

July 1, 2001

MEMORANDUM OF AGREEMENT

Between CALTRANS and the Regents of the University of California

Subject: Overhead Rates to be applied by CALTRANS to agreements with the Regents of the University of California (UC)

In the interest of optimizing the continuing and productive relationship between CALTRANS and the Regents of the University of California, and to reach clarity between the parties regarding overhead rates, the parties agree as follows:

- 1) Under the CALTRANS Interagency Master Research Agreement with the UC Office of the President, Research Administration Office, all Research Technical Agreements written under that master to any of the ten UC campuses will contain a 15% overhead rate applied to total direct costs incurred at the prime campus, or incurred via subagreement with any secondary UC campus. Subcontracts/Subawards with entities other than UC campuses will contain that entity's approved overhead rate applied to total direct cost.
- 2) All CALTRANS prime Contract/Agreements entered into with UC ITS (Institute for Transportation Studies) Campuses (Berkeley, Davis and Irvine) will contain a 10% overhead rate applied to total direct costs incurred at the UC ITS Campus. Further,
 - a) Sub-awards between UC ITS Campuses will contain a 10% overhead rate applied to total direct cost.
 - b) Sub-awards from UC ITS Campuses to UC Non-ITS Campuses will contain a 15% overhead rate applied to total direct cost incurred at the UC Non-ITS Campus.
 - c) Subcontracts/Sub-awards with entities other than UC Campuses will contain that entity's approved overhead rate applied to total direct cost.
- 3) All CALTRANS prime Contract/Agreements entered into with UC Non-ITS Campuses will contain a 15% Overhead rate applied to total direct cost incurred at the prime campus, or incurred via a subagreement with any secondary UC campus. Subcontracts/Subawards to entities other than UC campuses will contain that entity's approved rate applied to total direct cost.

4) The overhead rates in this Memorandum of Agreement shall take effect immediately.

OH rates in Contracts/Agreements awarded before the date of this Memorandum of Agreement, shall continue to apply for the life of the Contract/Agreement as currently awarded. (For example, a Contract/Agreement for a period of four years, three of which are after the date of this Memorandum of Agreement, shall continue to apply the rates in the current Contract/Agreement through the end of the fourth year. If new money and time are added, i.e. creating a fifth year, the rates in this Memorandum will apply.)

The OH rates in this Memorandum of Agreement shall be applied to all "new" CALTRANS Contracts/Agreements with UC after the date of this Memorandum. "New" means Contracts/Agreements with new award numbers, or new money and time added to existing contracts/Agreements.

5) Total Direct Costs:

a) Includes:

- All salaries
- Fringe Benefits
- Materials & Services
- Services
- Travel
- Subcontracts/Subawards up to the first \$25,000 (See para. 7)
- Equipment over \$1,500
- Capital expenditures including fabrication
- Student Fees for all students
- Rental costs

b) Excludes:

- Patient Care
- Scholarships
- Fellowships
- Tuition for out of state students including foreign students
- Subcontracts/Subawards in excess of the first \$25,000 (i.e. OH by UC)

6) UC shall communicate the overhead rates contained herein to all UC Campuses, who will submit all proposals to CALTRANS for Contracts/Agreements in accordance with the terms of this Memorandum of Agreement.

7) If subcontracts/subawards are contemplated to entities who are eligible for more than 10% OH, then the higher rates should be used for these subcontracts/ subawards in budget proposals to CALTRANS. It is not the intention to apply the 10% OH rate where the 15% OH rate for UC entities or the higher OH rate for non-UC entities is allowable pursuant to this Memorandum of Agreement.

8) CALTRANS shall communicate the overhead rates to all Districts, Divisions and Contracting Offices who shall accept and apply the overhead rates contained herein.

9) Any modifications to this Memorandum of Agreement must be in writing and approved by Mr. John L. Allison, Division Chief or designee for the Department of Transportation, and Mr. David F. Mears, Director or designee for the Regents of the University of California.

- Approved for CALTRANS:

 Date 7/10/01

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- Approved for the Regents of the University of California:

David F. Mears Date 7/5/01

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