Bridge DBE Outreach
MoDOT has a statewide DBE goal of 15.38% for consultants.

Roadway design is performed in our 7 districts.

Those 7 districts are staffed for a $600 million program.

Bridge design is all done in Jefferson City.

The Bridge Division is only staffed for a $250 million program.
This means that the majority of the consultant work done for MoDOT will be bridge design.

With an expected annual program of about $800 million for the next 5 years, there is a large amount of bridge work to do.

There are only 5 DBE consultants prequalified to do bridge work for MoDOT.

We need more DBE consultants doing bridge design!
External Civil Rights Overview
  - Responsible for DBE, Title VI, Workforce, Compliance

DBE Program Update
  - 2012 Disparity & Availability Study – 20.51% overall DBE availability statewide
  - Overall statewide goal is 15.38%: 12.79% race conscious, 2.59% race neutral

Project Goal Setting
  - Intended participation on awarded contracts is 12.10% for FFY 2016 through June 2016
  - DBE participation on completed projects – FFY 2016 through June 2016 – 12.20%
MoDOT Consultant Website

www.modot.org
NEWS:

Missouri Moves Cost Share Program Funding Now Available


The Missouri Department of Transportation is seeking projects that could be funded with the Missouri Moves Cost Share Program.

The purpose of the Missouri Moves Cost Share Program is to build partnerships with local entities to pool efforts and resources to deliver transportation projects. The Missouri Department of Transportation (MoDOT) funds this program with General Revenue appropriations from the General Assembly.

The Missouri Moves Cost Share Program provides financial assistance to public and private applicants for state and local projects satisfying a transportation need. Eligible projects include roads, bridges, bicycle/pedestrian accommodations and multimodal facilities. A total of $20 million is available. MoDOT participates up to 50 percent of the total project costs. One-third of the funds are set aside for multimodal and bicycle/pedestrian projects. Up to 25 percent of the funds may be distributed to projects in any one MoDOT district.

Projects are selected by the Cost Share/Economic Development Committee, which consists of the Chief Engineer, Chief Financial Officer and the Assistant Chief Engineer. They are then recommended for Commission approval via a STIP amendment.

Missouri Moves Cost Share Program guidelines, application, and rating matrix are available on MoDOT’s website at http://www.modot.org/missourimoves/. Applications are due July 29, 2015.

For more information contact Carol Kliethermes at 573-526-2561.

Posted 6/20/16
MoDOT Projects - Engineering Policy Guide

- EPG 134.1 - Introduction
- EPG 134.2 - Solicitation and Selection Process
- EPG 134.3 - Consultant Contract Negotiations
- EPG 134.4 - Contract Approval, Execution and Distribution
- EPG 134.5 - Consultant Contract Administration
- EPG 134.6 - Dispute Resolution

Local Public Agency (LPA) - Engineering Policy Guide

- EPG 136.4 - Consultant Selection and Consultant Contract Management

Helpful Links for Engineering Policy

- Bridge Special Provisions [UPDATED]
- Bridge Standard Drawings
- GEOPAK and Microstation Drawing Standards
- Project Cost Estimation [UPDATED]
- GeoTechnical Guidelines
- MoDOT GPS Reference Station Network
- Engineering Consultant Services Brochure
- Consultant Service Invoice FAQ's

To report website issues or questions, please contact Sandra Riley at (573) 522-2002 or at PreQual@modot.mo.gov.
Solicitation (RFQ) Opportunities

Please note that there are new requirements in the MoDOT Solicitations for Workforce Diversity. This does not apply to LPA Solicitations.

MoDOT Information
- Policy 134.2 - Solicitation Selection and Selection Process
- MoDOT Solicitations (RFQ)
- MoDOT Consultant Selection Information and Archived Solicitation Notices

Local Public Agency (LPA) Information
- Policy 136.4 - Consultant Selection and Consultant Contract Management
- LPA Solicitations (RFQ)
- LPA Archived Solicitation
- LPA Awarded Contracts

Helpful Links for Solicitation Information
- FHWA Consultant Contracting Q/A
- ACEC - American Council of Engineering Companies of Missouri
- Engineering Consultant Services Brochure
## Solicitation (RFQ) Opportunities

