California Safe Harbor Indirect Cost Rate Program

Consultant Firm Certification of Eligibility and Certification of Financial Management System

Consultant Firm Name _____________________________________________________________

Local Agency (if applicable) _______________________________________________________

Contract Number / Federal Project Number ________________________________________

Contract Total $ ___________________________________________________________________

For Subconsultant Firms – estimated % of work to be performed ________________%

Safe Harbor Indirect Cost Rate (SHR): **Home: 120% and/or Field: 90%**

Field SHR will be utilized for contracts where the work deliverables are not completed from the consultant offices (i.e. Construction Inspection, Material Testing, Sources Inspection, others).

**Consultant Firm Certification of Eligibility**

I, the undersigned, certify that I am eligible to use the Safe Harbor indirect cost rate as I:

1. Am not a Prime Consultant Firm on a Caltrans contract > $3.5M, or Local Government contract > $1M, regardless of the participation amount.

2. Have not used SHR for more than three (3) years since entering the program on a state or federally funded contract.

AND

1. Do not have relevant contract cost history to use as a base for developing a Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR), Part 31 compliant ICR.

2. Do not have a previously accepted ICR by a cognizant agency, or with an audited/accepted actual ICR, and do not have an existing contract with a provisional rate.

**Certification of Financial Management System**

I, the undersigned, certify that our financial management system in place for this contract and moving forward meets the standards for the Safe Harbor indirect cost rate requirements and financial reporting, accounting records, internal and budget control as set forth in 2 CFR 200, Subpart D. These standards require consulting firms have an accounting system.
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adequate to accumulate, and track allowable, allocable, and reasonable direct labor and other direct costs by contract; segregate indirect costs and remove unallowable costs.

Print Name ________________________________________________

Signature  ________________________________________________
(Electronic Signature Allowed)

Title  ________________________________________________

Date Completed  _________________

Note: The certification of this Safe Harbor Rate was made by, and are the responsibility of, the Company’s management.

Definition of Terms

Direct Cost is any cost that is identified specifically with a particular cost objective. Direct costs are not limited to items that are incorporated in the end products as material or labor. Costs identified specifically with a contract are direct costs of that contract. All costs identified with other final cost objectives of the contractor are direct costs of those objectives, 48 CFR 31.202.

Indirect or overhead cost is any cost that is not directly identified with a single final cost objective but is identified with two or more final cost objectives or with at least one intermediate cost objective, 48 CFR 31. 203.

References

Title 48 CFR Chapter 99, Subchapter B - Procurement Practices and Cost Accounting Standards.
Title is 2 CFR 200 Subpart D, Standards for Financial and Program Management.
Title 23 United States Code (U.S.C.), Chapter 1, Section 112 - Letting of Contracts.
Title 23 CFR, Chapter 1, Part 172 - Procurement, Management, and Administration of Engineering and Design Related Services.
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**Caltrans Contract**

If participating on a Caltrans Contract, also attach a completed copy of the following Safe Harbor Indirect Cost Rate Questionnaire for Evaluating Consultant Firm’s Financial Management System.
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Questionnaire for Evaluating Consultant Firm’s Financial Management System

Consultant Firm Name _____________________________________________________________

Firm Headquarters Address _________________________________________________________

Accounting Records

• Location where Accounting records are held __________________________
• Name and Title ____________________________
• Email and Phone ____________________________
• Mailing Address ____________________________

To be eligible for Safe Harbor indirect cost rate (SHR), the Consultant Firm’s financial management system must be adequate to accumulate and track direct labor and other direct costs by contract, segregate indirect costs, and remove unallowable costs in accordance with 48 CFR 31 for the different business segments.

Instructions

1. Answer all questions and provide an explanation and additional supporting documentation where requested.
2. If additional space is required, please attach a separate sheet and refer to items being answered by number.

Has the Firm developed an indirect cost rate in the past? Yes ___  No ___

If “Yes”, you are NOT ELIGIBLE to use the SHR. DO NOT CONTINUE with this Questionnaire and please complete the AASHTO Appendix B ICQ and provide an ICR Schedule.

Is the Firm a Prime Consultant Firm on a Caltrans contract > $3.5M Yes ___  No ___

Or Local Government contract > $1M, regardless of the participation Amount? If “Yes”, you are NOT ELIGIBLE to use the SHR. DO NOT CONTINUE with this Questionnaire and please complete the AASHTO Appendix B ICQ and provide an AUDITED ICR Report.
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1. What form of business entity is the Firm?
   - Sole Proprietorship ___
   - Partnership ____
   - C Corporation __
   - S Corporation __
   - Other __________________________

2. What types of services will the Firm provide for this contract? (Select all that apply.)
   - Architectural and Engineering Services ___
   - Program Management ___
   - Preliminary Engineering ___
   - Design Engineering ___
   - Surveying ___
   - Feasibility Studies ___
   - Mapping or Architectural Related Services ___
   - Other __________________________

3. Does the Firm have prior government contracting experience? ______
   - Yes ____
   - No ___

4. Does the general ledger contain separate direct and indirect accounts for the following?
   - Labor        Yes ___
   - Non-Labor ___
   - Labor        No ___
   - Non-Labor___

5. Does the company have a system in place to identify and remove form the indirect cost pools all unallowable cost?
   - Yes____
   - No ___

6. Does the firm assign a unique identification/project number in your accounting system for each contract/project?
   - Yes _____
   - No _____

7. Is indirect and direct labor separated by contract/project/cost objectives on employee timesheets with unique reporting codes?
   - Yes ____
   - No ___
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8. Do you have written policies on the following cost categories?
   - Accounting  Yes ___  No ___
   - Overtime  Yes ___  No ___
   - Billing  Yes ___  No ___
   - Direct/Indirect Expenses  Yes ___  No ___
   - Timesheet Preparation  Yes ___  No ___
   - Prevailing Wage  Yes ___  No ___
   - Bonus  Yes ___  No ___

9. What types of employee status will the Firm provide for this contract?
   - Non-exempt ___
   - Exempt-salaried ___
   - Exempt-hourly ___
   - Contract Employee ___
   - Other __________________________________________________

10. Does the Firm pay overtime for exempt employees?
    - Yes ___  No ___

11. Besides labor, does the Firm normally bill/invoice the following as direct contract/project costs? (Select all that apply)
    - Vehicle  _____
    - Shipping  _____
    - Computer/CADD  _____
    - Lab  _____
    - Printing  _____
    - Travel  _____
    - Specialty Equipment  _____
    - Other (List below)  _____
    - (List below)

    ____________________________  ____________________________

12. Are mileage logs maintained for all vehicles? If no, please explain below.
    Explanation __________________________________________________
    Where is the vehicle stored after work? ________________________________
    Does employee use vehicle for personal use? Yes ______________________ No_______
    What is the recovery/billing rate used for Firm or personal vehicle mileage reimbursement?
    $ ______ per mile
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I certify that to the best of my knowledge and belief the responses to this questionnaire are accurate.

Print Name ________________________________________________

Signature ________________________________________________
(Electronic Signature Allowed)

Title ________________________________________________

Date Completed _______________

Note: The certification of this Safe Harbor Rate was made by, and are the responsibility of, the Company’s management.