

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 Code of Federal Regulations (CFR) Part 31 -Federal cost principles.

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.

American Association of State Highway and Transportation Officials (AASHTO) Uniform Audit & Accounting Guide (2016 Edition).

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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 Or Local Government contract > \$1M, regardless of the participation Amount? 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 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 ___ No ___ Non-Labor Yes ___ No ___

5. Does the company have a system in place to identify and remove from 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 (List below)	___	Other (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.