<table>
<thead>
<tr>
<th>District</th>
<th>Request for Qualifications (RFQ)</th>
<th>Post Date</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central District</td>
<td>Route A, Tavern Creek Replace or Rehabilitate and Redeck Bridge No. N0455</td>
<td>07/08/16</td>
<td>07/22/16</td>
</tr>
<tr>
<td>St. Louis District</td>
<td>Route I-44, St. Louis City Bridge Improvements from Kingshighway Blvd to 39th Street</td>
<td>07/13/16</td>
<td>07/29/16</td>
</tr>
<tr>
<td>Kansas City District</td>
<td>Route 169, Clay/Jackson Counties Harlem Road to I-70, Broadway Bridge (A4649) and the Southbound Route 169 Bridge (A4646) at the North Approach</td>
<td>07/20/16</td>
<td>08/10/16</td>
</tr>
<tr>
<td>Kansas City District</td>
<td>Route I-470, Jackson County Blue Ridge Boulevard to I-70 Bridge Rehabilitations</td>
<td>07/20/16</td>
<td>08/04/16</td>
</tr>
<tr>
<td>Job No. &amp; Solicitation</td>
<td>Post Date</td>
<td>Expiration Date</td>
<td>Location/Description:</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------</td>
<td>-----------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>J9S3141</td>
<td>05/18/16</td>
<td>06/03/16</td>
<td>Route A, Perry County Route A Over Indian Creek (S0177), 4 Miles East of Uniointown</td>
</tr>
<tr>
<td>J5S3139 J5S3142</td>
<td>05/17/16</td>
<td>05/27/16</td>
<td>Outer Road Route 54 and Route D, Camden County J5S3139 - Bridge Replacement over Linn Creek, about 2.5 Miles Northeast of Camdenton - Bridge No. J0344 J5S3142 - Bridge Replacement on Route D over Bank Branch, About 3.4 Miles Southwest of Camdenton - Bridge No. N0611</td>
</tr>
<tr>
<td>J6S1718</td>
<td>04/15/16</td>
<td>05/09/16</td>
<td>Route 100, St. Louis County Lindbergh to Big Bend Pavement/Drainage/Signal/ADA Rehabilitation</td>
</tr>
<tr>
<td>J4P2237</td>
<td>05/05/16</td>
<td>05/20/16</td>
<td>Route I-49, Jackson County Conversion of Outer Roads From One-Way Traffic to Two-Way Traffic</td>
</tr>
</tbody>
</table>
MoDOT On-Call Solicitation Timeline

- Next Solicitation – September 30, 2016
- Solicitation Closes – November 15, 2016
- Scoring and Selection - January 2017
- Consultants Notified – February 2017
- Master Agreements Executed – June 2017
- On-Call List Updated - July 2017
- 3 Year Term – FY’2018 – FY’2020
- Consultants must be on MoDOT’s Prequalification List by November 15, 2016
Subconsultant Requirements - MoDOT and LPA

Subconsultants do not have to be prequalified with MoDOT, however, it is strongly encouraged. Subconsultants must be able to provide:

1. Your firm must be registered to do business and be in good standing to be eligible to provide professional services. To obtain a Certificate of Good Standing contact the Secretary of State Office toll free at (866) 223-6535 or visit http://www.sos.mo.gov.
2. Your firm must participate in the Department of Homeland Security Worker Eligibility E-Verify Program.
   - Submit the notarized Annual Worker Eligibility Affidavit form
   - Submit a copy of your firm’s E-Verify MOU signed by your firm and the Department of Homeland Security
3. Consultant Certification of Indirect Cost Rate
   Replaced the Management Representation and Certification Form Revised 7/8/13
   Certification of Costs in accordance with Federal Acquisition Regulations (FAR) to Establish Indirect Cost Rates on Engineering and Design-related services contracts dated October 27, 2010. Policy requires consultant and contractor certification of the cost used to establish indirect cost rates for application to Federal-aid engineering and design-related services contracts. The requirement applies to all prime and sub-consultants.

Subconsultant cost estimate requirements:

If $\geq25K$ that a detailed cost plus fixed fee estimate and an overhead rate breakdown and supporting documentation

If $\leq25K$ a proposal letter stating the methodology of how the estimate of costs for the services were developed

EPG 134.3.6 MoDOT Contracts - Subconsultant Information

EPG 136.4.2.7.3 Local Agency (LPA) - Subconsultant Information

Subconsultant Invoicing:

Subconsultants with subcontracts $\geq$25,000 must either use the standard invoice template or provide all the information in the template to be considered acceptable.

To report website issues or questions, please contact Sandra Riley at (573) 522-2002 or at PreQual@modot.mo.gov.
Contact Us

Consultant Home  Engineering Services Policy  Solicitation (RFQ) Opportunities  Consultant Prequalification Requirements  Subconsultant Requirements  Disadvantage Business Enterprise (DBE) Information  Contact Us  LPA Home

Eric Schroeter, P.E.
State Design Engineer
Eric.Schroeter@modot.mo.gov
Office: 573-526-2903

Please fill out this form if you would like to be added to our email listing for updates:

Name: [Input]
Address: [Input]
City: [Input]  State: [Select One]
Zip code: [Input]
Phone Number: [Input]
Email Address: [Input]

☐ Please check here if you would like to receive future consultant services updates.
Comments:

Submit  Clear Form

Sandy Riley
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Sandra.riley@modot.mo.gov
Office: 573-522-2002

Kenny Voss, P.E.
Local Programs Administrator
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MaryAnn Jacobs
Senior Planning Technician
MaryAnn.Jacobs@modot.mo.gov
Office: 573-751-2807
RECENT NEWS:

Eastern Federal Lands Access Program (FLAP) Call for Projects Alert

Federal Highway Administration Eastern Federal Lands (EFL) will be accepting Federal Lands Access Program (FLAP) applications in order to develop a four year program of projects for Fiscal Years (FY) 2017 through FY2020. Project approvals will be contingent upon availability of funds. EFL will be accepting project applications from the following Midwestern states: Minnesota, Missouri, Michigan, Illinois, Indiana and Ohio. The call for projects opens September 15, 2016 and runs through December 16, 2016. Applications should be submitted via email to EFL.planning@dot.gov by December 16, 2016.

