



COLUMBUS
REGIONAL AIRPORT AUTHORITY

NOTICE OF ADDENDUM
ADDENDUM #1

September 6, 2017

Subject Solicitation: On-Call Energy and Environmental Services
#ENV-2017-001
Due: September 14, 2017 at 2:00pm

Dear Sir or Madam:

The Columbus Regional Airport Authority hereby issues addenda to the subject solicitation. Unless otherwise stated, your response shall be considered as including this addendum.

Should you have any questions or need additional information, please forward them to craaprourement@columbusairports.com. Thank you for your interest in doing business with the Columbus Regional Airport Authority.

cc: file

ADDENDUM #1

Subject Solicitation: On-Call Energy and Environmental Services

#ENV-2017-001

Due: September 14, 2017 at 2:00pm

CLARIFICATIONS

1. Delete the Audit Guide for Consulting Services Cost Rates dated March 11, 2015 revised 07/22/2016 and replace with Audit Guide for Consulting Services Cost Rates dated May 1, 2017, attached to this addendum.

ANSWERS TO QUESTIONS RECEIVED PRIOR TO SEPTEMBER 8, 2017

Q On Page 5-1, the RFQ notes "A copy of the current Diversity Business Partner certification document from a government agency within the State of Ohio must be included in the qualifications submittal in order to receive any points in the business diversity selection criteria." Will these count against the 40-page limit? If they do not count against the limit, can the certificates be included in the Appendices?

A No, the Diversity Business Partner certification document will not be counted against the 40-page limit. Yes, the certificates may be included in the Appendices.

Q In past proposals, we needed to include the DECLARATION OF PROPOSED DBE UTILIZATION form, available on the City Website: <http://columbusairports.com/doing-business/business-diversity/>. This form was not included in the RFQ. I wanted to confirm we do NOT need to include in our submission.

A Yes, you will need to include the form referenced in your question, which is available on the CRAA website. This form was left out of the RFQ. A blank of the form is attached to this addendum.

Audit Guide for Consulting Services Cost Rates

May 1, 2017



COLUMBUS
REGIONAL AIRPORT AUTHORITY





Columbus Regional Airport Authority Audit Guide for Consulting Services Cost Rates

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History

The Columbus Regional Airport Authority “CRAA or the Authority” views its responsibility to the Airlines, our Board of Directors and the public we serve very seriously. One of our goals is to provide premier service at the lowest possible cost.

We consider it is our fiscal responsibility to ensure the fees we pay for consulting services are reasonable.

Considering that the CRAA’s current enplanement levels are at levels seen in the late 1990’s, our challenge is to maintain costs at reasonable levels. As part of Best Practices, we are continuously evaluating all of our procurement practices in order to be as efficient as possible in managing expenses.

Our desire is to provide a low cost airport for our airline partners to encourage them, not only to maintain their current business, but to increase services.

Purpose and Objectives

The primary purpose of the Audit Guide is to clearly communicate to our partners why CRAA reviews Consultant’s cost rates and to establish standards for the work that our Audit group performs.

CRAA’s Audit group conducts cost and compliance audits for management to ensure that funds paid to outside organizations are eligible for reimbursement and that the firms comply with federal and state rules & regulations and the terms of the contract or agreement.

Our auditors expect to identify the items of cost by finding supporting documentation to substantiate each item of cost included in a firm’s billing rates. This audit trail should lead the auditor from the costs billed to CRAA to the original supporting documentation such as time sheets, payroll records, invoices, work sheets, etc. used in developing labor and overhead rates.

