

MEMORANDUM OF AGREEMENT BETWEEN

**THE UNIVERSITY OF PUERTO RICO, MAYAGUEZ CAMPUS
AGRICULTURAL EXPERIMENT STATION (UPR)**

AND

**IOWA STATE UNIVERSITY (ISU), AGRONOMY DEPARTMENT
COLLEGE OF AGRICULTURE, IOWA AGRICULTURE AND
HOME ECONOMIC EXPERIMENT STATION**

AS THE FIRST PARTY: The University of Puerto Rico, Mayagüez Campus, acting through the Agricultural Experiment Station,

represented in this agreement by its Chancellor, Dr. Jorge I. Velez Arocho,
and by its Dean and Director, Dr. John Fernandez-Van Cleve,

AS THE SECOND PARTY: Iowa State University, acting through the Office of Sponsored Programs Administration, 2207 Pearson Hall, Rm. 15, Ames, Iowa 50011-2207,
represented in this agreement by
Thane J. Peterson, Director, hereinafter referred to as ISU.

BOTH PARTIES CONCUR

1. **WHEREAS**, ISU holds a soybean breeding improvement program and is interested in continuing using the land of the UPR in Isabela to continue a year round soybean research nursery and to plant soybean seeds for improvement purposes.
2. **WHEREAS**, UPR holds the appropriate area at the Isabela Substation where the above mentioned planting can be performed, and has equipment and facilities to accomplish it and is interested in cooperating on this project.

THUS BOTH PARTIES AGREE

1. UPR agrees:

- a. The **UPR** will provide the required area (6 acres) to be planted with soybean seeds for improvement purposes. The Isabela Substation Administrator will specify the location of the land to be used for the purpose of this MOA upon consultation with the Principal Investigator (PI) from ISU.
- b. The **UPR** will provide field laborers to conduct routine works, farm equipment for land preparation, cultivation and planting as requested by the PI, and building facilities (office space for the PI and research associate working for ISU, and threshing area). Personnel assignments will be done in consultation with, and by approval of, the PI.

c. The **UPR** will charge all direct costs including salaries and wages and fringe benefit expenses. The salaries, wages and corresponding fringe benefits that will be paid by **ISU** to **UPR** will refer to field laborers and field personnel requested by the **ISU PI** researcher. The **UPR** will charge **ISU** according to the number of hours each laborer has used in the **ISU** research project.

d. Salaries and fringe benefits will be paid as direct costs according to terms and conditions established by **UPR**. The **UPR** will abide by this procedure in consideration that **UPR** is the sole negotiator for fringe benefits directly with the Union workers and representatives, and that **ISU** has no saying or input in the negotiation. The **UPR** will supply every year copies of the pertinent documents on fringe benefits for attachment to this **MOA**, to inform **ISU** of any up-to-date charges.

e. The **UPR** will provide to **ISU** the following items as part of the 15% overhead charge on all direct costs:

- i. Use of office (two offices, and seed lab).
- ii. Use of chemical storage space.
- iii. Use of threshing shed and drier space.
- iv. Use of land and specialized equipment.

Use of electricity for light poles installed in the field for the conduct of the research , electricity for use of the seed drier, and electricity for use in the seed lab will be paid by **ISU** directly to the Autoridad de Energia Electrica (AEE). If charges are not received at the Isabela Substation, **UPR** will pay directly to AEE, and will send receipts to the **PI** for reimbursement. The **PI** will provide to **UPR** numbers of electric meters who serve the **ISU** soybean breeding project. No overhead charges will be applied by **UPR** to these expenditures, since all physical installations (light poles, seed drier, and electric utilities) in the seed lab have been installed and paid for by **ISU**.

2. **ISU** agrees:

a. To pay **UPR** all direct and indirect costs (of 15% of direct costs) including salaries and wages and fringe benefit expenses. Salaries, wages and corresponding fringe benefits that will be paid by **ISU** to **UPR** will strictly refer to field laborers and field personnel requested and approved by the **ISU PI** researcher. Charges will be paid according to the number of hours each laborer has used in the **ISU** research project.

b. To pay **UPR** for salaries and fringe benefits according to the annual rate that applies to **UPR**. **ISU** will pay for direct and indirect charges on field personnel, in terms of number of hours worked for the **ISU** research project. Fringe benefits will be paid as direct costs according to terms and conditions established by **UPR**. **UPR** will solely negotiate fringe benefits directly with the Union workers and representatives, and **ISU** has no saying or input in the negotiation. At **ISU**'s request, pertinent documents on fringe benefits will be provided .