More Information

For more information, refer to links below:

http://www.dot.gov/...
5. Federal Aid Basic Training Course (LPA Consultants ONLY, not required for MoDOT Consultants) must be re-taken every 2 years.

A list of available training courses can be found on the LPA website under Training. For more information, refer to EPG 136.2 Certification and Training.
Helpful Links for Solicitation Information

- FHWA Consultant Contracting Q/A
- ACEC – American Council of Engineering Companies of Missouri
- Engineering Consultant Services Brochure
Bridge Consultant Qualification

- EPG 134.1.3, Bullet #5
- Requirements for Bridge Consultants only
- Bridge Forms
  - Bridge Experience Profile
  - Personal Bridge Experience Record
- QA/QC Plan
- Must be updated every 3 years
- MoDOT bridge plans must be signed & sealed by firm prequalified for bridge design
Bridge Prequalification Information

Prequalification Processes:
(Note: MoDOT cannot access files sent by DropBox)
- Standard Prequalification Process
- Safe Harbor Indirect Cost Rate (SHR) Prequalification Process (call for eligibility)

Bridge Prequalification (EPG 134.1.3)
- Bridge Forms

NOTE: MoDOT bridge consultants must have a QA/QC plan on file that is updated every 3 years.

Helpful Links for Prequalification:
- Certification/Training
- Hourly Billing Rates Sample Format
- Bridge Forms
- Federal Aid Training Videos for Local Public Agencies
- FHWA Consultant Contracting Q/A
- AASHTO Uniform Audit & Accounting Guide
- Federal Acquisition Regulations
- National Compensation Matrix
- E-Verify Requirements
- Federal Order 4470.1A - Establish Indirect Cost on Engineering Design...
**Bridge Experience Profile (PDF)**

**Bridge Experience Profile (Word)**

**Personal Bridge Experience Record (PDF)**

**Personal Bridge Experience Record (Word)**

Submit completed form(s) to:
Missouri Department of Transportation
Bridge Division
P.O. Box 270
105 W Capitol
Jefferson City, MO 65102-0270

Electronic submissions may be emailed to:
Michele.Atkinson@modot.mo.gov

The Consultant Bridge Time/Cost Card is required at the end of each project.

**Consultant Bridge Time/Cost Card (PDF)**

**Consultant Bridge Time/Cost Card (Word)**
# Bridge Experience Profile

**Firm’s Name & Address:**
- Name of Firm
- Address of Firm

**Date Updated:** 12/13/2015

<table>
<thead>
<tr>
<th>Bridge Experience Profile</th>
<th>Include Engineers &amp; Detail Technicians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person’s Name</td>
<td>John Doe, P.E.</td>
</tr>
<tr>
<td>Preliminary Bridge Plans</td>
<td>X</td>
</tr>
<tr>
<td>Preliminary Bridge (Box Culverts) Plans</td>
<td>X</td>
</tr>
<tr>
<td>Horizontal Alignment</td>
<td>X</td>
</tr>
<tr>
<td>Hydraulic Calculations</td>
<td>X</td>
</tr>
<tr>
<td>Scour Analysis &amp; Reports</td>
<td>X</td>
</tr>
<tr>
<td>Integral End Bents</td>
<td>X</td>
</tr>
<tr>
<td>Semi-Deep Abutments</td>
<td>X</td>
</tr>
<tr>
<td>Pier (Bent) Designs</td>
<td>X</td>
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<tr>
<td>Seismic Design</td>
<td>X</td>
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<tr>
<td>Seal Course Designs</td>
<td>X</td>
</tr>
<tr>
<td>Superstructure (PPC Girder)</td>
<td>X</td>
</tr>
<tr>
<td>Superstructure (Steel WF Beams)</td>
<td>X</td>
</tr>
</tbody>
</table>

21
## Personal Bridge Experience Record

**Date Updated:** 12/13/2015

<table>
<thead>
<tr>
<th>Bridge Description/Year Designed</th>
<th>Project Mgr.</th>
<th>Superstructure</th>
<th>Substructure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Deck</td>
<td>Girders</td>
</tr>
<tr>
<td>Union Road over I-55/ 2009 (124'-1&quot;-150'-11&quot;) Plate Girder Seismic Category B</td>
<td>Star</td>
<td>James-D, SA Smith-C</td>
<td>James-D, SA Smith-C</td>
</tr>
<tr>
<td>First Street over Route 71/ 2014 (92'-92&quot;) Prestressed I-Girder</td>
<td>James</td>
<td>Doe-D Smith-C</td>
<td>Doe-D Smith-C</td>
</tr>
</tbody>
</table>

**Please Note:** Fill in each block with the appropriate name and type of work.

**Legend:**

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Full Name</th>
<th>D</th>
<th>C</th>
<th>M</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doe</td>
<td>John Doe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smith</td>
<td>Dave Smith</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Star</td>
<td>Jack Star</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>James</td>
<td>Sally James</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Your Firm’s QA/QC Policy