Audit and Consultant Process

In order for Consultants and Contractors to understand CRAA's audit process, here is an example of our process:

- a. CRAA identifies a need for a project and a project proposal form is developed to document the project description, justification, estimated costs, etc.
- b. The Steering Committee (SC) reviews approves the project charter. The Finance Oversight Committee reviews funding source and approves the project for inclusion in the Capital Budget (rolling 2 year budget).
- c. The Capital Budget is approved by CRAA's Board of Directors in November.
- d. CRAA advertises a Request for Qualifications "RFQ." (Included in the RFQ is a section that communicates CRAA's Wage Rate Determination process.)
- e. Firms respond with statements of qualifications and experience.
- f. Consultant selection interviews take place. (Included in the process is a confirmation of the Wage Rate Determination process.)
- g. Based on the interview process, a firm is selected.
- h. CRAA creates a Negotiation Team that includes Authority members from Procurement, Legal and Audit in addition to our Project Manager. This team has the authority to negotiate the terms and conditions for the agreement and includes labor, overhead and profit components for the contract.
- i. Upon notice of our intent to negotiate, the consulting firm will be required to provide a list of individuals on their negotiating team. This team shall include at a minimum: the planned Project Manager and a representative from your firm's Legal and Accounting groups. This team



must have authority to make financial commitments on behalf of the consulting firm.

- j. Requested records will be provided by the consultant within seven (7) business days from the date of receipt of the Intent to Negotiate. Failure to provide such information may result in a decision by CRAA to discontinue negotiations with the highest ranked firm and start negotiations with the next highest ranked firm.
- k. In the event the proposed Prime and/or Sub-Consultant is not able to negotiate an acceptable Wage Rate Determination (WRD) with the Authority, the prime consultant shall be given written (may be electronic) notice that the negotiations are subject to failure. The prime consultant then has five (5) business days to provide a final offer regarding their WRD and/or the Sub-Consultant's WRD. If the five (5) business days pass without resolution on the final offer the Authority shall notify the recommended Prime Consultant, in writing (may be electronic), that the final offer negotiations have failed and, therefore, that negotiations have failed for the entire team. The decision of the Authority shall be final. The Authority shall then move to the next highest-ranked consultant. This process will continue until a successful negotiation is achieved or the Authority, at its option, may choose to commence a new selection process.
- l. Within three (3) weeks from receipt of the records from the consultant CRAA's proposed Overhead rates will be provided to the consultant and negotiations will commence.
- m. Upon successful completion of the negotiations, the CRAA will establish Wage Rates, Overhead and Profit for the respective Consultant and any Sub-consultants for the referenced project or agreement only. Overhead and profit shall not be adjusted throughout the term of the agreement. Wage Rates may only be adjusted as outlined in the Agreement.
- n. The Contract Committee (CC) reviews and approves the selection process, supporting documentation for Agreement approval.
- o. As work progresses, the consultant will submit monthly billings for work performed based on the Agreement or Task Orders.

- p. The Audit group has up to three (3) years from the completion of the contract to conduct a final audit of the consultant and the sub-consultants' records. This time limit is usually established in the agreement between CRAA and the consultant.

Audit Standards

OCP notifies CRAA's Audit group when they begin the contractor selection process for any capital project that has component costs that include professional fees for research, design, construction management, environmental or other studies.

All Consultants will be required to submit within seven (7) days of receipt of the Intent to Negotiate, at a minimum their most recent Federal Acquisition Regulation "FAR" audit, financial statements, payroll registers, a listing of other direct costs, and the completed electronic version of the Wage Rate Determination "WRD" Form (See Appendix A of this Audit Guide for Instructions and Worksheet) for the prime consultant and sub-consultants. If a FAR audit is not available, an in depth analysis will be required to determine justification of the firm's billing rates.

The Audit group will review professional services following the guidelines established below:

1. Projects under CRAA's target \$300,000 may be subject to additional verification and will require Firm certifications as follows:
 - a. Written certification that the overhead rates include no bonus payments for past performance on other projects.
 - b. Written certification that the advertising and marketing expenses include allowable costs as specified in the FAR provisions (see 31.205-1 & 31.205-38.)



