

Modifications to the MDOT Safe Harbor Overhead Rate Guidelines

In 2016, as part of MDOT's permanent implementation of the safe harbor rate, Safe Harbor Overhead Rate Guidelines were developed. The 2016 guidelines stated in part, "Any existing contracts utilizing the Safe Harbor rate must be invoiced at the Safe Harbor rate for its entirety". This language prohibited safe harbor users who subsequently established an MDOT approved compiled/audited overhead rate to utilize the current rate for invoicing purposes. This became especially relevant for consultants with multi-year contracts, or contracts where amendments were deemed necessary.

In an effort to allow safe harbor users who have since established an MDOT approved compiled, audited or cognizant overhead rate, the [MDOT Safe Harbor Overhead Rate Guidelines](#) have been revised to state:

If during the life of a contract, a consulting firm, utilizing the safe harbor rate, establishes a compiled, audited, or cognizant rate, that is approved by MDOT, that rate must be used for contracting and invoicing purposes, for the effective dates indicated in the MDOT overhead acceptance letter.

This revision allows firms with safe harbor contracts to utilize current MDOT approved rates on all invoice submittals for work performed on or after the date of this Advisory. Per MDOT guidelines, there will be no adjustments in the contract maximum attributable to overhead rate changes. Overhead rates are effective for a period of twelve months.