

**VERMONT AGENCY OF TRANSPORTATION**  
**Personal Service Contract**  
**Consultant Financial Background Questionnaire**

**VAOT Form AF38**

**FIRM NAME** \_\_\_\_\_

**BUSINESS ADDRESS** \_\_\_\_\_

**CONTACT PERSON/ PHONE #** \_\_\_\_\_

**LOCATION OF ACCOUNTING RECORDS** \_\_\_\_\_

**PURPOSE**

The Policy of the Vermont Agency of Transportation in the solicitation of professional services is to require the submission of certain levels of consultant and subconsultant financial background information based on the estimated total of the proposed contract. To become eligible for contract selection, a consulting firm and their proposed subconsultant(s) must provide the requirements of this form at the time of Proposal submittal. Please answer all questions. For those questions that are not applicable (N/A) please so state and provide a written explanation for the N/A response.

**AUDIT PROCEDURE**

Federal Regulations and Agency Policy require that a pre-award evaluation of all potential consultants be conducted. The objective of the pre-award evaluation will be to assess the acceptability of the consultant's:

1. Proposed Cost and Quantities
2. Accounting System
3. Financial Condition

**INSTRUCTIONS FOR FILING**

1. Complete Section One if you wish to be qualified to compete for estimated contract values up to \$100,000.
2. Complete Sections One and Two if you wish to be qualified to compete for estimated contract values up to \$500,000 and/or will be using an indirect cost rate to compute labor charges.
3. Complete Sections One and Three if you wish to be qualified to compete for estimated contract values greater than \$500,000 and/or will be using an independently audited indirect cost rate to compute labor charges.
4. Complete Section Four for ALL ENGINEERING CONSULTING and DESIGN SERVICES CONTRACTS – INDIRECT COSTS CERTIFICATION, regardless of amount; in addition to Sections One, Two and Three, as applicable, as described immediately above. Section Four Requirement EFFECTIVE January 1, 2011.
5. Consultant signature & notarization of this form is required (see form back).
6. This form remains valid for eighteen months from date of submission to VTrans. Submission is required based upon annual reporting/fiscal year.

**SECTION ONE**

1. Are time sheets maintained for all employees separating direct and indirect hours? Yes \_\_\_\_\_ No \_\_\_\_\_
2. Are time sheets certified by management? Yes \_\_\_\_\_ No \_\_\_\_\_
3. What accounting records are maintained to support financial transactions? Automated or Manual? (Indicate "A", "M" or "N/A")
  - a) General Ledger \_\_\_\_\_
  - b) Cash Disbursement Journal \_\_\_\_\_
  - c) Cash Receipts Journal \_\_\_\_\_
  - d) Payroll \_\_\_\_\_
  - e) Project Cost Register \_\_\_\_\_
  - f) Employee Time Card or Time Sheet \_\_\_\_\_
4. a) Describe the accounting for direct expenses that are reimbursed and the correlation to the indirect cost rate calculation (you may address the accounting entries in skeleton-form).  
b) Has your indirect cost rate been examined by a Regulatory Agency in each of the last three (3) years? If yes, submit copies of the examination report for the years under exam.
5. Explain the flow of items from source documents (time sheets, invoices) to the general ledger. (Attach Flow Chart if available)
6. List current employees who may work on VTrans contracts by name, job classification and rate of direct compensation.
7. Does the firm have policy and procedure manuals for:
  - a) Accounting Yes \_\_\_\_\_ No \_\_\_\_\_
  - b) Billing Yes \_\_\_\_\_ No \_\_\_\_\_
  - c) Direct and Indirect Costs Yes \_\_\_\_\_ No \_\_\_\_\_
  - d) Time Keeping Yes \_\_\_\_\_ No \_\_\_\_\_
  - e) Leave Yes \_\_\_\_\_ No \_\_\_\_\_
  - f) Fringe Benefits Yes \_\_\_\_\_ No \_\_\_\_\_
  - g) Overtime Yes \_\_\_\_\_ No \_\_\_\_\_
  - h) Travel/Meals Yes \_\_\_\_\_ No \_\_\_\_\_
8. Describe how the cost system accumulates and summarizes project costs. Attach input process, and output flow chart. (IPOF)
9. Does the cost system labor summary reconcile with the payroll register and the general ledger? Yes \_\_\_\_\_ No \_\_\_\_\_
10. Federal Identification Number \_\_\_\_\_