- c. Written certification that the productivity (defined as direct salaries divided by total salaries) used in the overhead rate is no less than CRAA's stated rate. This rate changes annually upon publication of new guidelines.
2. Projects that are over CRAA's target threshold (\$300,000), but have an overhead rate equal to or less than 140% will be selected for review of backup documentation in two (2) main areas:
 - a. A review of the overhead rate will be completed to verify that there are no bonus payments for past performance on other projects included in the calculation of the overhead rate.
 - b. The productivity rate (defined as direct salaries divided by total salaries) will be reviewed to verify that direct salaries are no less than CRAA's stated rate. Currently, CRAA's stated rate is 59.8%.
3. Projects that are over CRAA's target threshold (\$300,000) and also have an overhead rate in excess of 140% will be selected for a more extensive review of the supporting financial information and WRD analysis.

Wage Rate Determination Overview

The Authority requires specific documentation of proposed cost and pricing data from the highest ranked Consultant and each sub-consultant. The following instructions will assist in the accurate completion of the Consultant Hourly WRD Worksheets.

The highest ranked Consultant and related sub-consultants shall provide the following information to the Authority within seven (7) business days after the Notice of Intent to Negotiate has been received. Failure to provide such information in a timely manner may result in a decision by CRAA to discontinue negotiations with the highest-ranked consultant and to begin negotiations with the next highest-ranked consultant.

It is the prime consultant's responsibility to supply the Worksheet and Instructions to each sub-consultant. The sub-consultant will return these completed items to the prime consultant or directly to CRAA's Audit Dept., in the electronic format specified by the Authority. Sub-consultants' documents are required within the same seven (7) business day timeframe noted in the above paragraph.

All documents shall be provided in an electronic format to the CRAA Project Manager assigned to the project. Any information considered confidential should be marked or transmitted as such.

All consultants and sub-consultants are required to submit, at a minimum, the following documents *(See detailed instructions and sample worksheet in Appendix A)*:

1. Wage Rate Determination
 - a. WRD – Based on an Hourly rate
 - i. Completed WRD worksheet in Excel format
 - ii. Payroll reports (detailed) for two (2) recent pay periods
 - iii. For adjustments
 1. To add employees to the WRD, complete:



- a. Name
- b. Position
- c. Hourly rate requested
- d. Are they paid hourly or salary
- e. Two recent detailed payroll registers

2. To request a Wage Rate Increase:

- a. In order to better align the timing of Wage Rate Increases with the contractor's actual annual increases, we will allow one increase during the first 12 months of the contract. This increase will set the timing of future increases for the duration of the contract.
 - i. The actual increase/decrease, or
 - ii. The average percentage increase Authority Personnel receive, approved by the Board in the Annual Budget at the November Board meeting of the previous year.
- b. After the initial increase, subsequent annual increases will be allowed only after 12 months at the set rate. This will be computed at the lesser of:
 - i. The actual increase/decrease, or
 - ii. The average percentage increase Authority Personnel receive, approved by the Board in the Annual Budget at the November Board meeting of the previous year.

3. To submit a Wage Rate Decrease:

- a. Submit new WRD within thirty (30) calendar days of decrease.

2. WRD – Overhead Rate

- i. State Requested Overhead Rate:
 - i. If actual is less than 140%, use actual
 - ii. If actual is greater than 140%, use:
 1. The Actual, or
 2. Elect to use 140%
- ii. Financial statements (detailed), audited if available (if not audited, then highest independently reviewed level available):