Policy for checking structural calculations, plans and documents

Policy for retention of records
Prequalification Information

Prequalification Processes:
(Note: MoDOT cannot access files sent by DropBox)
- Standard Prequalification Process
- Safe Harbor Indirect Cost Rate (SHR) Prequalification Process (call for eligibility)

Presentations:
- MoDOT Financial Prequalification Process
- Non-Profit & Governmental Org. Compliance Tools
  - MoDOT Required Documents for Indirect Cost Rate Review

Non-Profit & Governmental Organization Certifications:

Governmental Organization:
Cost Allocation Plan Certification
Indirect Cost Rate Certification

Non-Profit:
Indirect Cost Rate Certification

Non-Profit and Governmental Organization De Minimis Rate
Modified Total Direct Costs (MTDC) 10% De Minimis Rate

Approved Consultant Lists:
- Approved Consultant Prequalification List
- On-Call List - Effective July 1, 2014
Sub-Consultants are not required to be prequalified, however, some LPA or Prime Consultants require subs to be prequalified. If a sub is not prequalified, the responsibility of assurance and compliance with state and federal regulations becomes the responsibility of the Prime Consultant.

Reference EPG 134.3.5 Subconsultants
MoDOT Prequalification Process - 4 Step Process
Design Division Manages Steps 1, 2 & 3.

Step 1 - Annual Statement of Qualifications (SOQ)

Provide one of the following:

- SOQ developed by your firm
- SF Form 254 - Architects, Engineers & Related Services Questionnaire
- SF Form 330 Part II only - Architects, Engineers & Related Services Questionnaire

Reference Missouri Revised Statutes (RSMo)
Sections 8.285.1, 8.287.1, 8.289.1, 8.291.1

Questions and submittals may be directed to MaryAnn Jacobs at (573) 751-2807 or at CODEConsultPreq@modot.mo.gov
Step 2 – Certifications

1. Secretary of State
   • Certificate of Good Standing
     Reference [RSMo 351](#)

2. MO Div. of Professional Reg.
   • Certification of Authority
     Reference [RSMo 327](#)

Reference EPG: [134.1.3 Consultant Qualification](#)
Step 3 – required for contracts exceeding $5,000

E-Verify MOU and Worker Verification Eligibility Affidavit

- E-verify MOU is a contract between your firm and the Dept. of Homeland Security.

- Does not change and requires your firm’s signature and the signature of the DHS to be valid. (electronic signatures are accepted)

- The affidavit is required annually and provides assurances that your firm is still in compliance of the E-Verify MOU.

Reference EPG 134.1.3, 136.4.1.5 236.3.11 & RSMO 285.530.1
Step 3
E-Verify MOU and Worker Verification Eligibility Affidavit

- Sole Proprietors without an EIN Number cannot participate in the E-Verify Program.

- Sole Proprietors will need to provide Affirmative Proof of Citizenship that may be a document used when renewing or obtaining a license from the Dept. of Revenue.

Reference EPG 236.3.11
MoDOT accepts financial information throughout year; however, firms are encouraged to submit their info, for the most recent completed fiscal year, no later than six months after the close of that fiscal year.

MoDOT request for information should be responded to within 30 days of receipt.
MoDOT utilizes a risk based review process that provides a realistic assessment of A/E firm’s financial situation. This risk based assessment provides reasonable assurance the A/E firm’s information contains no misstatements ensuring compliance with federal and state regulations.

Risk Based Assessment Process:

1. MoDOT auditors review the firm’s Internal Control Questionnaire (ICQ) to determine if accounting processes and procedures are in place to segregate direct and indirect costs, as well as, identify and remove unallowable costs from the overhead rate schedule.

2. Auditors then reference overhead rate accounts and costs to supporting financial documents.

3. The Financial Statement costs are then referenced to the tax return.
This page has links with tools to assist a consultant in completing the financial prequalification documents including presentations and helpful links.

MoDOT Financial Prequalification Process - Presentation
What do I need to provide to successfully complete the Financial Prequalification Process?
What is a Risk Based Assessment?
Table showing relationships between Prequalification documents

Helpful Links

Federal Aid Training Videos
AASHTO Uniform Audit & Accounting Guide
Federal Acquisition Regulations
Federal Order 4470.1A - Establish Indirect Cost on Engineering Design-Related Services
Prequal Docs are Inter-related
It is important to have cohesion between the prequalification documents. The following table shows how the documents are inter-related and must reference one to another.

<table>
<thead>
<tr>
<th>Overhead Account</th>
<th>Overhead Amount</th>
<th>General Ledger</th>
<th>Tax Return</th>
<th>Comments</th>
<th>ICQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Expense</td>
<td>51,000</td>
<td>65,000</td>
<td>65,000</td>
<td>Please explain the 14,000 difference between the G/L, tax return and overhead</td>
<td>Appendix B-12 Question H.4. Classification of Cost Items. Your firm answered N/A for vehicle, therefore vehicle costs should not be included in the overhead</td>
</tr>
<tr>
<td>Admin Travel</td>
<td>14,595</td>
<td>16,315</td>
<td>16,315</td>
<td>Please list the type of activities included in this costs. If the costs are associated with a project(s), those costs must be removed. Please explain the 1,720 difference between the G/L, tax return and overhead schedule.</td>
<td>Appendix B-12 Question H.4. Classification of Cost Items. Your firm answered Travel and Subsistence is treated as a direct expense therefore, the cost should not be included in the overhead. Please revise the ICQ to show how Travel and Subsistence costs are managed by the firm</td>
</tr>
</tbody>
</table>
Consultants Responsibility

- Consultants must maintain adequate records including supporting documentation, to demonstrate that the costs comply with applicable FAR cost principles.

