>
<td>19.50%</td>
<td>(a)</td>
<td>Agricultural Exp. Station</td>
<td>Off Campus</td>
</tr>
</tbody>
</table>

* Off Campus - Adjacent: Activities performed within the commuting area of Blacksburg, VA
** Off Campus - Remote: Activities performed outside the commuting area of Blacksburg, VA
DISTRIBUTION BASES:

(a) Modified Total Direct Costs consisting of salaries and wages, applicable fringe benefits, materials and supplies, services, travel and subawards 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 and the portion of each subaward in excess of $25,000 shall be excluded from modified total direct costs. Equipment is defined as having an acquisition cost which equals or exceeds $2,000 and a useful life of more than one year.

APPLICABLE TO:

(1) Applies to all DoD contracts and subcontracts awarded before November 30, 1993, all Non-DoD instruments, and all DoD grants. (See Section II, Part E) (Capped Rate).

(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, Part E) (Uncapped Rate).

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 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. PREDETERMINED RATES: The predetermined rates contained in this agreement are not subject to adjustment in accordance with the provisions of 2 CFR Part 200, subject to the limitations contained in Part A of this section.

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. 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.

F. DFARS WAIVER: Signature of this agreement by the authorized representative of Virginia Polytechnic Institute and State 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 Instruction, Other Sponsored Activities and Agricultural Experiment Station rates. The waiver request by Virginia Polytechnic Institute and State University is made to simplify the University’s overall management of DOD cost reimbursements under DOD contracts.

G. EXTENSION: In accordance with 2 CFR 200.414(g), Virginia Polytechnic Institute and State University has requested an extension of its Fiscal Year FY 2021 rates. Therefore, the rates identified in Section I are an extension of the FY 2021 rates.

Accepted:

FOR VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY:

[Signature]

Dwayne Pinkney
Senior Vice President and Chief Business Officer

5/4/2021

FOR THE U.S. GOVERNMENT:

[Signature]

Betty J. Tingle
Contracting Officer

5/4/2021

For information concerning this agreement contact:
Betty Tingle, Office of Naval Research, Phone: (703) 696-7742, Email: betty.tingle@navy.mil