MDOT Financial Prequalification Questionnaire For Audited Indirect Cost Rates

INSTRUCTIONS:

1. All questions/items on the Financial Prequalification Questionnaire (FPQ) must be completed accurately, thoroughly, and completely. There cannot be any blank spaces or skipped questions.
2. The FPQ includes links to various items that must be completed and attached in Excel format into the FPQ. For instructions on attaching documents using Adobe, see below.
3. The FPQ requests various written documents. These documents must be inserted in .pdf format into the FPQ. Once inserted, the document must be bookmarked. For instructions on inserting and bookmarking documents using Adobe, see below.
4. The black bookmarked items on the left, if clicked on, will take you directly to each portion of the questionnaire.
5. The red bookmarked items on the left, identify all required documents to be inserted into the FPQ.
6. The blue bookmarked items on the left, identify all required documents to be attached into the FPQ in Excel format.
7. If your firm does not possess the information, as requested in the FPQ, you must insert a sheet labeled 'Not Applicable', and the reason(s) why the items/documents/calculations are not applicable to your company. Once inserted, the document must be bookmarked. For instructions on inserting and bookmarking documents using Adobe, see below.
8. Please note that the company's primary contact for accounting related questions, or other company employees as deemed necessary by MDOT's Office of Commission Audits, might be contacted to obtain clarification, access to electronic versions of original documentation or other information pertaining to the FPQ.
9. Please submit all information electronically to MDOT e-Proposal.

NOTE**:** All references in the Financial Prequalification Questionnaire to *AASHTO Guide* pertain to the 2016 Edition of the *AASHTO Uniform Audit & Accounting Guide*.

MDOT Financial Prequalification Questionnaire For Audited Indirect Cost Rates

CONTACTS:

Financial Related Questions/Concerns:

The Office of Commission Audits ..... *(517) 335-5920*

Technical Questions/Concerns:

Contract Services Division
Tammy Haring ..... *(517) 290-9444*

RESOURCES:

Adobe Acrobat Technical Support:
https://helpx.adobe.com/acrobat.html

MDOT Technical Support:
MDOT-ServicePrequal@Michigan.gov

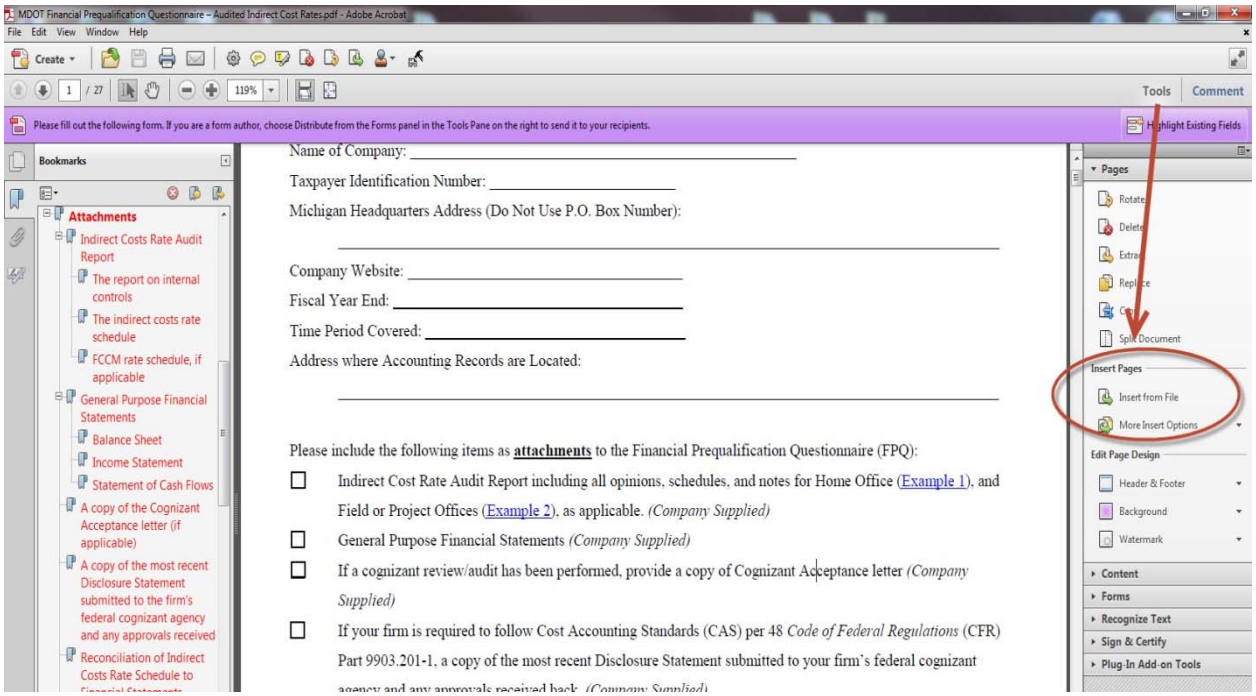
How to insert additional PDF pages into the Financial Prequalification Questionnaire (FPQ):

1. Open the FPQ in which you want to insert the new pages; make sure that all your changes are saved.

If you're not sure if the changes have been saved, choose File --> Save.