- Financial information should reflect the most recent completed fiscal year and should be submitted no later than six months after the close of that fiscal year.

- Consultants must use the most up-to-date forms on the MoDOT Consultant Prequalification Requirements website.
MoDOT Prequalification Process - 4 Step Process

Step 4 - Financial Prequalification Documents

MoDOT Financial Prequalification Cover Sheet

* Name of Company:
* Contact Person Name:
* Contact Person Email Address:
* Company Address:
* Phone Number:
  - Top Executive Name & Title:
  - Top Executive Email Address:
  - Top Executive Phone Number:

* Company’s Fiscal Year End (mm/dd/yyyy):

* Annual Gross Revenues (most recent completed Fiscal Year):
  Annual Gross Expenditures (most recent completed Fiscal Year):
  Company’s Home State:
* Number of Full Time (FTE) employees:
* Number of states company operates in:

Changes to organizational structure (if yes, please explain):

Explain your firm’s depreciation method.
(Bonus and Section 179 depreciation is Unallowable and must be removed from the overhead):

Financial Prequalification Required Documentations
Forms are location on the MoDOT - Consultant Services - Consultant Prequalification Requirements
http://contribute.modot.mo.gov/business/consultant_resources/consultant_prequalification_requirements.htm

* denotes information included in the ICQ
1) Overhead rate is audited by a state DOT, federal agency or an Independent CPA

**PROVIDE:**
Overhead rate audit report
If applicable, a copy of the state DOT or federal agency cognizant letter

**OR**

1) Overhead rate is not audited-

**PROVIDE** the following financial statements:
Amounts listed on the overhead must be traceable to the financial statements.
a) Detailed overhead rate schedule to include FAR references to define unallowable costs
b) Income Statement
c) General Ledger or Trial Balance
d) Tax Return
e) Any additional financial documents used to prepare the overhead rate schedule

**If a related party rent situation exists**

**PROVIDE**
f) Related Party Rent worksheet
g) Related Party’s tax return - depreciation amortization schedule

2) Executive Compensation
3) Contractor Cost Certification
4) Internal Control Questionnaire (ICQ) - include all documents requested in the ICQ
Reasonable Cost
A cost is reasonable, if, in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

Examples:
 A seminar is being held in your home town and also in Hawaii. Sure Hawaii is more fun but is it reasonable to fly to Hawaii with all of the other costs associated with the trip or stay in your home town to attend the seminar.
 You need to rent a car – What is considered reasonable
Allocable Cost - [FAR 31.201-4](#)

A Government contract cost that is:

- Incurred specifically for the contract;
- Benefits both the contract and other work, and can be distributed to them in reasonable proportion to the benefits received; or
- Is necessary to the overall operation of the business, although a direct relationship to any particular cost objective cannot be shown.

In short, the firm must have a system in place that segregates engineering related direct (project related) and indirect (non-project related) costs.
Allowable Cost

Depending on the nature of specific cost items, allowable costs may either be billed directly to contracts or included as overhead costs; however, FAR 31.201-2 provides that a cost is an allowable charge to a Government contract only if the cost is:

- Reasonable in amount;
- Allocable to Government contracts;
- Compliant with the terms of the contract;
- Not prohibited by any of the FAR Subpart 31.2 cost principles; and
- Compliant with GAAP and standard promulgated by the CAS (when applicable)
Overhead Rate Schedule must demonstrate a firm’s fundamental understanding of the FAR.

The overhead rate schedule must:

- Be provided in the **required** format;
- Demonstrate a reasonable assurance of FAR compliance;
- The amounts must report actual costs;
- Traceable to financial statements if not audited;
- Be mathematically correct.
The overhead rate schedule must identify with FAR references, and remove unallowable cost.
Additional determination of unallowable costs with FAR references can be found on Appendix C in the AASHTO Uniform Audit and Accounting Guide.

Key
† - See Exceptions. (*) - Requires advance agreement or verifiable methodology.

KEYWORD INDEX: 48 CFR Chapter 1, Part 31 (Federal Acquisition Regulation Part 31)

<table>
<thead>
<tr>
<th>Citation</th>
<th>Key Words</th>
<th>Generally Allowable?</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.205-61</td>
<td>Alcoholics Beverages</td>
<td>NO</td>
</tr>
</tbody>
</table>

Additional determination of unallowable costs with FAR references can be found on Appendix C in the AASHTO Uniform Audit and Accounting Guide.
The information included on the overhead must accurately reflect the information on Prequalification Cover Sheet, Executive Compensation, Contractor Cost Certification and Internal Control Questionnaire.