- i. Most recent annual financial statements
 - ii. Include a detailed general ledger (electronic) of your most recent full fiscal year
 - iii. FAR Audit or additional information:
 - i. If you have a FAR Audit, provide the FAR Audit report with all supplemental schedules
 - ii. If you do not have a FAR audit, provide a schedule showing calculation of the overhead rate
 - iv. Provide a written explanation on how the Overhead Rate is reviewed and calculated. The final overhead rate will remain in effect for the term of the contract.
3. WRD - Profit Rate
 - a. State requested Profit Rate
 - b. The Authority considers both Federal DOT and FAR guidelines in establishing fair and reasonable profit. All firms must provide justification if requesting profit rates are in excess of eight (8.0%) percent. The final profit rate will remain in effect for the term of the contract.
4. Other Direct Costs (ODC)
 - a. Provide a schedule identifying and showing the calculation of ODC
 - b. Note: No markup on ODC is allowed
5. Sub-consultant Costs
 - a. Note: No markup on Sub-consultant Costs is allowed unless specifically stated in the contract.
6. Miscellaneous Information
 - a. Do not protect any Excel electronic forms submitted other than, possibly, a password to open. If a password is required to open the document, please remember to advise the Authority of the password.

Frequently Asked Questions

1. Does CRAA have a cap on the overhead rates?

- a. Yes, 200%. CRAA will complete an in depth review of overhead rate calculations that are over 140%. However, if rates over that guideline can be substantiated, CRAA may allow a higher overhead rate not to exceed the cap.

2. How is the productivity rate calculated?

- a. Productivity is calculated by dividing direct salaries by total salaries. If direct salaries are \$600,000 and total salaries are \$1,000,000, the productivity rate is 60%.

3. What are CRAA's guidelines on productivity rates?

- a. As an example let's say CRAA's stated productivity rate is 60%. If direct salaries are \$500,000 and indirect salaries are \$500,000, CRAA will reclassify \$100,000 from indirect to direct salaries for the overhead rate calculation in order to meet the published productivity percentage rate. The stated rate may be adjusted from time to time. (See FAQ 4.a. below.)

4. Is the productivity percentage that CRAA utilizes as an estimate subject to changes?

- a. This percentage is adjusted annually to reflect changes in the economy. CRAA may use various sources to arrive at the percentages, including but not limited to, Annual Financial Performance Surveys published by the American Council of Engineering Companies of Ohio (ACEC); the Professional Services Management Journal (PSMJ); and Zweig White, as well as other relevant published guidelines that may be available on an historical basis.

5. Why are bonuses excluded in the overhead calculations?

- a. Bonus payments are expenses that are paid based on past profits. They essentially reflect a distribution of company profits from previous year's

profits and earnings. As such, CRAA will not pay for bonuses in the current overhead rates that are the results of profits from other projects.

6. What are allowable advertising & public relations costs?

- a. Generally, CRAA follows the guidelines of allowable advertising and public relations costs that are defined in FAR sections 31.205-1 (d) and 31.205-1 (e). However, if allowable and non-allowable advertising, marketing and public relations costs are not shown separately, backup documentation may be reviewed in sufficient detail to determine the appropriateness of allowable costs.

Helpful Website Links

1. Ohio Department of Transportation includes helpful information regarding the Federal Acquisition Regulation 'FAR' Part 31 and the American Association of State Highway and Transportation Officials 'AASHTO' Uniform Audit & Accounting Guide at the following link:
<http://www.dot.state.oh.us/Divisions/Finance/Auditing/Pages/Consultants.aspx>
2. This CRAA's Consultants' Audit Guide can be found on the Columbus Regional Airport Authority's website at the following link:
<http://columbusairports.com/files/doing-business/pdfs/craa-wage-rate-determination-2015.pdf>