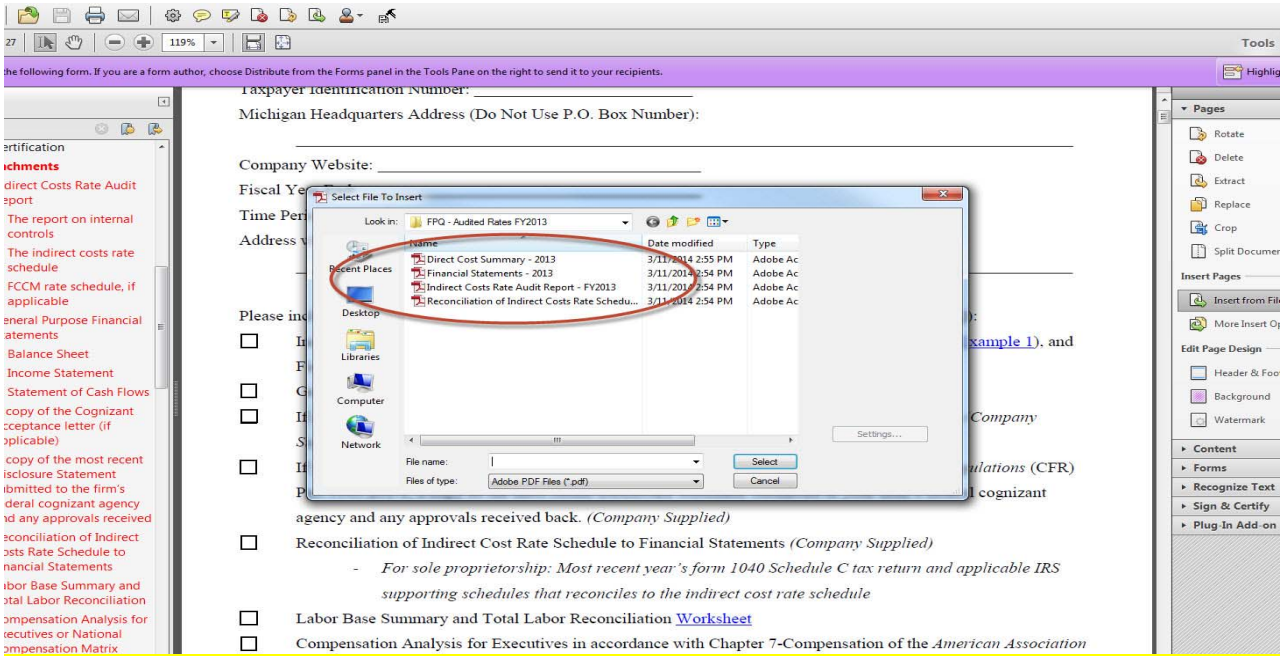
2. Choose 'Insert from File' on the Tools Pages palette.

The Select File to Insert dialog box opens.



3. Open the folder and select the file icon of the PDF document with the pages you want to insert, and then click the Select button.

