

# An Example of a Good and Healthy F&A Rate Negotiation

*University of Washington  
FY 2008 Base Year Negotiation*

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# Some Background

Last base year:

FY 2008

Last rate negotiation:

Fall 2010

Cognizant Office/Lead

Negotiator:

DCA – San Francisco/Janet  
Turner

On-campus OR Rate:

- Avg Proposed = 55.8%  
(including projections)
- Actual Negotiation:
  - FY 2010-2012 = 54.0%
  - FY 2013-2014 = 54.5%

# Summary of DCA's Proposed Adjustments

UW conceded or partially conceded:

- .4 pts – library depreciation on books and journals
- .7 pts – reduction of FTE in library allocation stat

UW did not concede:

- .9 pts – challenged reasonableness of building component useful lives.

*Note: No space adjustment!*

## Success Factors – UW’s Contribution

- Thorough planning and implementation throughout the entire process
- Carefully managed interactions and communications with DCA throughout
  - Initial planning and extension requests
  - Proposal package -- follow the standard package!
  - Data requests and space reviews
- Maintained good working relationships with DCA San Francisco
- Most importantly, submitted a strong, defensible proposal!

## Success Factors – DCA's Contribution

- Very seasoned, experienced senior negotiator with authority to make key decisions
- Maintained open dialogue throughout the negotiation process
- Maintained good working relationships with UW staff
- Negotiation process was transparent
- Most importantly, based their offer on our numbers -- no arbitrary adjustments

## **Improving the Process: What Would Make This Better for UW?**

- Consistent approach across all DCA offices on key proposal methodologies (e.g., component useful lives)
- Negotiate within 6 months of proposal submission
- Provide proposed adjustments in advance of negotiation and in a standard format with appropriate documentation

## Improving the Process – What Would Make This Better for Everyone?

- Strong central leadership at DCA to resolve differences:
  - Among DCA regions
  - During individual negotiations
- Clear and realistic appeal process
- Periodic consultation with DCA, ONR, OMB, and the university community

Organized Research Rate:	New Negotiated Rates (FY 2010-2014)	Previously Negotiated Rates (FY 2005-2009)
On-campus	54% -- FY 2010-2012 54.5% -- FY 2013-2014	55.5% -- FY 2005-2007 56% -- FY 2008-2009
Off-campus	26%	26%
South Lake Union	66% -- FY 2010; 68% FY 2011; 72% -- FY 2012; 73% -- FY 2013; 74% -- FY 2014	66%
Regional Primate Center	42% (A)/ 78% (A+B)/ 83% (A+B+C)	44% (A)/ 75% (A+B)
Applied Physics Lab	17%	17%
Other Sponsored Activity	33.8% (on-campus) 26% (off-campus)	n/a
Vessel	25% (S&W)	25% (S&W)
Instruction	53.0% (on-campus) 26% (off-campus)	58% (on-campus) 26% (off-campus)

# Questions