APPENDIX

A

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Exhibit 1

Wage Rate Determination Worksheet

Columbus Regional Airport Authority Consultant Hourly Wage Rate Determination (WRD) Worksheet							
Once CRAA has issued a Notice of Intent to Negotiate this worksheet shall be completed, in Excel format, in its entirety in order to begin fee negotiations. To ensure accurate completion of this Worksheet, refer to the WRD Instructions provided with this form. Current, detailed payroll registers for 2 recent pay periods must always accompany the Hourly Wage Rate Determination Worksheet (WRD).							
Project Name: _____							
Term of Contract (enter dates): _____							
Firm's Name: _____							
	Employee Name (1)	Job Title	H/S	(Column A) Actual Hourly Rate	(Column B) Overhead (2)	(Column C) Profit (3)	(Column D) Loaded Hourly Rate (A+B+C)
	Last Name, First Name				<u>140.0%</u>	<u>8.0%</u>	
	Doe, Jane (at 140% OH and 8% Profit)	Project Assistant	H	\$15.00	\$ 21.00	\$ 2.88	\$ 38.88
				\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -
Notes:							
1. List all staff (employees only) that may work on the project and their actual base hourly compensation earned at the time this form is submitted. After completion of fee negotiations and execution of a contract between CRAA and the highest-ranked consultant, this form shall be updated within thirty (30) days for any personnel changes and resubmitted along with two (2) recent payroll registers to the Project Manager for approval. Actual rate may not exceed \$100.00/hour.							
2. Use the WRD Instructions as a guide to determining the overhead rate. This calculation is Column A times the overhead percentage.							
3. If the profit percentage exceeds 8.0%, provide documentation necessary to justify the unique circumstances that would warrant a higher percentage. This calculation is Column A plus Column B times the profit percentage stated in Column C.							
4. Do not list employees whose wages are included in overhead. Examples: Estimating, Safety, Economic Inclusion.							
H/S - Indicate whether the employee is hourly or salaried.							
Effective 03/17/2010							

Wage Rate Determination Detailed Instructions

The WRD worksheet shall be completed using the supplied Microsoft Excel spreadsheet (do not make any entries or changes on the 2nd tab of the worksheet labeled 'for CRAA use only.' The form shall be submitted electronically to the Authority's Project Manager. Non-Excel versions will not be accepted.

1. WRD – Hourly Rate (WRD & Payroll reports)

- a. WRD form** - The prime Proposer and related sub-consultants shall complete the electronic (Excel) Consultant Hourly Wage Rate Determination (WRD) worksheet in its entirety, supplying:
 - i. Name of each employee (no sub-consultants) planned to work on the project
 - ii. Job classification
 - iii. Hourly or salaried
 - iv. Current hourly base rate of pay. This is the raw wage rate (no fringes, burden, etc.).
 - v. The Authority considers a raw (base) rate of pay greater than \$100/hour excessive and limits the raw rate accordingly.
 - vi. Requested overhead (o/h) rate percentage (this is your actual o/h rate or less)
 - vii. Profit rate requested

- b. Payroll registers** - Current, detailed payroll registers covering the last two pay periods that support the current hourly base rate of pay. The payroll registers should show, at a minimum:
 - i. Each employee planned to work on the job
 - ii. Actual hourly rate of pay (or enough information to easily calculate an hourly rate, such as annual salary)
 - iii. Hours worked
 - iv. Payroll deductions
 - v. All other information typically stated on a payroll register.
 - vi. Registers must be actual payroll registers. Certifications by officers, Excel spreadsheets listing employees and pay rates, etc. cannot be accepted.



c. Adjustments

i. Adding employees to an approved WRD

1. If during the contract you must add employees to the WRD, submit the following information for each employee to your Project Manager:
 - a. Employee's full name
 - b. Position
 - c. Hourly rate requested
 - d. Whether they are paid hourly or salary
 - e. Two recent detailed payroll registers
2. The Authority's Audit Services Department will make the appropriate additions to the master WRD and send you a new, approved WRD.
3. Please try to plan ahead, limiting the number of requests to add employees.

ii. Requesting a rate increase

1. At the end of each twelve (12) month period following the initial adjustment, an adjustment to actual hourly rates may be requested by submitting the following to the CRAA Project Manager:
 - a. All items listed above in '1. a. WRD form,' with the following exceptions:
 - i. 1. a. vi. – enter the overhead rate agreed to for the project.
 - ii. 1. a. vii. – enter the profit rate agreed to for the project.
 - b. All items listed above in '1. b. Payroll Registers.'
2. If approved by the Authority, Actual Hourly Rates may be adjusted by the lesser of the following:
 - i. The actual wage rate increase or decrease paid to the employee; or



- ii. The average percentage increase Authority Personnel receive, approved by the Board in the Annual Budget at the November Board meeting of the previous year.