c. **ISU** will supply all materials required by the research project in the conduct of the work, with no cost to **UPR**.

d. **ISU** will not subcontract (or sublease) to a third party any portion of the land.

e. **ISU** will provide technical personnel paid directly from **ISU** for the supervision of the work. This personnel will be subjected to all terms and conditions as described by **ISU**, and will be covered in terms of work insurance compensation directly by **ISU**. With this commitment, **ISU** releases **UPR** of any and all obligations and liabilities related to personnel that has been hired by **ISU** and who is paid directly by **ISU**.

f. **ISU** will provide technical personnel, namely undergraduate and graduate students who will be paid directly from **ISU**, and who will be subjected to all terms and conditions as described by **ISU**. With this commitment, **ISU** releases **UPR** of any and all obligations and liabilities related to personnel that has been hired by **ISU** and who is paid directly by **ISU**.

g. **ISU** has a faculty member at the Isabela Substation, who is the project leader and **PI** in charge of soybean breeding. The faculty member is fully paid and supported by **ISU**. The individual is subjected to all terms and conditions as described by **ISU**. With this commitment, **ISU** releases **UPR** of any and all obligations and liabilities related to personnel that has been hired by **ISU** and who is paid directly by **ISU**.

h. At no cost to **UPR**, the **ISU** faculty member will collaborate with the **UPR** system in the fulfillment of academic tasks, and upon request from **UPR** administrators. This contribution from the faculty member to the **UPR** system is not to exceed 25% of the said faculty, and will be entirely decided by the faculty member upon consultation with the proper **ISU** administrators.

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3. **BOTH PARTIES AGREE** to provide laboratory and field study opportunities for undergraduate and graduate students. This technical work will also imply conduct of work by highly-trained personnel who will assist all **ISU** technical personnel, faculty member and research associate(s). Undergraduate and graduate students to perform this work will be hired by **ISU**, upon compliance with **UPR** recruitment regulations and labor agreements.

4. **EFFECTIVE DATE**: The present **MOA** will become effective when signed by both parties and will have a five (5) year duration, with annual reviews at which time fringe benefits to be paid by **ISU** will be adjusted and decided according to the terms and conditions established by **UPR**.

5. **TERMINATION**: The **MOA** may be terminated by either party on a sixty (60) day written notice, but enough additional time will be permitted to **ISU** for completing any ongoing field experiments. Failure in performing the obligations contracted in this **MOA** may cause its termination.

6. The **UPR** Finance Office in Rio Piedras will prepare monthly official invoices for reimbursing the funds used for the purpose of this **MOA**, according to the terms described and agreed upon in this **MOA**. Under no circumstances will any changes be done by any **UPR** administrator to the terms of this **MOA**, except by agreement of both parties. Any violation of this section, will result in denial of charges by **ISU** and become the responsibility of the **UPR**

7. **ISU** will reimburse expenses incurred by **UPR** within forty-five (45) days upon receiving the invoice or collection bills issued by the Finance Office.

8. **ISU** will receive invoices, prepared by **UPR** according to the terms of this **MOA**, every month.

9. Claims related to the invoice procedures will be submitted in writing to the **UPR** Finance Office within thirty (30) days upon receiving the collection bills. If a bill is contested, payment by **ISU** will be made to only cover the uncontested portion. After appropriate negotiations between the two parties and upon reaching an agreement on the contested charges, payment by **ISU** to **UPR** will be made by check. All checks will be made payable to:

Agricultural Experiment Station
Finance Office
P.O. Box 21360
Rio Piedras, PR 00928

10. Efforts will be made by the appropriate office at the **UPR** to cash checks issued by **ISU** in fulfillment of charges, to be deposited immediately, and not later than sixty (60) days after check is issued.

J 11. Any agrochemical spraying to field trials must be notified and coordinated with the Substation Administrator. **ISU** must inform the spray schedule in advance, including the chemical name, purpose, concentration and amount that will be sprayed on vegetative material. Written records of all chemical applications, including the information described above, must be kept by **ISU**, and be made available to **UPR**, upon request. Any changes in **UPR** internal policy for the application of chemical products must be informed to **ISU PI** for immediate compliance.

12. In the event of introducing genetically modified organism (GMOs) in the conduct of the research by **ISU**, **ISU** is responsible of following the necessary Federal and Commonwealth protocols and regulations approved to that effect. **ISU** will be responsible for avoiding any unwanted dissemination or escape of such organisms that might occur. In the event that this happens, **ISU** will be responsible for the recuperation and destruction of these regulated materials.

