



**SAFE HARBOR RATE
CONSULTANT CERTIFICATION OF ELIGIBILITY;
CONTRACT COSTS AND
FINANCIAL MANAGEMENT SYSTEM**

Consultant Firm Name: _____

Local Agency (if applicable): _____

Contract # (if applicable): _____

Federal Project #: _____

Contract Total: \$ _____

For Subconsultants - estimated % of work to be performed: _____%

Safe Harbor Rate (Indirect Cost Rate): **110%**

CERTIFICATION OF ELIGIBILITY:

I, the undersigned, certify that I am eligible to use the safe harbor indirect cost rate as I:

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 indirect cost rate (ICR).

OR

1. 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
2. Am not a Prime Consultant on a Caltrans' contract \geq \$3.5M OR Local Government contract \geq \$1M, regardless of the participation amount.

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 Rate requirements and financial reporting, accounting records, internal and budget control as set forth in the FAR of Title 49, CFR, Part 18.20. These standards require consulting firms have an accounting system adequate to accumulate, and track allowable, allocable, and reasonable direct labor and other direct costs by contract; segregate indirect costs, and remove unallowable costs.

* Consultant Certification Signature: _____
(Sign in blue ink only)

Consultant Certifying (Print): _____

Name: _____

Title: _____

Consultant Contact Information:

Email: _____

Phone: _____

Business Mailing Address: _____

Date of Certification: _____

*An executive or financial officer of the contractor's organization who has authority to represent the financial information utilized to establish the proposal submitted in conjunction with the contract.

ALSO REQUIRED IF PARTICIPATING ON A CALTRANS' CONTRACT

Attach a copy of your completed:

Safe Harbor Rate Questionnaire for Evaluating Consultant's Financial Management System

**Safe Harbor Rate
Questionnaire for Evaluating Consultant's Financial Management System**

Consultant Name: _____

Headquarter Address: _____

Location of Accounting Records: _____

Name: _____

Title: _____

Email: _____

Phone: _____

Mailing Address: _____

To be eligible for a Safe Harbor Rate the Consultant'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 Part 31.

Instructions:

1. This questionnaire should be completed by personnel (e.g. accounting staff) with working knowledge of the Consultant (Company)'s financial management system.
2. Answer all questions and provide an explanation and additional supporting documentation where requested.
3. If additional space is required, please attach a separate sheet and refer to items being answered by number.

References:

Title 48 Code of Federal Regulations (CFR) Part 31 -Federal cost principles (48 CFR Part 31)
Title 48 CFR Chapter 99, Subchapter B - Procurement Practices and Cost Accounting Standards
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)

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 Part 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 Part 31.203)

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

If "Yes," you are not eligible to use the Safe Harbor Rate. Do not continue with this Questionnaire and please complete the AASHTO Appendix-B ICQ and provide an ICR Schedule.

Is the Company a Prime Consultant 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 Safe Harbor Rate. Do not continue with this Questionnaire and please complete the AASHTO Appendix-B ICQ and provide an **Audited** ICR Report.

1. What form of business entity is the Company?

Sole Proprietorship Partnership C Corporation S Corporation

Other _____

2. What types of services will the Company 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 Company 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

Note: This will support that all direct costs are accounted for and traceable from the job cost ledger to the general ledger.

5. 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

6. What types of employee status will the Company provide for this contract?

Non-exempt

Exempt-salaried

Exempt-hourly

Contract Employee

Other _____

7. Premium Overtime. Does the Company pay overtime at a premium to any employees?

Yes

No

If yes, answer questions below. If no, continue to question 8.

- What premium rate is paid for Non-Exempt employees:

Time-and-a-half and double-time

Straight rate

Other (Please explain) _____

- What premium rate is paid for Exempt-Hourly employees:

Time-and-a-half and double-time

Straight rate

Other (Please explain) _____

- How is premium overtime accounted for and billed?

As part of Direct Labor
(overhead is applied)

As an indirect labor cost (included in the
indirect cost rate and not directly billed)

As an Other Direct Cost
(no overhead applied)

Other _____
(Please explain)

8. Is indirect and direct labor separated by contract/project/cost objectives on employee timesheets with reporting codes?

Yes

No

9. Are contracts/projects assigned a unique identification/project number in your accounting system?

Yes

No