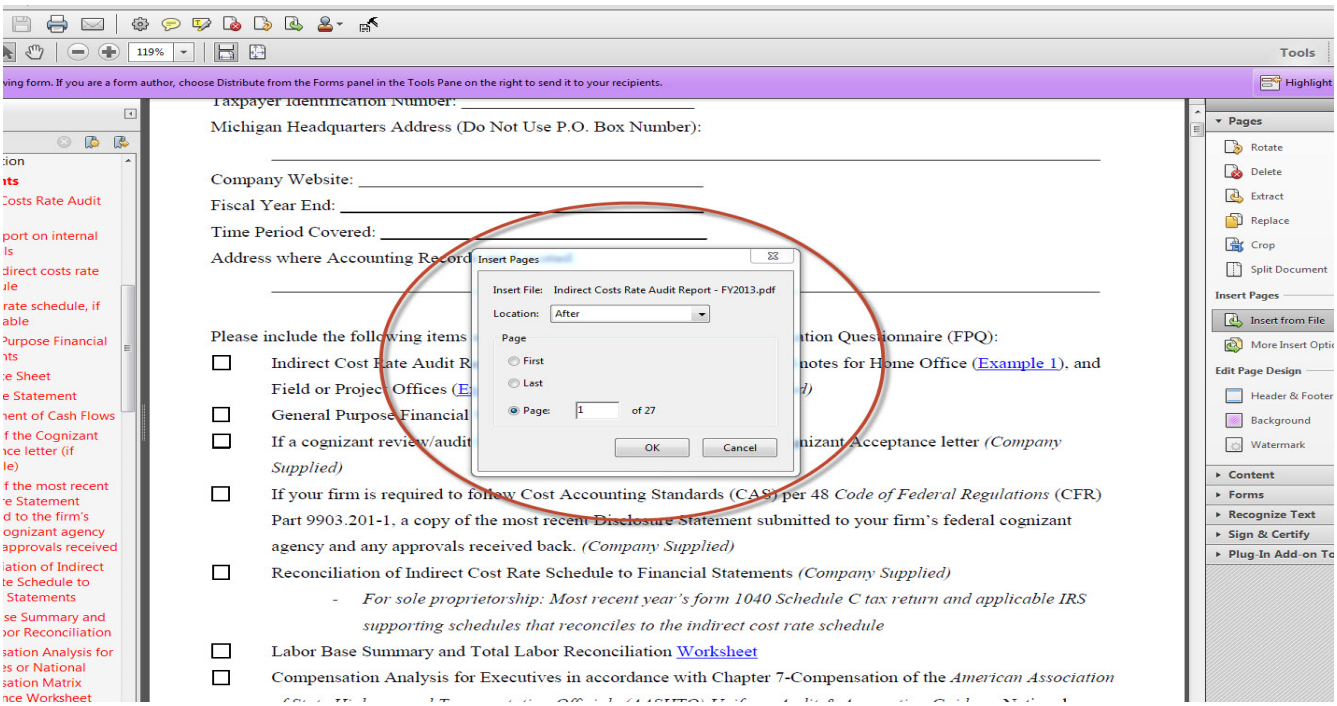
The Insert Pages dialog box ope



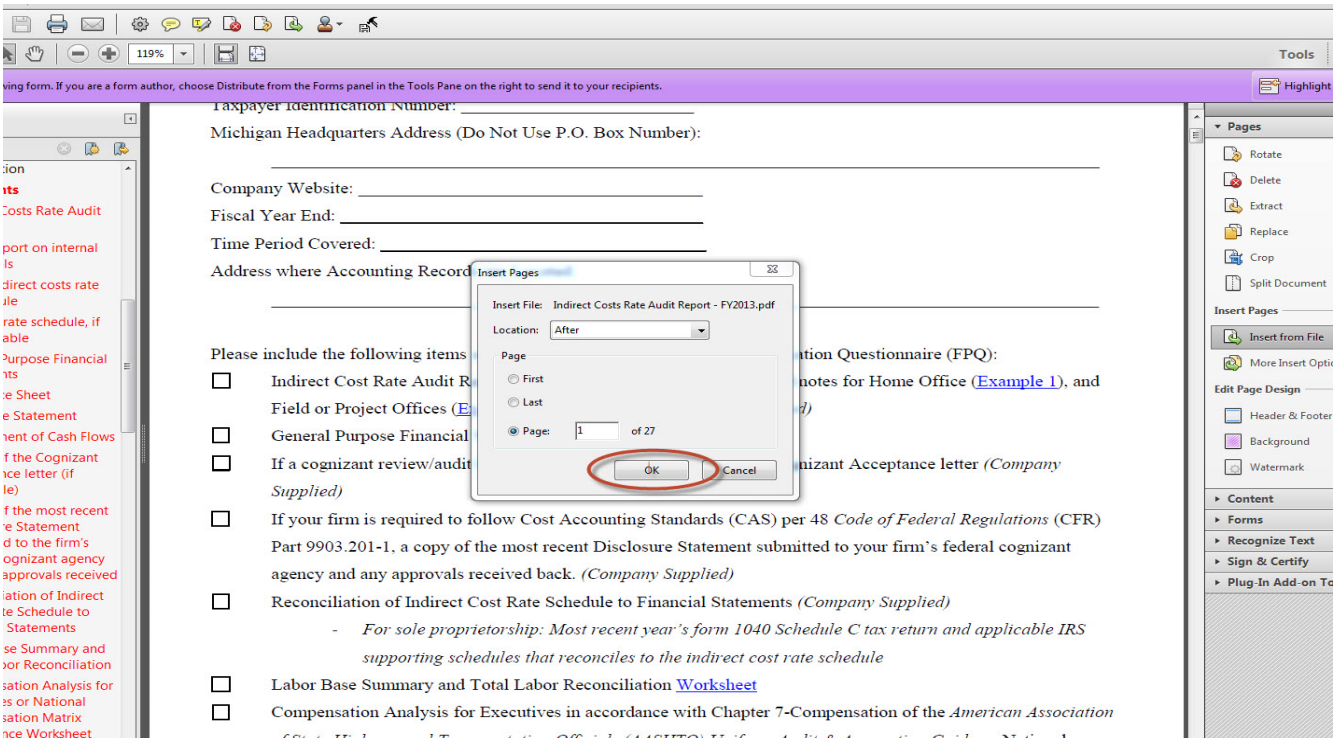
4. In the Page area, click one of the following radio buttons:

- **First:** Inserts the pages at the beginning of the PDF document, either before or after the first page.
- **Last:** Inserts the pages at the end of the file, either before or after the last page.
- **Page:** Inserts the pages either before or after the page number designated in the associated text box.

By default, Acrobat inserts the pages after the page you specify in the Page portion of the Insert Pages dialog box. To have the pages inserted in front instead, select Before on the Location drop-down list.



5. Click the OK button to have Acrobat insert the pages from the selected file.

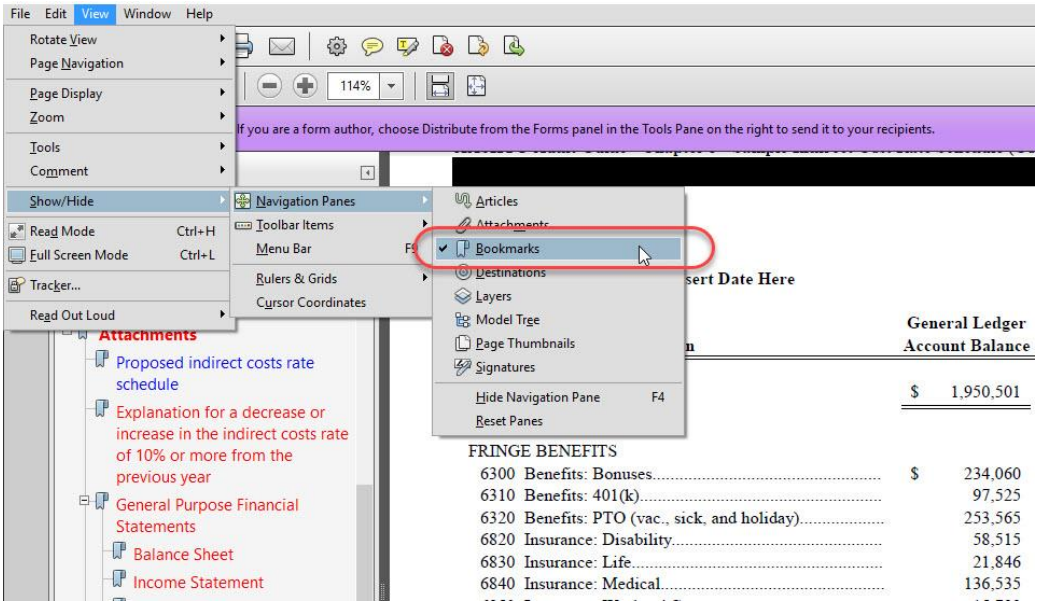


How to bookmark an inserted document in the Financial Prequalification Questionnaire (FPQ):

By navigating to a page, and to a specific view on a page, you can establish the destination of a bookmark link. With a PDF document open, follow these steps:

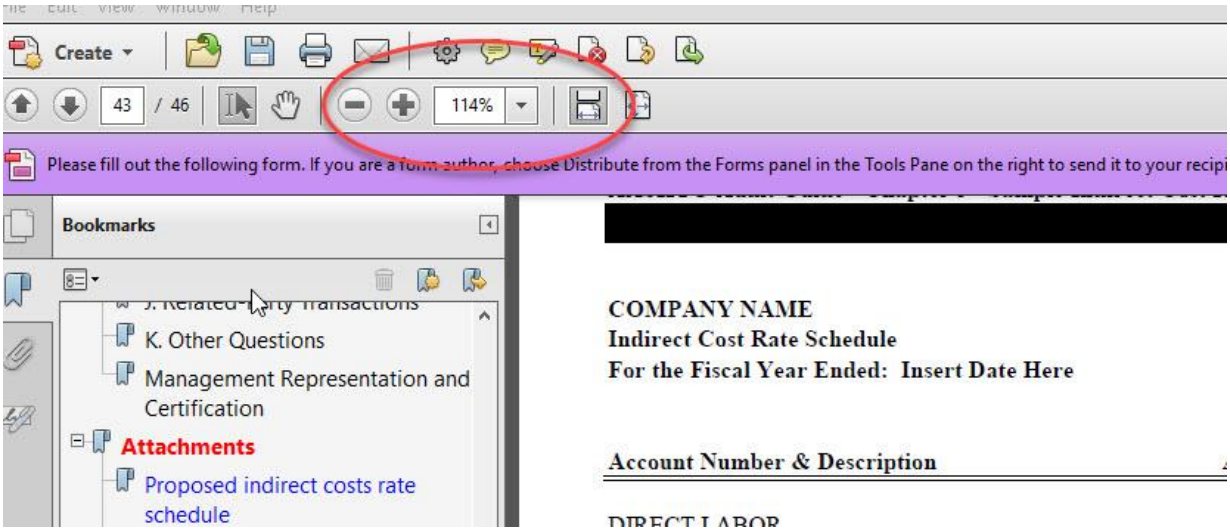
1. **If the Bookmark icon isn't visible, choose View→Show/Hide→Navigation pane→Bookmarks**

   The Bookmarks panel appears on the left of the Document window.

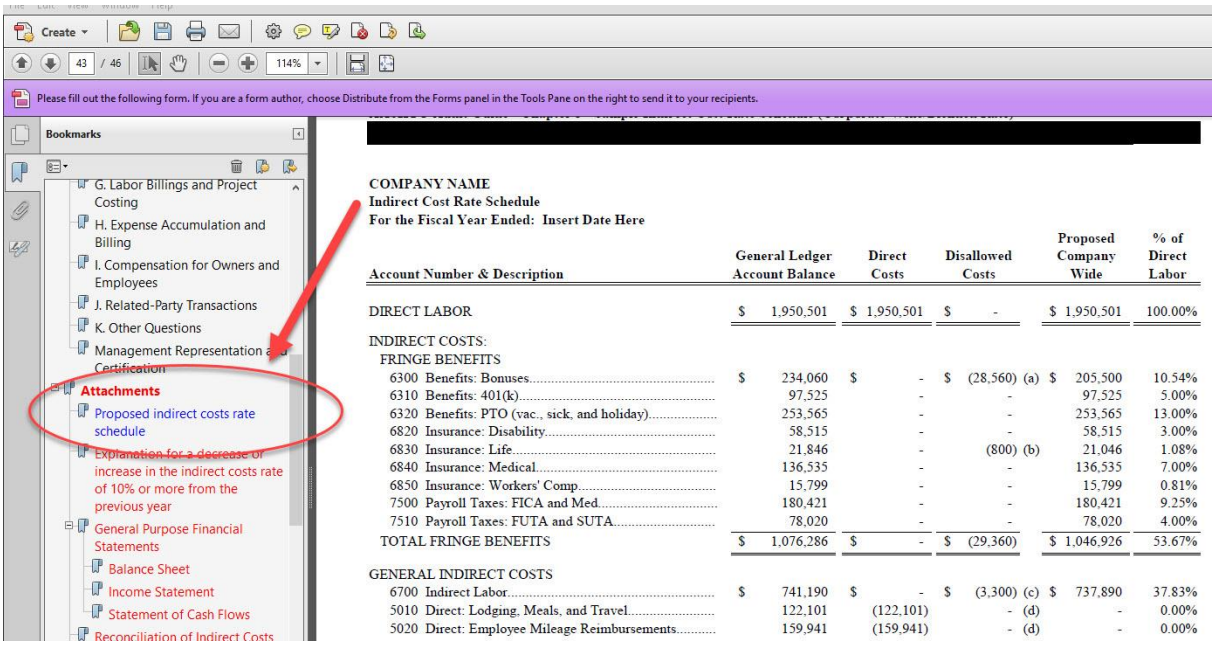


2. **Set the magnification of the view that you want by using the Marquee Zoom tool to either zoom in or zoom out.**

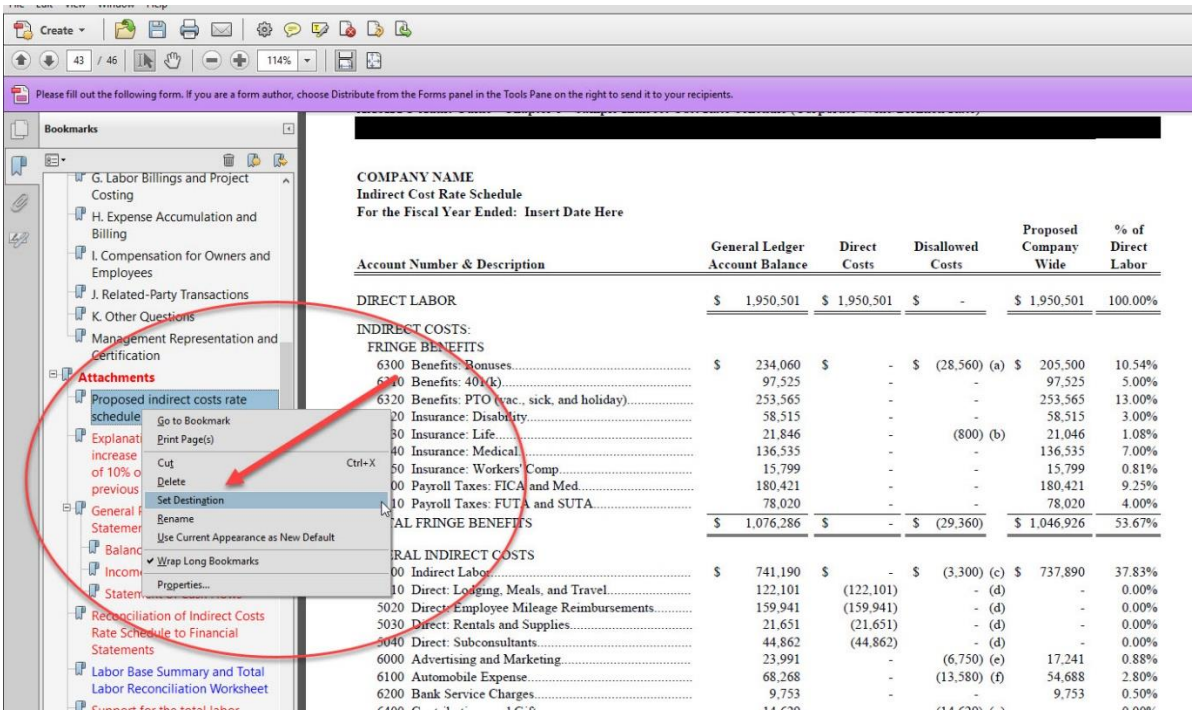
   The zoom level that you're at when you create the bookmark is the view that viewers see when they click the bookmark.