3 The firm must complete the Internal Control Questionnaire (ICQ), however, we encourage the ICQ document be reviewed by staff or CPA preparing the overhead to ensure cohesive pre-qualification documents. For example, if the ICQ states that vehicle costs are considered an indirect cost; auditors expect to see an indirect account for vehicle expense on the overhead.
High Risk Categories included but are not limited to:

- Direct Selling, Public Relations, Marketing, Advertising, ...
- Employee Morale
- Food, Lodging, Travel
- Amortization
- Mileage Reimbursement
- Professional Services
- Legal Cost.

These accounts should be closely reviewed to ensure direct cost and unallowable cost have been identified and removed from the proposed overhead rate schedule.
Closely review calculations for related party rent cost. Related Party Rent cannot be developed using fair market value.

Firms must provide documentation showing their methodology in determining owners actual costs, such as depreciation, taxes, insurance, facilities capital cost of money, and maintenance, provided that no part of such cost is a duplicate of any other allowed cost.

The total allowable rent cost must trace to the overhead rate schedule.

The correct weighted average interest rate must be used.
When a related party rent situation exist, the rent expense reported on the overhead rate schedule must be recorded at the owner’s actual costs.

**Option 1:**
The Related Party Rent Worksheet

Owner’s tax return schedule of depreciation and amortization showing book values of the assets cost basis;

**Note:** Section 179 and Bonus Depreciation is not allowed

Property tax;

Maintenance cost;

Other expenses define what costs are included in the “other” category.

**Option 2:**
Describe the methodology used to determine reasonableness of costs with supporting documentation. (i.e. square foot)
Consultant Services opens to the main consultant information site. Select Step 4 Financial Requirements under Helpful Links for Prequalification.

Also, note the Related Party Rent Information.
INTERNAL CONTROL QUESTIONNAIRE (ICQ) OVERVIEW

The firm must demonstrate through the ICQ, a fundamental understanding of the FAR.

MoDOT auditors will gain an understanding of your firm’s accounting practices through a Risk Based Assessment, which will provide reasonable assurance that the documents contain no material misstatements, identifies potential improvements to the firm’s accounting practices while still maintaining an audit process that is both effective and efficient.

All ICQ questions must be answered in enough detail to provide the auditor with information to determine FAR compliance.
The Risk-Based Assessment includes but is not limited to the review of the firms:

- Accounting, Timekeeping, Bonus & IT policies and procedures;
- Control environment of the accounting system;
- Ability of the firm to demonstrate fundamental FAR knowledge;
- The firm’s ability to segregate direct and indirect cost and identify unallowable cost;
- Proper allocation of labor cost to direct and indirect costs;
If your firm does not have written policies, provide an explanation to demonstrate your firm’s ability to consistently track costs between direct and indirect labor and how unallowable costs are identified and removed from the overhead.

Does the firm recognize the impact staff has to the reported financial statement amounts and subsequent impact to direct and indirect costs at the time the transaction is recorded?

If no, a detailed explanation should be included in Perm File or request additional info from firm.
Policies and Procedures - If no written policies exists, comments should be provided to demonstrate a system is in place to identify edits & deletions that may occur to the firm’s business records.

**D. Information Technology (IT) Systems**

**D.1. IT Policies.** Does the firm have written IT system policies concerning the following topics?
(If “yes,” please provide a copy.)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Hardware/Software</td>
<td></td>
<td></td>
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<tr>
<td>• Purchasing</td>
<td></td>
<td></td>
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<tr>
<td>• Inventory</td>
<td></td>
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<tr>
<td>• Maintenance</td>
<td></td>
<td></td>
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<tr>
<td>• Access</td>
<td></td>
<td></td>
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<tr>
<td>• Use of In-house and off-site</td>
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<td></td>
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<tr>
<td>• Addition and removal/disposition of</td>
<td></td>
<td></td>
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<tr>
<td>b. Business Continuation Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Security Protocol</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Activation and deactivation of employees upon hiring or termination</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**D.2. IT Risk Assessment.** Has the Company’s management conducted an IT system risk assessment within the past three years?

□ Yes □ No

**D.3. IT Security Review.** Are system security and application access logs enabled and reviewed periodically?

□ Yes □ No

Comment: ______________________

**D.4. IT Electronic Data Safeguards.** If documents are retained in electronic format, are they stored in a format that cannot easily be modified, removed, or replaced, and does a mechanism/audit trail exist to track all such events?

□ Yes □ No

Comment: ______________________
**E.4. Timekeeping System.**

a. Does the Company use an electronic timekeeping system?
   - Yes  No
   - If “yes,” please provide an explanation:

b. Are all employees, including managers and supervisors, approved to revise/adjust timesheets?
   - Yes  No
   - If “no,” please explain:

c. Are all employee timesheets approved by supervisors?
   - Yes  No
   - If “no,” please explain:

d. Is there a certification and approval process implemented?
   - Yes  No
   - If “no,” then how is time accounted for?

e. How are timesheet coding errors detected?

f. How do timesheets identify work performed?