13. **NO ADVERSE INTEREST: THE SECOND PARTY** recognizes that in carrying out its duty, it has the responsibility of complete loyalty towards the agency, which

means having no adverse interests with the government agency. Adverse interests include the representation of clients who have or may have conflicting interests with **THE FIRST PARTY**. This responsibility also includes the continued obligation of keeping the agency informed about all circumstances related to clients or third persons and any interest that may influence the agency at the moment of executing the agreement or during its term. **THE SECOND PARTY** incurs in conflicting interests when, on behalf of a client it is its duty to promote something which it should oppose to in compliance with fulfillment of its obligations to a prior, present, or potential client. **THE SECOND PARTY** also incurs in conflicting interests when its behavior is described as such in the ethical standards normally applicable to its profession, or in the laws and regulations of the Commonwealth of Puerto Rico.

14. EXONERATION: THE SECOND PARTY assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of **THE SECOND PARTY** and the officers, employees, servants and agents thereof. The Iowa State University, as a state agency, warrants and represents that it is self-funded for liability insurance, both public and property, with such protection being applicable to Iowa State University's officers, employees, servants, and agents while acting within the scope of their employment by ISU. ISU and UPR further agree that nothing contained herein shall be construed or interpreted as (1) denying to either party any remedy or defense to such party under the laws of the State of Iowa; (2) the consent of the State of Iowa or its agents and agencies to be sued.

15. NO DISCRIMINATION: BOTH PARTIES are equal opportunity employers and do not discriminate on the basis of sex, race, color, age, religion, national origin or handicap, veteran status, religious or political beliefs. This policy is consistent with relevant government statues and regulations, including those pursuant to Title IX of the Federal Rehabilitation Act of 1973, as amended.

J. **16. NO PECUNIARY INTEREST: THE SECOND PARTY** manifests that no employee or university authority from **THE FIRST PARTY** has direct or indirect pecuniary interest in the fulfillment of this agreement as established by Law Num. 12, July 14, 1985, known as the Government Ethics Law. In the same way, the university authority representing the First Party has no pecuniary interest in the above mentioned agreement.

17. GOVERNMENT ETHICS LAW: THE FIRST PARTY certifies and guarantees that, in accordance with the requirement of the Office of Government Ethics, a copy of the Government Ethics Law, Law Num. 12, July 14, 1985, known as the Government Ethics Law, has given to **THE SECOND PARTY**. **THE SECOND PARTY** certifies and guarantees that at the moment of signing this agreement, it received a copy of the above mentioned law.

18. The **SECOND PARTY** certifies and guarantees that at the time of the signing of this agreement they have filed and paid any applicable income taxes over the course of the five (5) years preceding the date of this agreement and that they owe no income tax debt either to the Commonwealth of Puerto Rico or to the United States of America, to the Municipal Revenue Center (CRIM) or to the Child Support Administration (ASUME) or that a repayment plan has been established for such debt as there may be and that the **SECOND PARTY** is currently in compliance with the terms and conditions of said plan. The **SECOND PARTY** specifically understands that this is an essential condition to the present agreement and that if the above certification is incorrect in all or in part, such will be sufficient cause for the annulment of said agreement on the part of the contractor, with no remuneration to the **SECOND PARTY** and that the latter will be responsible for restoring any monies received under the terms of this agreement.

19. The **SECOND PARTY** certifies and guarantees that, if applicable, at the time of the signing of this agreement they have paid the contributions for Unemployment, Temporary Handicap Insurances (FSE) and Social Security for Chauffeurs; or is currently in compliance with the terms and conditions of a payment plan. The **SECOND PARTY** specifically understands that this is an essential condition to the present agreement and that if the above certification is incorrect in all or in part, such will be sufficient cause for the annulment of said agreement on the part of the **FIRST PARTY**, with no remuneration to the **SECOND PARTY** and that the latter will be responsible for restoring any monies received under the terms of this agreement.

20. The **SECOND PARTY** recognizes that in carrying out their duty, they have the responsibility of complete loyalty towards the agency, which means having no adverse interests with the government agency. Adverse interests include the representation of clients who have conflicting interests with the contractual party. This responsibility, also, includes the continued obligation of keeping the agency informed about all circumstances related to clients or third persons and any interest that may influence the agency at the moment of executing the contract or during its term. The **SECOND PARTY** incurs in conflicting interests when, on behalf of a client it is their duty to promote something which they should oppose to in compliance with fulfillment of their obligations to a prior, present or potential client. The **SECOND PARTY** also incurs in conflicting interests when their behavior described as such in the ethical standards normally applicable to their profession, or in the laws or regulations of the Commonwealth of Puerto Rico.