3. **In the Bookmarks panel, navigate to the bookmark that you want to set as your destination.**



4. **Right click the bookmark and choose 'Set Destination'.**



5. **Test your bookmark by scrolling to another page and viewing it in the Document window; then click your saved bookmark in the Bookmark panel.**

The Document window shows the exact location and zoom that you selected when you created the bookmark.

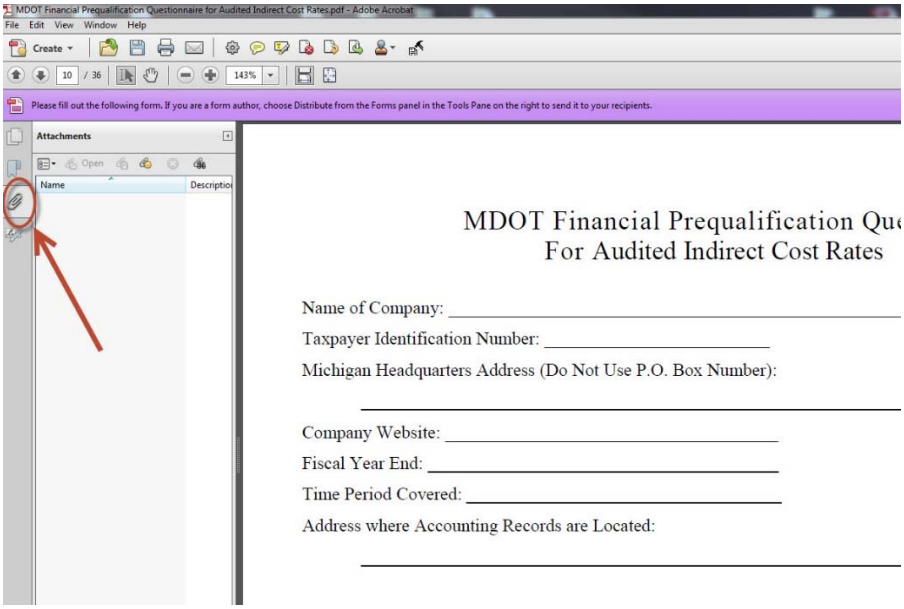
How to attach Excel Spreadsheets to the Financial Prequalification Questionnaire (FPQ):

1. **Open the FPQ in which you want to attach the spreadsheet; make sure that all your changes are saved.**

   If you're not sure if the changes have been saved, choose File → Save/Save As → In the File Name List, type or select a name for the file → In the Save as Type list, click PDF.

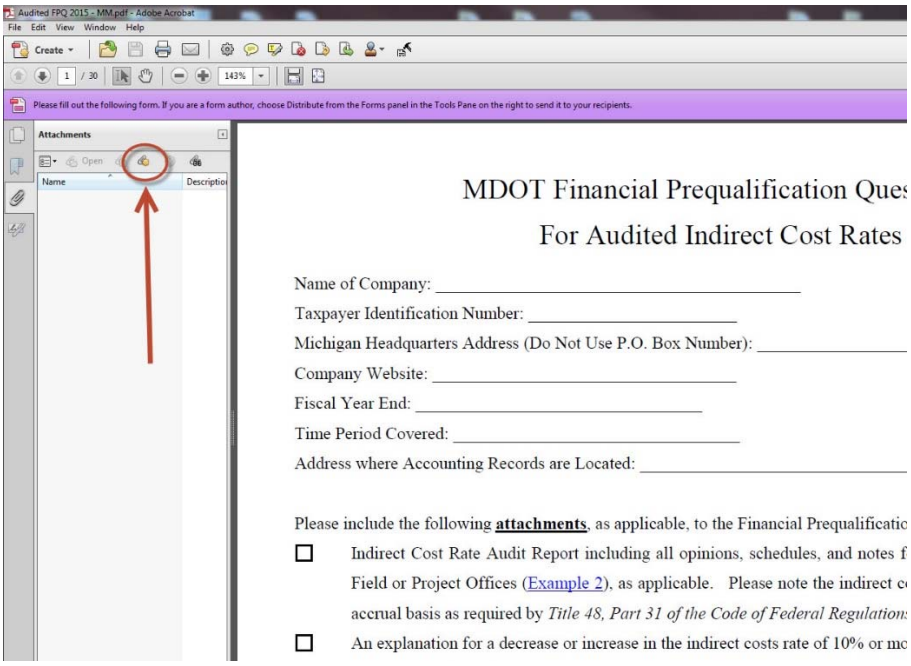
2. **Before attaching documents, be sure all changes to the Excel spreadsheet(s) are saved prior to opening the FPQ.**

