

# Department of Transportation and Public Facilities

Statewide Administrative Services
Operating Finance

3132 Channel Drive P.O. Box 112500 Juneau, Alaska 99811-2500 Main: 907.465.3911 Fax: 907.465.3124

July 3, 2018

Ms. Sandra A. Garcia-Aline Division Administrator Federal Highway Administration P.O. Box 21648 Juneau, Alaska 99802-1648

Re: SFY 2019 rates

Dear Ms. Garcia-Aline:

We received your approval for the Department of Transportation and Public Facilities (DOT&PF) labor rate and indirect cost rate proposals for SFY 2019.

As requested, I am returning one signed copy of the agreement between DOT&PF and the Federal Highway Administration.

Please contact Roger Baines at 465-8829 or via e-mail at roger.baines@alaska.gov if you have any questions.

Sincerely,

Sunny Haight Acting Director

Enclosure

cc: Marc Luiken, Commissioner, DOT&PF

Roger Baines, Finance Officer, DOT&PF
Geri Henricksen, Revenue Chief, DOT&PF
Lee Ellenburg, Internal Review Chief, DOT&PF

Kristi Warden, Acting Director, Federal Aviation Administration

# INDIRECT COST AND LABOR RATE NEGOTIATION AGREEMENT BETWEEN THE ALASKA DEPARTMENT OF TRANSPORTATION AND THE FEDERAL HIGHWAY ADMINISTRATION, ALASKA DIVISION

This agreement is made and entered into by the State of Alaska by and through its Department of Transportation (DOT&PF) and the United States Government, by and through its Department of Transportation, Federal Highway Administration (FHWA). The indirect cost rates and labor rates contained herein are for use on grants and contracts with the Federal Government to which 2 CFR 200 applies, subject to the limitations contained in Section III.A of this agreement. The rates were negotiated by DOT&PF and FHWA in accordance with the authority contained in 2 CFR 200, Subpart F, Appendix VII.

#### Section I: Indirect Cost Rates

Type: Fixed Rate with Carry Forward Adjustment Effective Period: July 1, 2018 – June 30, 2019

Approved Rates:

3.83%
3.66%
0.61%
1.96%

Base: Total Direct Costs

Applicable To: All programs not specifically exempted, limited by law, or otherwise not applicable because special operating factors necessitate special indirect cost rates.

#### Section II: Labor Rates

Effective Period: July 1, 2018 – June 30, 2019

### Approved Rates:

	Regular	Premium
Base Pay	100%	100%
Benefits	45%	38%
Insurance	27%	0%
Leave Taken	17%	0%
Over/Under Variance	-2%	-2%
Total	186%	136%

Applicable To: All programs not specifically exempted by law

#### Section III: General

#### A. Limitations

a. The rates contained in this agreement are subject to any statutory or administrative limitations and are reimbursable through grant, contract, or other agreement only to the extent that funds are available. Acceptance of these rates is predicated on the condition that the information provided

by the DOT&PF which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rates will be subject to renegotiation at the discretion of the FHWA.

- b. Acceptance of the indirect cost rates is also predicated on these conditions:
  (1) only costs incurred by the DOT&PF were included in its indirect cost pool as finally accepted: such costs are legal obligations of the DOT&PF, and are allowable under the allowable governing cost principles;
  (2) the same costs that have been treated as indirect costs are not claimed
  - (2) the same costs that have been treated as indirect costs are not claimed as direct costs;
  - (3) similar types of costs have been accorded consistent accounting treatment;
  - (4) the state's portion of funded projects are not included in the cost pool, and
  - (5) when the actual costs for this period are determined, an adjustment will be made to the rates for the subsequent State Fiscal Years to compensate for the difference between the costs used to establish the fixed rates and actual costs.

## B. Accounting Changes

This agreement is based on the accounting system to be in effect during the agreement period. Changes in the method of accounting for costs that affect the amount of reimbursement resulting from the use of these rates require prior concurrence of FHWA. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain concurrence may result in cost disallowances.

# C. Use by Other Federal Agencies

The rates in this Agreement were approved in accordance with the authority in 2 CFR 200, and should be applied to grants, contracts, and other agreements covered by this regulation, subject to any limitations in Section III.A above. Copies of this document may be provided to other Federal Agencies as a means of notifying them of this agreement.

#### D. Other

If any Federal contract, grant, or other agreement is reimbursing indirect costs by means other than the approved rates in this agreement, DOT&PF shall notify FHWA.