- Does my firm allow timesheet revision/adjustments without the employee’s approval?
- Who in our firm can revise/adjust timesheets?
- How are revisions/adjustments on timesheets approved?
- How are revisions/adjustments on timesheets tracked?
- What is the process to determine if a timesheet adjustment is necessary?
- Who is authorized to review and edit/adjust timesheets?
- What type of documentation is required when timesheet edits/adjustments are necessary?
F.3 Uncompensated Overtime – Does the company record **all hours worked** by all employees, including managers and principals, regardless of whether the employees are exempt from overtime pay or whether all direct labor hours are billed to specific contracts.

If no, review perm file or obtain further information to determine if the firm has the required total-hour accounting system.
How does the firm determine if contract labor is a direct cost?

Does the firm include fringe benefits for contract/purchase labor that it has determined is a direct labor cost?

**NOTE:**
If yes, provide a written explanation of the process, policies and procedures to identify, calculate, and track the labor costs to include taxes and fringe benefits that are paid to the contract/purchase labor.
H.7. **Vehicle Expenses.** Does the Company provide vehicles to employees for business purposes?

- [ ] Yes  
- [ ] No

a. If “yes,” are the vehicles leased or owned?

- [ ] Leased  
- [ ] Owned

b. Identify the total number of vehicles owned or leased by your firm.

- [ ] Leased  
- [ ] Owned

c. Are mileage logs maintained for all vehicles? If “no,” please explain below.

- [ ] Yes  
- [ ] No

d. Is mileage separated by direct and indirect classifications, and is mileage incurred in connection with unallowable activities tracked?

- [ ] Yes  
- [ ] No

Explaination:

e. What recovery/billing rate is used for Company vehicle mileage reimbursement?

$ 0.56 per mile.

Explaination:

f. How was the rate developed?  

---

GSA mileage and per diems only are allowed on MoDOT and LPA contracts.

**GSA Mileage**

**GSA Per Diem Rates**
I.1. **Bonuses.**

a. Did the Company pay, or accrue for, bonuses earned by owners or employees during the period covered by the latest indirect cost rate schedule?
   - Yes □ No □
   - If “yes,” were the bonuses included in the submitted overhead rate? □ Yes □ No □ N/A
   - Was any portion of these bonuses excluded from the submitted overhead rate? □ Yes □ No □ N/A
   
   Comment: □

b. Does the Company have a written bonus plan?
   - Yes. Please provide a copy of the plan.
   - No. Please describe how bonuses are determined and how this is communicated to employees. □

c. Are all employees eligible for the bonuses? □ Yes □ No. If “no,” please explain: □

I.2. **Executive Compensation.** Has the Company, an independent CPA, or compensation consultant performed an evaluation of executive compensation for reasonableness in accordance with FAR 31.205-6? (See AASHTO Guide Section 7.5.)
   - Yes □ No □
   
   - If “yes,” describe the methodology used and how this process has been documented: □

Policies and Procedures - If no written policies exist, provide an explanation to demonstrate a system is in place to consistently manage how you determine eligibility for bonuses.
The AASHTO website includes the recorded NCM webinar with the following slide.

I encourage you to take the time to listen to the presentation National Compensation Matrix Webinar.

- Compensation for ALL executives should be examined for reasonableness
- Not limited to “senior executives” as defined in FAR 31.205-6(p)
- Not limited to top 5 highest paid
Related-Party Transactions
Section J

J.3. Property or Facilities Leased from Related Parties. Does the Company rent or lease property and/or facilities from another entity (organization or individual)?

- Yes  No
- If “yes,”
  a. Are any of the Company’s owners/stockholders, or members of their immediate family, also owners/stockholders of the other entity?
    - Yes  No
    - If “yes,” please explain: ______________________
  b. Have the rental/lease costs been adjusted to the property owner’s actual costs?
    - Yes  No
    - If “yes,” what basis was used to determine actual cost? (E.g., the property owner’s tax less interest expense, plus cost of money). Description: ______________________

This is the most misunderstand question on the ICQ. If the answer is “Yes” the firm rents from an entity with no common interest in the firm.

Common Control
Exists in related-party transactions when business is conducted at less than arm’s length between businesses and/or persons that have a family or business relationship. Examples are transactions between family members, transactions between subsidiaries of the same parent company, or transactions between companies owned by the same person or persons. Common control exists when a related party has effective control over the operating and financial policies of the related entity. Effective control may exist even if the related party owns less than 50 percent of the related entity.

What is the process the firm follows to demonstrate rent paid to a related party has been adjusted to the owners actual costs?

<table>
<thead>
<tr>
<th>Name</th>
<th>Contact Information</th>
<th>How Related</th>
<th>Products/Services Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>$</td>
</tr>
</tbody>
</table>
K.1. **Life Insurance**: Does the Company pay life insurance for officers/principals?

- Yes ☐ No ☐
- If “yes,”
  (a) Have any costs associated with this life insurance been included on the indirect cost rate schedule?
    - Yes - total amount: ☐ No ☐
  (b) Please identify the beneficiary of the life insurance:
    - Company/surviving partners ☐ Officer/principal’s family ☐
    - Other (specify) ☐
  (c) Please identify the type(s) of the life insurance:
    - Term ☐ Whole life ☐ Universal life ☐ Endowments (annuities) ☐
    - Accidental death ☐ Other (please specify): ☐

K.2. **Suspension or Debarment**: Has the Company, its parent, subsidiary, or any owner, stockholder, officer, partner, or employee of the Company been suspended or debarred from doing business by any State or the Federal government?