3. **Locate the Attachments panel (Paperclip Icon)**

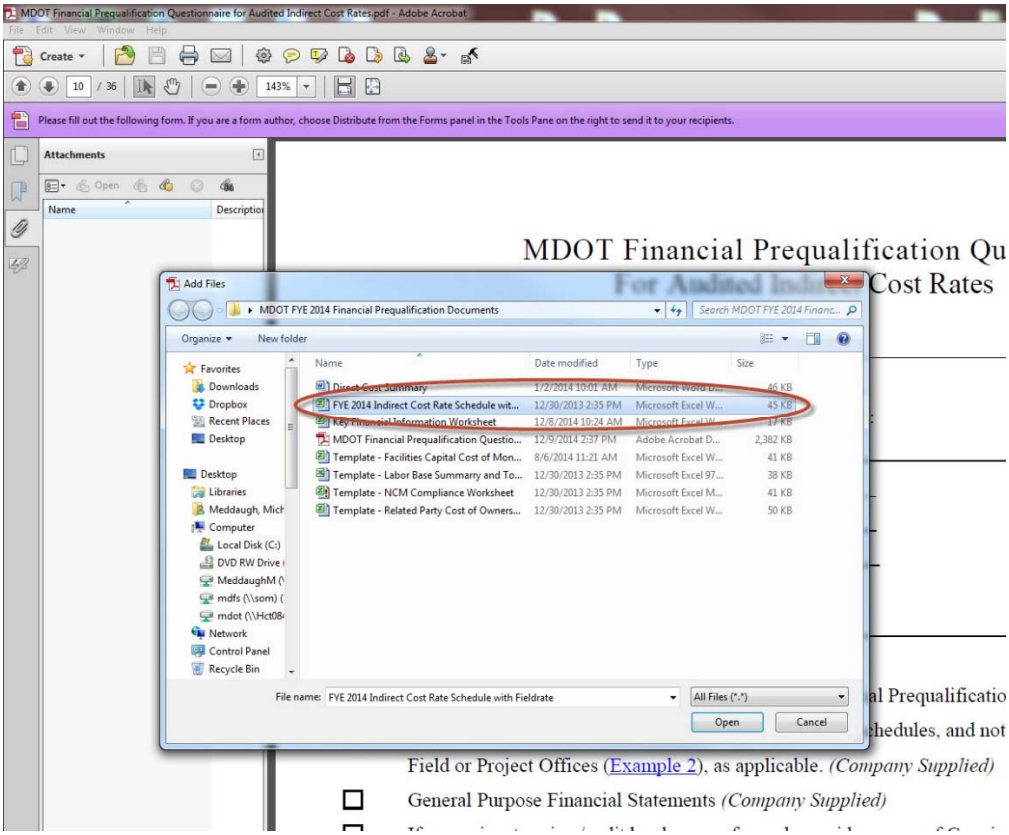


4. **In the Attachments Panel, select the "Add a New Attachment" icon.**

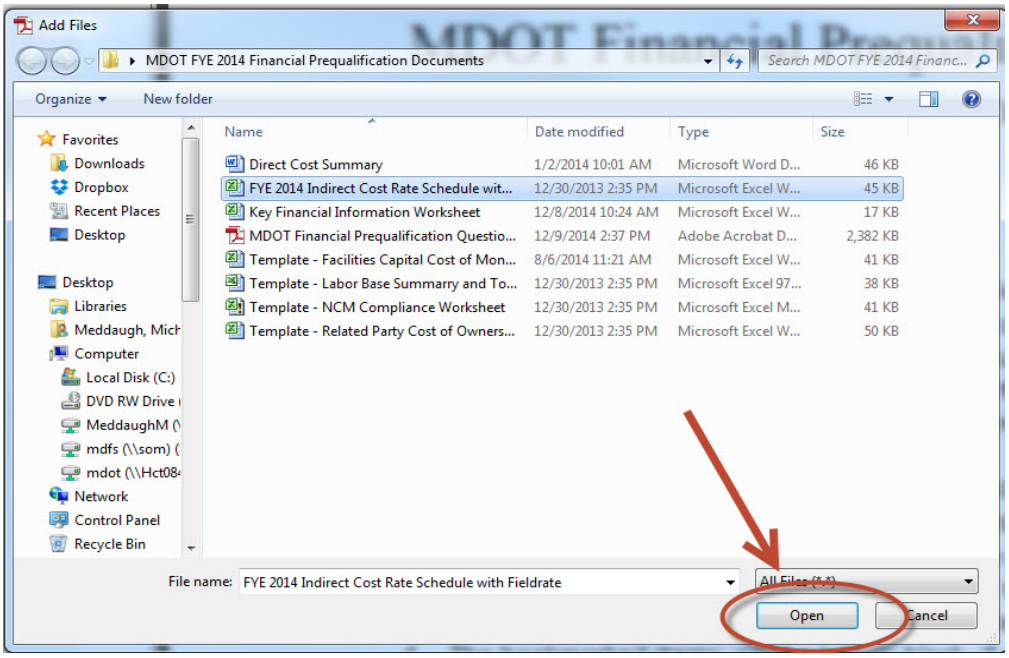
   The Add Attachment dialog box will open.



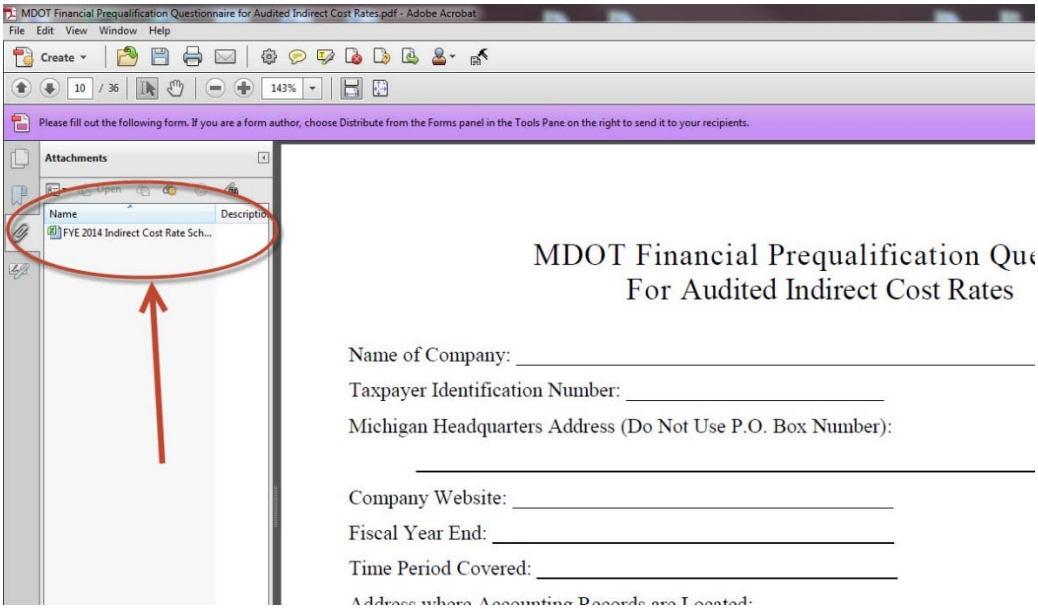
5. **Navigate to the appropriate Excel file you want to attach.**