21. **EXONERATION OF ALL RESPONSIBILITY: THE SECOND PARTY** is responsible for any judicial or extra-judicial claim, and must provide to the full extent permitted by law, compensation for any damage, perjury, and/or mental or moral anguish which any person may suffer, where these damages and perjuries have allegedly been caused by actions, or negligent omissions, carelessness by the **SECOND PARTY**, its agents or employees, whereas these damages and perjuries may have occurred totally or partially during the services, exempting, relieving, and exonerating the University of Puerto Rico of all responsibility.

22. **BOTH PARTIES** are equal opportunity employer and does not discriminate on the basis of sex, race, color, age, religion, national origin, handicap, veteran status, religious or political believes. This policy is consistent with relevant governmental statues and regulations, including those pursuant to Title IX of the Federal Rehabilitation Act of 1973 as amended.

23. The **SECOND PARTY** manifests that no employee or university authority from the **FIRST PARTY** has direct or indirect pecuniary interest in the fulfillment of this agreement as established by Law Num. 12, July 14, 1985 known as Government Ethics Law. In the same way, the university authority representing the **FIRST PARTY** has no pecuniary interest in the above mentioned agreement.

24. The **FIRST PARTY** certifies and guarantees that, in accordance with the requirement of the Office of Government Ethic, a copy of the Government Ethics Law (Law Num. 12, July 14, 1985) has been given to the **SECOND PARTY**. The **SECOND PARTY** certifies that at the moment of signing this agreement, it received a copy of the above mentioned law.

25. **THE SECOND PARTY** certifies that it does not hold a regular or trusted position in any of the instrumentalities of the Commonwealth of Puerto Rico and that does not receive payment or compensation for regular services rendered under appointment or professional services contract with any organism of the Commonwealth of Puerto Rico, except in those cases authorized by law. If the contractor certifies that they have a contract with another organism or municipality of the Commonwealth of Puerto Rico, they guarantee that there is no incompatibility between both contracts.

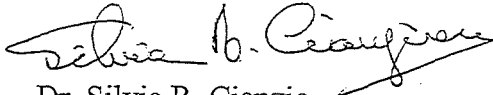
26. **THE SECOND PARTY** understands that they shall not begin to render service of any kind to the **FIRST PARTY** under this agreement until the period stated in Section 29. **THE SECOND PARTY** shall not continue to render service of any kind to the **FIRST PARTY** after the date of expiration of this contract. **THE FIRST PARTY** shall not pay for services rendered in violation of this clause.

27. **TERMINATION - THE UNIVERSITY OF PUERTO RICO** could rescind the contract by notifying sixty (60) days prior to the date of the termination, but leaving enough time for **ISU** to complete a full cycle of production, and crop residual disposal.

28. **THE UNIVERSITY OF PUERTO RICO** could immediately cancel the contract without previous notice when the hired party incurs in negligence, unfulfillment, or violation of any condition in the contract. This contract may be terminated if during its execution the **SECOND PARTY** is guilty of felony against the state treasury, the goodwill or that involves funds, state or federal public property.

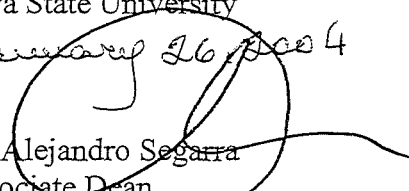
29. The work under this Agreement shall be performed during the period February 15, 2004 to June 30, 2004, and will continue by mutual agreement under the terms for up to five additional years as stipulated. The Agreement will become effective when signed by both parties.

RECOMMENDED:



Dr. Silvia R. Cianzio
Principal Investigator
Iowa State University

January 16, 2004



Dr. Alejandro Segarra
Associate Dean
Agricultural Experiment Station
College of Agricultural Sciences



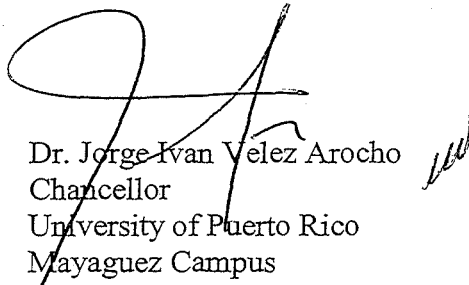
Dr. John Fernandez Van Cleve
Dean and Director
College of Agricultural Sciences

APPROVED:



Iowa State University
Thane J. Peterson
Director
Office of Sponsored Programs
Administration

January 23, 2004



Dr. Jorge Ivan Velez Arocho
Chancellor
University of Puerto Rico
Mayaguez Campus

February 17, 2004