(continued on back)

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(continued from front)

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**SECTION TWO**

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**Firms seeking estimated contract(s) valued from \$100,000 to \$500,000**

Attach a current indirect cost schedule prepared in accordance with Title 48 of the Code of Federal Regulations, Chapter 1, Part 31. **In accord with Part 31.203, indirect costs should pertain to and provide benefit to performance of contracts with the Vermont Agency of Transportation. Therefore, a field indirect cost rate, offsite indirect cost rate or otherwise adjusted indirect cost rate is required where applicable.** Also attach the following financial statements: balance sheet & income statement. All schedules and statements must cover a period ending no more than eighteen months prior to the proposal due date. They may be prepared by the submitting consultant or subconsultant as applicable, but preparation by an independent public accounting firm is preferred. If the above documents are current and on file with the Agency, do not resubmit them. A letter indicating the documents are on file with the Agency will be sufficient.

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**SECTION THREE**

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**Firms seeking estimated contract(s) valued at greater than \$500,000**

Attach a current indirect cost schedule prepared in accordance with Title 48 of the Code of Federal Regulations, Chapter 1, Part 31. **In accord with Part 31.203, indirect costs should pertain to and provide benefit to performance of contracts with the Vermont Agency of Transportation. Therefore, a field indirect cost rate, offsite indirect cost rate or otherwise adjusted indirect cost rate is required where applicable.** The indirect cost audit must be performed by an independent accounting firm or governmental body in accordance with generally accepted government auditing standards and practices. Sole proprietors and partners who cannot comply with this section should contact Contract Administration. Also attach the following financial statements: balance sheet & income statement. All schedules and statements must cover a period ending no more than eighteen months prior to the Proposal due date. The financial statements may be prepared by the submitting consultant or subconsultant, as applicable, but preparation by an independent public accounting firm is preferred. If the above documents are current and on file with the Agency, do not resubmit them. A letter indicating the documents are on file with the Agency will be sufficient.

**NOTE: An audited indirect cost rate schedule does not guarantee acceptance by VAOT and is subject to review by VAOT and /or its representatives.**

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**SECTION FOUR**

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**To be submitted with indirect cost schedule, regardless of whether or not it is audited; effective January 1, 2011**

On October 27, 2010, the Federal Highway Administration (FHWA), of the U.S. Department of Transportation, issued FHWA Order 4470.1A; with an effective date of January 1, 2011. This Order establishes the FHWA's Policy for contractor certification of the costs used to establish indirect cost rates in accordance with the applicable cost principles contained in the Federal Acquisition Regulations (FAR) for engineering and design-related service contracts funded with Federal-aid highway program (FAHP) funding and administered by State Departments of Transportation (State DOTs), local public agencies, and other grantees and sub-grantees of FAHP funding (as specified under Section 112(b)(2) of title 23 of the United States Code (U.S.C.) (23 USC 112(b)(2) and defined in Section 172.3 of title 23 of the Code of Federal Regulations (CFR) (23 CFR 172.).

Please refer to the FAR and FHWA Order 4470.1A for further information and or clarification.

The Order requires indirect costs certification, via completion and attestation, via appropriate, authorized signature, of the attached form, for all engineering consulting and design contracts. VTrans requires certification for all such contracts, regardless of funds source. Please complete the attached form.

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**I hereby certify that the foregoing document and all attachments are a statement of facts:**

Signature \_\_\_\_\_  
Date \_\_\_\_\_  
Title (Principal only) \_\_\_\_\_  
STATE OF \_\_\_\_\_  
COUNTY, SS. \_\_\_\_\_

Subscribed and sworn to me before this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
**NOTARY PUBLIC SIGNATURE**