6. **Double click on a the selected file or select "Open" to complete the process.**



7. **Verify the appropriate document has been attached.**



MDOT Financial Prequalification Questionnaire
For Audited Indirect Cost Rates

Name of Company: _____

Taxpayer Identification Number: _____

Michigan Headquarters Address (Do Not Use P.O. Box Number): _____

Company Website: _____

Fiscal Year End: _____

Time Period Covered: _____

Address where Accounting Records are Located: _____

Proposed Indirect Cost Rate(s):
(Please limit all rates to a two-decimal percentage, e.g., 127.39%)

Indirect Cost Rate	Rate Type: (Home office, field office, other, etc.)

Proposed Facilities Capital Cost of Money (FCCM) Rate(s):
(Please limit all rates to a two-decimal percentage, e.g., 0.39%)

FCCM Rate	Rate Type: (Home Office, Field Office, Other, etc.)

Please include the following **attachments**, as applicable, to the Financial Prequalification Questionnaire (FPQ):

- ☐ Indirect Cost Rate Audit Report including the report on internal controls and all opinions, schedules, and notes for Home Office (Example 1), and Field or Project Offices (Example 2), as applicable. Please note the indirect costs rate must be calculated on the accrual basis as required by *Title 48, Part 31 of the Code of Federal Regulations (Company Supplied)*
- ☐ General Purpose Financial Statements *(Company Supplied)*
- ☐ If a cognizant review has been performed, provide a copy of the Cognizant Acceptance letter *(Company Supplied)*
- ☐ Direct Cost Summary Worksheet
- ☐ Support for labor rates of individuals that are, or might be, assigned to MDOT projects. This support must include a listing of the employees by name, job title/classification, and actual current pay rate: and a company officer must certify the labor rates *(Company Supplied)*
- ☐ If multiple rates are proposed, an explanation of when each rate will be utilized. *(Company Supplied)*
- ☐ If the company received a Paycheck Protection Program (PPP) loan through the Federal Coronavirus Aid, Relief, and Economic Security Act complete this Worksheet.

MDOT Financial Prequalification Questionnaire
For Audited Indirect Cost Rates

Please identify the company's primary contact(s) for accounting questions:

Name: _____

Title: _____

Number of Years in this Capacity: _____

Number of Years with this Company: _____

Phone Number: _____

E-mail Address: _____

Mailing Address (if different than headquarters address previously listed):

_____

Please identify the individual(s) who completed the FPQ:

Name: _____

Title: _____

Phone Number: _____

E-mail Address: _____

A. Background Information

A.1. Year Established. When was the company formed? _____

A.2. Business Form. What form of business entity is the company?

☐ Sole Proprietorship ☐ Partnership ☐ C Corporation ☐ Limited Liability Company

☐ S Corporation ☐ Other: _____

A.3. Parent/Subsidiary. Is the company a subsidiary of any other company or part of a controlled group?

☐ Yes ☐ No

If yes, please explain:

A.4. Common Ownership. Does the company own or control any other company or legal entity (e.g., trust or foundation) through common ownership? (*AASHTO Guide* Section 8.23.B)

☐ Yes ☐ No

If yes, please explain:

A.5. Ownership. Please identify the stockholders, partners, or other owners with greater than five percent ownership of the company and their respective percentages of ownership. Identify all company officers including titles.

Table 1: Company Ownership

Name	Title	Ownership Percentage
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%
		%

A.6. Services Provided. What types of services does the company provide? (e.g., architectural, engineering design)

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

A.7. Locations. How many offices does the company operate in Michigan, and where are these offices located?

1. Number: _____
2. Locations: ☐

A.8. Number of Employees.

1. How many employees (including managers and principals) does the company currently employ globally?

   a. Full time: _____ b. Part time: _____

2. Has this number changed since the last fiscal year?

   ☐ Yes ☐ No

   If yes, please explain: ☐

A.9. Revenue Sources.

1. For the most recent fiscal year, what percentage of the company's revenue was generated from the following?

   a. State government: _____% c. Local government: _____%

   b. Federal government: _____% d. Commercial/private: _____%

2. Please specify all revenues earned as either a prime consultant or subconsultant:

GAAP Gross Company Revenues

	As a Prime Consultant	As a Subconsultant	Total
Revenues from MDOT Projects			
Revenues from Other Customers			
Total Company Gross Revenue			

GAAP Net Company Revenues

	As a Prime Consultant	As a Subconsultant	Total
*Net Revenues from MDOT Projects			
Net Revenues from Other Customers			
Total Company Net Revenue			

**Net MDOT revenue is defined as all monies paid directly or indirectly to a consultant by MDOT, for the consultant's fiscal year, for any work performed for MDOT as both a prime consultant and as a subconsultant, minus any monies paid by the consultant to its subconsultant(s) for MDOT work performed during the consultant's fiscal year.*

A.10. Contract Mix.