State of Alaska DOT&PF

Sunny Haight, Acting Director Administrative Services Division U. S. Department of Transportation Federal Highway Administration

6-25-18

Sandra A. Garcia-Aline Division Administrator

6/29/18

Date

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES								
RATE DETERMINATION	1	E	w	9	7	41	51	Y I
	Federal	State	Federal	State	Public	Harbors	Reimb/Misc.	
Multi Scenario	Hwy CIP	Hwy CIP	Arpt CIP	Arpt CIP Rate	Facilities CIP	CIP Rate	d de	Total
DETERMINATION OF UNDER/(OVER) RECOVERY								
1 Actual Indirect Costs for COA2017 (eligible costs)	30,651,588	2,636,639	8,276,361	522,822	180.190	166,183	1,212,994	43,646,777
2 Actual Direct Costs for COA2017 Note 1	673,524,795	63,168,555	193,722,839	11,274,740	25,367,023	5,457 163	33,000,653	1,005,515,768
3 Rate to recover actual COA2017 Indirect Costs (Line 1 / Line2)	4 55%	4 17%	4 27%	4 64%	0.71%	3 05%	3.68%	
4 Less Calculated Rate for COA2017 Note 2	4.96%	2.85%	4.87%	6.63%	1.02%	3.97%	4.99%	
Subtotal	-0 41%	-1 68%	%09 O-	-1 99%	-0.31%	-0 92%	-131%	
Reversal of (Over) Under Recovery Rate for COA2017 Note 3	0.31%	0.17%	0,01%	-0.7896	-0.21%	0.11%	0.40%	
5 (Over)/Under recovery COA2017 Indirect Costs (Subtotal less reversal)	-0.72%	-1 85%	%190-	-1.21%	-0.10%	-1.03%	-1.71%	
RATE CALCULATION								
is for COA2018 (eligible cos	30,651,588	2,636,639	8.276,361	522,822	180.190	166,183	1,212,994	43.646,777
7 Adjustment to COA2017 Actual Indirect Costs not alloc by Model Note 3	000 147 00	000,000	174 754 0	000 000	001 001	177 102	100000	* CAL OLD CA
8 Estimated COA2017 Indirect costs to be recovered	30,651,588	2,636,639	8.276,361	522.822	180,190	166,183	1.212.994	43 646 777
9 Actual Direct Corts for COA2017	673,524,795	63,168,555	193,722,839	11,274,740	25,367,023	5,457,163	33,000,653	
10 Adjustment to COA2017 Actual Direct Costs Note 4				4		6		
11 Estimated COA2017 Direct Ptj Costs	673.524.795	63,168,555	193,722,839	11.274.740	25,367,023	5.457.163	33.000,653	
12 Est 2019 Indirect Costs/Actual 2017 Direct Prj Costs (Line 8 / Line 11)	4 55%	4.17%	4 27%	4.64%	0.71%	3.05%	3.68%	
11 Adi hu (Oush) Inder Collection from Ins 5	%04.0-	7848	%19/9	1.01%	%U1 I)-	-1 03%	1 7195	
14 Dietribution Basis: Direct Driver Des Out (ICAP) from Ine 12	4 55%	4 17%	4 77%	4 64%	%12.0	3.05%	3,68%	
15. Calculated Rate (line 13 + Line 14)	3.83%	2.33%	3.66%	3.42%	0.61%	2.01%	1.96%	
As well and the state of the st								
16 Cakulated rate FY2019	3,83%	2.33%	3.66%	3.42%	0.61%	2.01%	%96T	
Calculated Rate FY2017	4 96%	5.85%	4.87%	6.63%	1.02%	3.97%	4 99%	
Charged FY2017 Indirect Charges	4 96%	4 96%	3 89%	3.89%	0.29%	2 00%	3 23%	
Estimated Indirect Costs Recovered - Calculated without (over)/under	30,651,588	2,636,639	8.276.361	522,822	180,190	166,183	1,212,994	43.646.777
Plus (over)/under adjustment	(4,843,168)	(1,166,108)	(1.177.314)	(136,750)	(25,283)	(56,469)	(565,741)	(7,970,834)
Calculated Rate Estimated Indirect Costs Recovered	25,808,420	1,470,530	7 099 047	386.073	154 907	109,714	647.253	35,675,943
Approved Rate to be charged FV19 Note 5	3.83%	2.33%	3.66%	3.42%	0.61%	1,00%	1,96%	
Charged Rate Estimated Indirect Costs Recovered	25,796,000	1,471,827	7.090.256	385,596	154,739	54,572	646,813	35,599,802
	72.46%	4 13%	19 92%	1 08%	0.43%	0 15%	1 82%	
Estimated Direct Expenditures	673,524,795	63,168,555	193,722,839	11,274,740	25,367,023	5,457,163	33,000,653	
Proposed rates	3 83%	2.33%	3.66%	3.42%	0.61%	2.01%	1.61%	
Estimated ICAP Receipts Retinated Direct Expanditures	25,796,000	1,471,827	7,090,256	385,596	25 367 (193	5 457 163	33 000 653	35,539,417
Old methodology with PY rates								
	90	N	×			*	*	(*)
Estimated Direct Expenditures	814,965,002	76,433,952	234,404,635	13,642,435	30,694,098	6,603,167	39,930,790	
Assuming 10% increase in direct exp each year with proposed rates.  Estimated ICAP Receipts	31.213.160	1.780.911	8.579.210	466.571	187.234	132.724	642.886	43.002.695
Esún	673,524,795	63,168,555	193,722,839	11.274.740	25.367.023	5.457.163	33,000,653	
Calculated Rates	3.83%	2.33%	3.66%	3.42%	%190	2.01%	1.96%	
Estimaled ICAP Receipts	25.808.420	1.470.530	7,099,047	386,073	154,907	109,714	647,253	35.675.943

INDIRECT COST RECOVERY RATES FOR FY 2014