This percentage change applies only to the actual hourly rate. The overhead and profit percentages remain the same throughout the contract.

iii. Requesting a rate decrease

1. Any time the consultant decreases rates paid to its employees, the consultant will submit (within 30 calendar days of the payroll decrease) the following to the CRAA Project Manager:
 - a. All items listed above in '*1. a. WRD form,*' with the following exceptions:
 - i. *1. a. vi.* – enter the overhead rate agreed to for the project.
 - ii. *1. a. vii.* – enter the profit rate agreed to for the project.
 - b. All items listed above in '*1. b. Payroll Registers*' however the two payroll register should be submitted as follows:
 - i. The payroll register covering the pay period immediately before the decrease
 - ii. The payroll register covering the first pay period of the decrease

This change applies only to the actual hourly rate. The overhead and profit percentages remain the same throughout the contract.



2. WRD – Overhead Rate (Financial Statements & Overhead Calculation)

NOTE: FINANCIAL INFORMATION MUST BE FOR THE SAME FISCAL YEAR

a. Requested Overhead Rate - State the Requested Overhead Rate on the WRD worksheet

- i. If actual overhead rate is less than or equal to 140%
 1. Enter the actual overhead rate.
- ii. If actual overhead rate is over 140%
 1. Actual, or
 2. Consultant may elect to accept a rate of 140% in lieu of a full review by the Authority. This election is made by entering an overhead rate of 140% on the WRD worksheet.
- iii. All documents must still be submitted in order for the Authority to verify the actual overhead rate.

b. Financial Statements (detailed), audited if available

- i. Most recent annual financial statements
 1. Audited, if available. If not available then (in order of preference):
 - a. reviewed
 - b. compiled
 - c. internally prepared

Be sure to include a breakout of G & A Expenses, Direct Labor and Paid Time Off (PTO)

2. If the financial statements include multiple entities or disciplines (i.e., Engineering, design, construction management, etc.), consolidated financial statements shall be provided detailing each respective business unit's financial activity.
3. Any financial results relating to parent or subsidiary companies may be removed from the multiplier calculation by the Authority.



- ii. Include a detailed general ledger (electronic, excel) of your most recent full fiscal year. The general ledger should agree to the financial statements (in total). If they don't agree, a reconciliation must be provided.
- iii. Detail of all costs (other than labor) included in the overhead or indirect costs that are chargeable to/reimbursable under this or any other project. Examples of these cost categories are:
 1. Travel
 2. Equipment rental
 3. Specialized test equipment for other projects
 4. Blueprint, drawing, or report preparation/reproduction
 5. Supplies
 6. Site costs/costs of special off-site projects
 7. Sub-consultant costs/outside labor or services

Explain how you account for costs which are directly reimbursable by other customers. If the reimbursements are included in gross revenues and not netted against the related expenses, **the reimbursed amount will be removed from the overhead calculation.**

c. FAR (Federal Acquisition Regulations) Analysis

- i. If you have a FAR Audit
 1. FAR Audit Report
 - a. Include entire report
 - b. Include all supplemental schedules
 - c. Report on Internal Controls for the audit period that corresponds to the FAR Audit Report.
- ii. If you do not have a FAR Audit
 1. A schedule showing the calculation of your overhead rate.
 2. A review, in accordance with Federal Acquisition Regulation (FAR) 31 standards, of the financial statements and indirect costs will be necessary. The Authority will review the financial statements and initial overhead calculation. If it is



determined by the Authority that a full FAR audit is necessary:

- a. Due to the timing of the Project, the Authority may decide to move to the next qualified firm, or
- b. The Authority or the Authority's representative shall initiate a review of the cost allocation and overhead calculations. All costs associated with this review by the Authority shall be reimbursed by the Proposer.
- c. The Proposer or sub-consultant may have an audit performed by its own independent CPA firm if:
 - i. it can be completed timely,
 - ii. there is a firm completion date from the CPA firm, and
 - iii. the timing is agreed to by the Authority.
3. The totals on the unadjusted column of the FAR report should agree to the financial statements and the detail general ledger. If they do not, a reconciliation must be provided which includes a detailed listing of all overhead/indirect expenses from the general ledger that agrees to the financial numbers in the FAR Audit Report (unadjusted column). This information should be provided in an electronic Excel file for all expense categories detailing the date, description and corresponding cost.

d. How the overhead rate is reviewed and calculated

The Authority will apply FAR standards to the financial statements as well as some Authority criteria, such as treatment of bonus payments. If you have a FAR Audit the Authority may make additional adjustments in accordance with the Authority's interpretation of the FAR.

In order to apply FAR 31.201-3, Reasonableness, the Authority will use Zweig White & Associates, Inc.'s current "Financial Performance Survey" to review benchmark percentages for certain items. This may include review of items such as productivity, insurance, retirement contributions, etc. that are a component of overhead. The Authority



will adjust the overhead rate for category percentages that fall outside those benchmarks listed within the Zweig White Survey.

The Authority benchmarks total labor by utilizing the Chargeability Rate and Personnel Cost Rate described in the above-mentioned Zweig White survey. An adjustment will be made to Direct and Indirect Salaries and Personnel Costs when the ratio between Direct Salary and Indirect Salary Costs fall below this rate.

For example:

In 2014 the medium chargeable rate was 59.8%. If direct salaries are \$500,000 and indirect salaries are \$500,000, the benchmark indicates that direct salaries should be \$598,000 ($\$1,000,000 \times 59.8\%$) and Indirect Salaries should be \$402,000 ($\$1,000,000 \times 40.2\%$). An adjustment of \$98,000 ($\$598,000 - \$500,000$) would be made reducing indirect salaries and increasing direct salaries.

Once the review is completed the Authority will calculate a revised overhead multiplier based on the information stated above.

The final overhead rate will remain in effect for the life of the contract.

3. WRD - Profit.

The Authority considers both Federal DOT and FAR guidelines in establishing fair and reasonable profit. All firms must provide justification if requesting profit rates in excess of eight (8.0%) percent.

The final profit rate will remain in effect for the life of the contract.

4. Other Direct Costs (ODC).

In addition to the WRD, a schedule of ODC for this project is required.

- a. Identify all Other Direct Costs for this project and the rationale used as a basis for the costs.



- i. Do not include any costs that are a component of Indirect Overhead, including items that have been depreciated.
- ii. For each ODC, provide the unit price and/or rate with supporting rationale, historical data and estimating methodology used to validate it
- iii. **Failure to identify ODCs with submission of the WRD results in a presumption that there are no ODCs (highlighted for emphasis) for this work.**
- iv. ODC will be reimbursed according to the Authority's expense reimbursement policy once the consultant has submitted proper documentation (invoice, etc.)
- v. In accordance with Authority policy, Consultants shall not mark up ODC.

5. Sub-consultant Costs

In accordance with Authority policy, Consultants shall not markup sub-consultant costs, unless/except as stated in the contract.

6. Miscellaneous

Further requests for records may be made by other members or representatives of the Authority. Proposer and subconsultants shall cooperate fully when supplying the information needed to verify the Cost and Pricing Data.

The Authority, at its option, may elect not to verify certain costs at the time of negotiation; however, the Proposer and each subconsultant are required to submit all information according to the guidelines above. At any time during or after the contract (within the guidelines of the contract provisions) the Authority may request further verification of the submitted costs or multipliers.

Financial records required may include, but are not limited to, the Proposer's financial statements, general ledger, receivable and payable records, payroll and related benefit records, equipment records and related financial systems.