1. What percentage of the company's **MDOT** revenue was generated from the following contract payment types?

   a. Lump sum: _____% b. Cost plus (time and materials): _____%

   c. Cost plus fixed fee: _____% d. Other: _____%

   If other, please explain:

2. What percentage of the company's **non-MDOT** revenue was generated from the following contract payment types?

   a. Lump sum: _____% b. Cost plus (time and materials): _____%

   c. Cost plus fixed fee: _____% d. Other: _____%

   If other, please explain:

A.11 Countries/States the Company is Currently Doing Business In. How many countries and states is the company currently doing business in?

1. Countries: _____ 2. States: _____

Please provide a list of the countries and states:

B. Accounting: General Background

B.1. Fiscal Year End. Has the company used the same fiscal year end for the past two years?

☐ Yes ☐ No

If no, please explain:

B.2. Accounting Method/Basis.

1. What basis of accounting does the company use to prepare general purpose financial statements?

☐ Cash ☐ Accrual ☐ Hybrid

If hybrid, please explain:

2. Was the company's indirect cost rate schedule prepared on the accrual basis?

☐ Yes ☐ No

If the indirect cost rate schedule was not prepared on the accrual basis, please provide an explanation of how the rate is in compliance with FAR part 31.201-2(a)(3). Please note that the FAR does not allow a rate that was calculated on a cash or income-tax basis.

B.3. 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 explain in detail:

B.4. Preparing the Indirect Cost Schedule.

1. How frequently does the company prepare an indirect cost rate schedule to determine costs eligible for reimbursement per FAR Part 31?

☐ Annually ☐ Other

If other, please explain:

2. Was the most recent indirect cost rate schedule prepared by the company or by another entity (e.g., CPA firm)?

☐ Internal staff ☐ External party

If external Party, please explain:

3. Period covered by most recent indirect cost schedule:

☐ One-year period ended _____

☐ Other (please explain):

B.5. Fraud, Abuse, and Contract Violations. Is the company's management aware of any instances of fraud, illegal acts, abuse, or violations of contracts provisions or grant agreements?

☐ Yes ☐ No

If yes, please explain:

B.6. Knowledge of FAR Part 31. Are appropriate personnel within the company familiar with FAR Part 31?

☐ Yes. Please identify the personnel names and titles:

☐ No. If no, please explain:

B.7. Audits/Examinations. Within the past three years, has a CPA or governmental agency performed an independent audit, review, attestation, or compilation of the company's financial data or any phase of operations?

☐ Yes. If yes, please complete the following (if applicable). ☐ No

a. **Financial Statements**: ☐ Audit ☐ Review ☐ Compilation ☐ Attestation

☐ Other (please explain): _____

Name of CPA or Agency: _____

Primary Contact: _____

Fiscal Year End Covered: _____

b. **Indirect Cost Rate**: ☐ Audit ☐ Review ☐ Compilation ☐ Attestation

☐ Other (please explain): _____

Was the indirect cost rate calculated in accordance with FAR Part 31? ☐ Yes ☐ No

Name of CPA or Agency: _____

Primary Contact: _____

Fiscal Year End Covered: _____

c. **Project Audits**: ☐ Audit ☐ Review ☐ Compilation ☐ Attestation

☐ Other (please explain): _____

Name of CPA or Agency: _____

Primary Contact: _____

Fiscal Year End Covered: _____

B.8. Paycheck Protection Program Did the company received a Paycheck Protection Program (PPP) loan through the Federal Coronavirus Aid, Relief, and Economic Security Act?

☐ Yes. If yes, please complete the PPP Loan Worksheet.

☐ No

Management Representation and Certification

I, the undersigned, hereby certify that the following is true and accurate:

1. I am an owner and/or officer of this company and am duly authorized to sign this representation and certification on behalf of the aforementioned company, and that through my signature the company is responsible for this Management Representation and Certification.

2. I certify that to the best of my knowledge and belief this Financial Prequalification Questionnaire (FPQ) and attachments are a complete and accurate representation of the aforementioned company's cost accounting and billing practices.

3. I certify that I have reviewed this proposal to establish final indirect cost rate(s) and to the best of my knowledge and belief: (1) All costs included in this proposal are allowable in accordance with cost principles of the Federal Acquisition Regulation (FAR) of title 48, Code 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.

4. All known material transactions or events that have occurred affecting the company's ownership, organization and indirect cost rates have been disclosed.

5. For the annual accounting period represented by the overhead cost rate included with this submission, and the two (2) annual accounting periods preceding the annual accounting period represented by the overhead cost rate included with this submission: Any documentation related to our accounting system, internal control, financial information and overhead cost rate, from any independent audit, examination, compilation, or review of the overhead cost rate will be made available to MDOT or its representatives to audit, examine, review, assess, inspect, investigate, copy, and/or scan if MDOT or its representative deems it necessary. In addition, any CPA working papers resulting from any independent audit, examination, compilation, or review will be made available to MDOT or its representatives to audit, examine, review, assess, inspect and/or investigate. Any such audit(s), examination(s), review(s), assessment(s), inspection(s), investigation(s) performed as part of, or as a result of the information provided as part of this prequalification process will allow MDOT to make financial adjustment to charges for which this company has requested reimbursement via an MDOT service contract, and require this company, in a Prime Consultant and/or Subconsultant role, to be directly liable for any monies owed MDOT. The abovementioned audit, examination, review, assessment, inspection, and/or investigation and its corresponding potential liability is separate and distinct from those contract audits performed by MDOT, however, any irregularities determined may involve a review of charges made to existing contracts or contracts that have been closed out by MDOT, for the period of time stated above. By submitting this application, this company agrees to comply with the Audit and Record Keeping language provided in the Michigan Department of Transportation Consultant Prequalification Application Instructions.

6. I acknowledge that the information in this FPQ and attachments are being submitted for the express purpose of seeking and being eligible to be awarded contracts with the Michigan Department of Transportation, and that these contracts may include federal funding.

_____

Printed Name

_____	_____	_____
Electronic Signature	**Title**	**Date Completed**

Note: The representations on this FPQ were made by, and are the responsibility of, the company's management.