- Yes ☐ No ☐
- If “yes,” please provide complete details: ☐

K.3. **Updates for Changes to FAR Part 31**: Does the Company have an existing process designed to provide timely updates to company policies and procedures to accommodate changes in the FAR Subpart 31.2 cost principles?

- Yes ☐ No ☐
- If “yes,” please describe the process: ☐

K.4. **Risk Assessment**: Does the Company have a process for assessing risks that may result from changes in cost accounting systems or processes?

- Yes ☐ No ☐
- If “yes,” please describe the process. How are risks identified and addressed? ☐

K.5. **Communications of FHWA/DOT Requirements**: How does information flow from the FHWA/State DOT to appropriate management personnel? (E.g., How are relevant updates to State DOT procedures or Federal Regulations disseminated to project managers and accounting personnel?) ☐

---

**NOTE:**

If the Company or its surveying partners are beneficiaries, these costs are unallowable (Key Man Life Insurance) and must be removed from the overhead schedule.
Signature and Date is required for the document to be valid

I certify that to the best of my knowledge and belief this ICQ is a complete and accurate representation of the above-named Company’s cost accounting and billing practices.

Typed or Printed Name

I certify that to the best of my knowledge and belief this ICQ is a complete and accurate representation of the above-named Company’s cost accounting and billing practices.

Signature

Title

Date Completed

Note: The representations on this ICQ were made by, and are the responsibility of, the Company’s management.
Certificate of Final Indirect Costs

This is to certify that I have reviewed this proposal to establish final indirect costs and to the best of my knowledge and belief:

1. All costs included in this proposal [identify proposal and date] to establish final indirect cost rates for [identify period covered by rate] are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) of title 48 of Federal Regulations (CFR), part 31; and

2. This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR of 48 CFR part 31.

Firm: __________________________
Signature: ________________________
Name of Certifying Official: ________
Title: ___________________________
Date of Execution: ________________

- Provide this document in same format and with same language
- IDC rate must match the rate reported on the overhead
- Fiscal Period Covered must be accurate
- Document must be signed and dated to be valid
MoDOT allows three options in completing this requirement

**Option A:** Provide NCM worksheet on the AASHTO website. Submittal should include compensation document(s) of how the compensation was calculated.

**Option B:** Provide work papers to demonstrate three salary surveys were used to determine reasonableness of compensation and FAR compliance

**Option C:** Provide position title, total wages paid including taxable fringe benefits and total bonuses paid. MoDOT Auditors will compare the compensation to the NCM tool.
### National Compensation Matrix Tool - 2016

**Automated Tool for Compensation Allowability**

#### Enter Gross Revenues for Target Firm: 5,000,000

<table>
<thead>
<tr>
<th>Position</th>
<th>Formulaic Result</th>
<th>+RoR</th>
<th>Computed Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman (non-CEO)</td>
<td>126,757</td>
<td>22,113</td>
<td>148,870</td>
</tr>
<tr>
<td>CEO/President</td>
<td>258,630</td>
<td>60,958</td>
<td>319,588</td>
</tr>
<tr>
<td>Executive Vice President / Chief Operating Officer</td>
<td>188,964</td>
<td>27,742</td>
<td>216,706</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>191,732</td>
<td>25,623</td>
<td>217,354</td>
</tr>
<tr>
<td>Vice President</td>
<td>164,894</td>
<td>27,406</td>
<td>192,300</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>148,233</td>
<td>34,112</td>
<td>182,344</td>
</tr>
<tr>
<td>Top Engineering Executive</td>
<td>179,942</td>
<td>9,158</td>
<td>189,099</td>
</tr>
<tr>
<td>Human Resources Director</td>
<td>99,295</td>
<td>20,663</td>
<td>119,958</td>
</tr>
<tr>
<td>Director of Business Development</td>
<td>165,470</td>
<td>35,074</td>
<td>200,544</td>
</tr>
</tbody>
</table>

**Statutory Compensation Cap Effective 6/24/2014:**

- 487,000
- NCM Revenue Floor: 1,500,000
- NCM Revenue Ceiling: 500,000,000
The Odd Ducks

- **Pro Bono Work** – providing services at no cost
  - Direct Labor same as non-billable costs
  - LPA could be considered a conflict of interest

- **Chamber of Commerce**
  - Allowable if the entity can demonstrate unallowable activities were identified and removed from overhead

- **Employee Morale**
  - Must be defined
  - Office Holiday Parties are unallowable per FAR 31.205-14 and 31.205-51

- **Depreciation** – Mercedes & BMW, ...
  - Has the personal use of company vehicle been identified as an unallowable cost on the overhead?
Get to know Prime Consultants

Get to know MoDOT Bridge Division and District staff

The American Council of Engineering Companies (ACEC) is a good resource [http://www.acecmo.org/](http://www.acecmo.org/)

Bridge Conference hosted by MoDOT will be held in Columbia (May 2017)

Available until 2:00 for One-on-One Discussion

Presentation will be posted on MoDOT Website
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Melissa.Wilbers@modot.mo.gov